

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

VALUE FOR MONEY STRATEGY: BETTER VALUE TOGETHER

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To provide the Audit Committee with an appropriate level of assurance that the council's Value for Money (VfM) arrangements are adequate.
- 1.2 The key points in this report are:
- Value for Money (VfM) is essential for ensuring that council services provide the best possible outcomes from available resources;
 - Local people, businesses, elected members and external organisations expect the council to provide VfM and to demonstrate its commitment to continuous improvement;
 - A VfM strategy has been developed to focus and steer the council's improvement activity. It was approved by Cabinet in February 2010;
 - The committee is asked to consider whether the VfM Strategy provides sufficient assurance that the council's VfM improvement measures are adequate.

2. BACKGROUND INFORMATION

- 2.1 Value for money (VfM) is about getting the best possible outcomes for local people from the resources available to the council. It recognises the relationship between economy (cost), efficiency (productivity) and effectiveness (impact). VfM is achieved where there is the optimum combination of these elements – relatively low costs, high productivity and successful outcomes.
- 2.2 VfM performance is important – local people, service users, businesses, council taxpayers and elected members rightly expect value for money from their council.
- 2.3 Increasingly external inspection bodies such as the Audit Commission expect the council to demonstrate good value; VfM is now a key element of the CAA organisational assessment. The development of VfM performance across the public sector is central to an increasing range of national and regional initiatives, notably:

Comprehensive Area Assessment – the council’s performance in tackling priorities for the area

Efficiency (Gershon) Savings – government expectations of c. 4% cash releasing savings every year

National Indicator 179 – the annual requirement to report the council’s cash-efficiency gains and to include this information on council tax bills

Regional Improvement & Efficiency Partnership & Strategy – regional vision for councils to deliver excellent value for money across Yorkshire & Humber

2.4 The council has a long history of providing and demonstrating value for money. Work over the last few years to develop the council’s VfM capability has delivered improvement and the concept of VfM is recognised and well understood by service managers. A wide array of initiatives have been implemented to raise awareness, ranging from training for managers to specific VfM reviews and the incorporation of VfM benchmarking and profiling in service plans.

2.5 A recent and challenging council-wide self-assessment using external benchmarking data and inspection opinion revealed that the majority of the council’s services are low to average cost and demonstrate generally average performance when compared with other councils.

2.6 However our performance trend and external perceptions of our VfM performance are not as positive. Under the 2009 Use of Resources assessment the council’s performance was rated as “adequate”. The 2008 Place Survey revealed that only 25% of residents believe that the council provides VfM. The majority of respondents had a neutral view however a third (34%) stated that they did not believe that the council provided value for money.

2.7 A VfM strategy has been produced in recognition of these findings to help focus and steer our improvement work through:

- affirming our aspiration for continuous and sustainable improvement
- recognising the local, regional and national drivers for improvement
- highlighting where our performance is good and where improvement is needed
- detailing the key themes which influence the value we provide
- setting out the recognised tools which we are using to improve performance
- specifying targets for the achievement of key actions designed to drive improvement

2.8 A number of themes have been identified as key to driving improvement:

Business Process Improvement – streamlining how we work through reviewing, challenging and improving processes; making better use of technology; reducing errors and duplication

Asset Management – making best possible use of our assets; rationalising our asset base where appropriate; strengthening our approach to investment and maintenance decisions through adopting total cost of ownership models

Strategic Procurement & Commissioning – ensuring that we look at the different ways of providing existing and new services and select the best option; continuing to use best practice techniques when acquiring supplies, services and works from third parties

Sustainability – ensuring we consider whole life costs when we make our procurement decisions and minimise our impact on the environment through better carbon and energy management

Workforce Development – ensuring our workforce is valued and appropriately trained and equipped to improve and maximise its productivity

Transformation – working in concert with our partners to transform North Lincolnshire will require step improvement through making major changes to the way the council operates, such as WorkSmart and exploring shared services

Financial Strategy – the level we set council tax at, how and when we charge for services and how effective we are at managing our finances determines how cost effective our services are to the public and perceptions they hold of the value we provide

Performance – maintaining our focus on priorities; tackling under performing services; improving accountability, customer service and outcomes as well as better communication with the public are key to delivering and demonstrating improvement

- 2.9 The strategy will be updated annually to recognise progress and external developments. Progress with the action plan will be reported to the Committee at regular appropriate intervals.

3. **OPTIONS FOR CONSIDERATION**

- 3.1 The committee is asked to consider whether the VfM Strategy provides sufficient assurance that the council's VfM improvement measures for 2010 – 2013 are adequate and to detail any amendments necessary to strengthen them.

4. **ANALYSIS OF OPTIONS**

- 4.1 As detailed above.

5. **RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

- 5.1 Improving VfM is crucial for ensuring that the council delivers optimum performance from its available resources

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

6.1 None identified. A diversity impact assessment has been completed on the strategy and no adverse findings were identified.

7. OUTCOMES OF CONSULTATION

7.1 The strategy and supporting action have been considered and agreed by the council's former Value for Money Board and Internal Programme Board. It was approved by Cabinet in February 2010.

8. RECOMMENDATIONS

8.1 That the Audit Committee considers whether the Value for Money Strategy attached with the report provides sufficient assurance that the council's VfM improvement measures for 2010 – 2013 are adequate.

SERVICE DIRECTOR FINANCE

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Date: 16 March 2010

Background Papers used in the preparation of this report:
VfM Strategy 2010 - 2013

value for money

BETTER VALUE TOGETHER

2010-13

value for money strategy

BETTER VALUE TOGETHER

2010-13

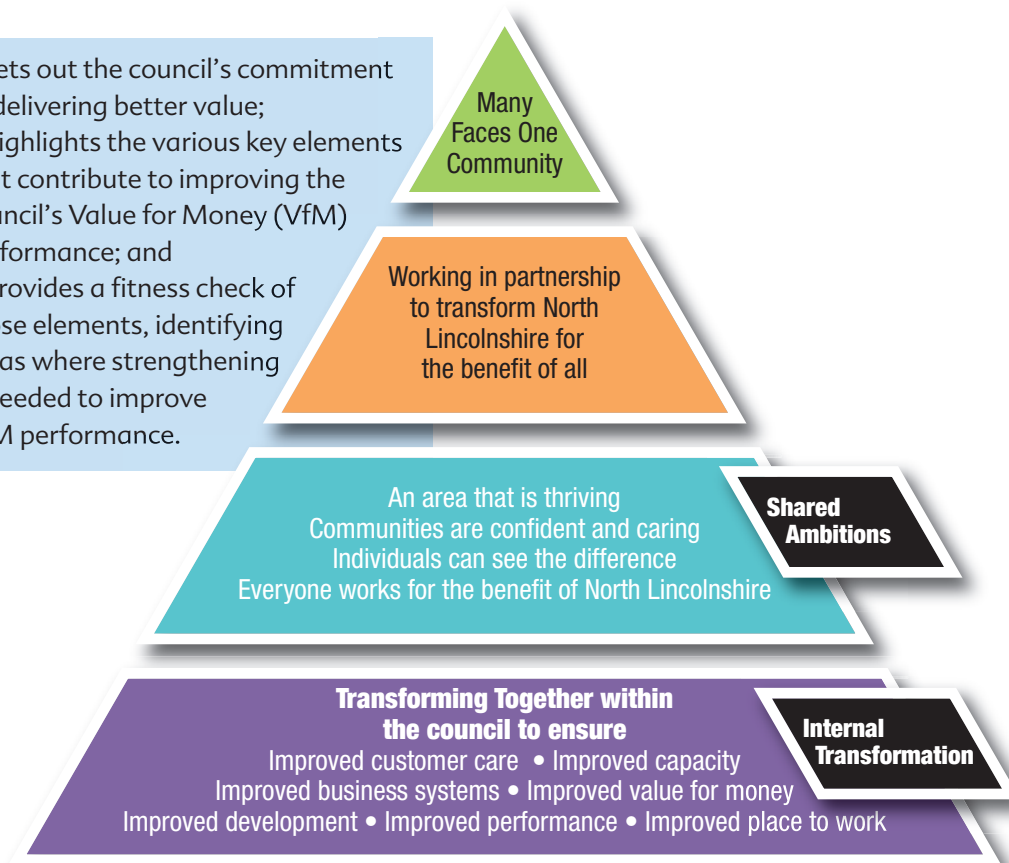
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Introduction

‘Better Value Together’ assists the council in improving the value it delivers to the people of North Lincolnshire. The purpose of the strategy is three fold:

- It sets out the council’s commitment to delivering better value;
- It highlights the various key elements that contribute to improving the council’s Value for Money (VfM) performance; and
- It provides a fitness check of those elements, identifying areas where strengthening is needed to improve VfM performance.



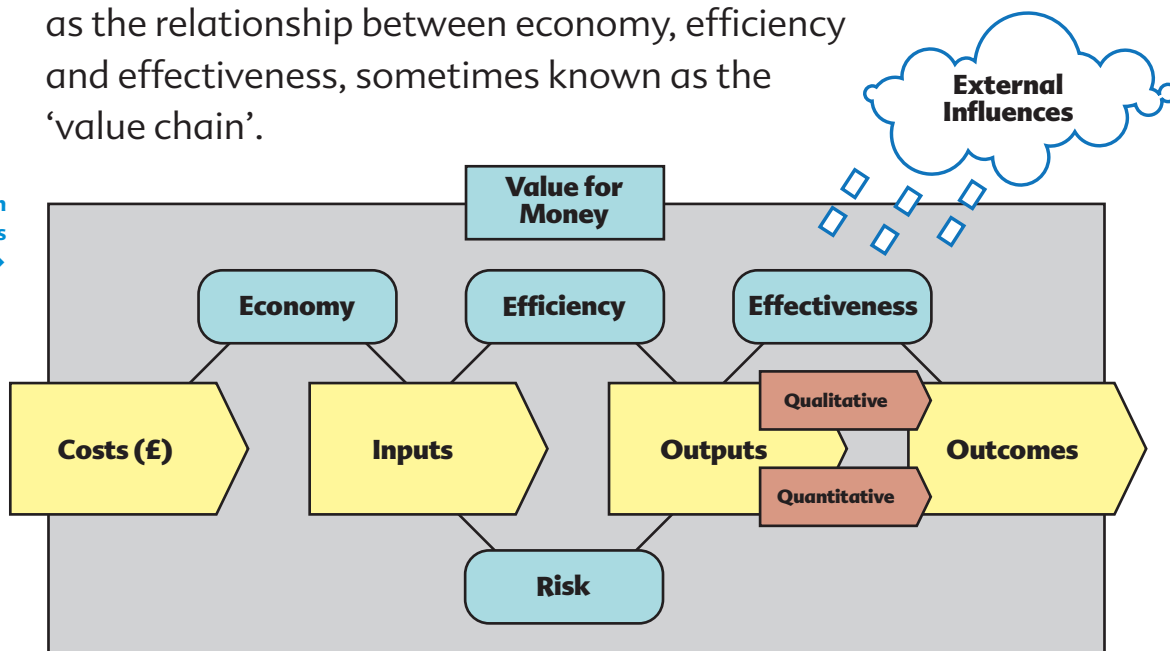
The shared ambitions are what the council and its partners intend to achieve for North Lincolnshire. They aim to transform the area, our communities and the lives of individuals who live and work here. Further information can be found in the North Lincolnshire Council - Sustainable Community Strategy.

Going Forward Together, the North Lincolnshire Strategic Plan, sets out the council’s internal ambitions and priorities for development. The VfM Strategy helps to deliver the council’s strategic plan. It helps to ensure efficient use of resources and effective value for money performance across the council.

Defining Value for Money

Value for Money (VfM) has long been defined as the relationship between economy, efficiency and effectiveness, sometimes known as the 'value chain'.

The Audit Commission illustrate VfM as follows →



Economy is the price paid for what goes into providing a service, for example, the cost per hour of care workers; the rent per square metre of accommodation.

Efficiency is a measure of productivity – how much you get out in relation to what is put in. For example, the efficiency of services such as rent collection may be measured by the cost of the service compared to the rent roll. Similarly, resident participation costs may be expressed as an annual sum per resident.

Effectiveness is a measure of the impact achieved and can be quantitative or qualitative. For example, how many people were prevented by home care services from needing residential care (quantitative); satisfaction levels among different sections of the community with tenant participation arrangements (qualitative), and so on. Outcomes should be equitable across communities, so effectiveness measures should include aspects of equity. Effectiveness is primarily

associated with the outcomes for customers.

VfM is achieved when there is an optimum balance between all three – relatively low costs, high productivity and successful outcomes. **(Source: Audit Commission)**

The Improvement and Development Agency (IDeA) in its procurement guidance defines best value for money as the 'optimum combination of whole-life costs and benefits to meet the customer's requirement'.

VfM involves looking at the relationship between these measures and 'benchmarking' (i.e. comparing ourselves against other similar councils). This allows us to consider whether we are offering the best service that we can for the current cost and helps us to share good practice with other councils. It also helps us to ensure our targets and achievements are in line with, if not above, the national average.

Your Library

- 681,000 books and other materials issued last year
- 523,336 library visitors in 2007-08
- 86,978 sessions on library computers
- 93.4 per cent of library users rate the service as 'good' or 'very good'

cost:

28p*

per resident per week

*average cost of running the library service

Where Are We Now?

National Context

The concept of Value For Money (VfM) is a key feature of the work conducted by all public sector organisations. As a council we must demonstrate how VfM has been achieved in the Use of Resources (UoR) block of the Government's Comprehensive Area Assessment (CAA) of councils.

CAA & Use of Resources

Use of Resources (UoR) is an Audit Commission assessment of how well councils manage their resources to deliver VfM and better sustainable outcomes for local people. The UoR assessment is structured into three themes with VfM at the core of these:

- Managing finances
- Managing resources
- Governing the business

The three areas are evaluated based on key lines of enquiry (KLOE) by the council's external auditors. The KLOEs for 2010/11 are more broadly based than previous year's and embrace wider resource issues such as people and workforce planning and the use of natural resources. They also focus on VfM achievements, outputs and outcomes rather than processes.

Spending Review 2004 & Comprehensive Spending Review 2007

The 2004 Spending Review (SR04) required local authorities under the Gershon initiative to achieve 2.5% efficiency gains by 2007/8. At least half of these gains were to be cash-releasing.

As part of the 2007 Comprehensive Spending Review (CSR07) Local Authorities are expected to deliver an ambitious programme of service developments and improvements, which it is anticipated will be delivered through the achievement of greater efficiencies within services. Unlike SR04 the council has not been set a specific target for efficiency gains, although 3%; 3%; 4% cash releasing efficiency gains are expected in 2008/9, 2009/10 and 2010/11.

National Efficiency Measure

The council is required to report cash-releasing efficiency gains on the basis of a National Indicator 179, which is: *'The total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008/9 financial year.'*

The national indicator has replaced the annual efficiency statement and will require the council to report twice yearly. Once in October as a forecast for the position at the end of the year and once in July when actual cash-releasing savings for the financial year will be reported.

The successful delivery of the 4% efficiencies will be reviewed as part of the Comprehensive Area Assessment.

From 2008/09 Use of Resources will be assessed under the new Comprehensive Area Assessment (CAA)

The strategy details four work programmes that are being developed to support authorities in achieving step change in improvement and efficiency

National Improvement & Efficiency Strategy

The National Improvement & Efficiency Strategy was published following the announcement of CSR07. It acknowledged that councils have come a long way in increasing efficiency, but delivering improvements in the face of considerable environmental, economic and social challenges will require new levels of innovation and improvement.

Regional Context

Yorkshire & Humber Regional Improvement & Efficiency Strategy

In response to the National Improvement & Efficiency Strategy, all Regional Improvement & Efficiency Partnerships (RIEPs) have developed regional improvement strategies. The Yorkshire & Humber Regional Improvement Partnership (Y&HRIEP) sets out a vision for authorities and their partners in delivering excellent performance and value for money throughout the region. The strategy details four work programmes that are being developed to support authorities in achieving step change in improvement and efficiency. The four work programmes for the region are

- Economic Growth, Prosperity & Inclusion
- Climate Change & Sustainability
- Personalisation, Health, Social Care & Criminal Justice
- Corporate Improvement & Value for Money

Local Context

CAA Organisational Assessment

The Audit Commission has rated the council's performance as 'adequate' under its Comprehensive Assessment (CAA). The Audit Commission recognised that the council has made adequate progress on tackling the priorities agreed for North Lincolnshire. It is adequate overall at managing its money and making savings.

CAA Use of Resources

The Audit Commission's Use of Resources assessment recognises how North Lincolnshire Council manages its finances and provides value for money.

Use of resources	2005	2006	2007	2008	2009
We have assessed how well the Council manages its finances and provides value for money.	3	3	3	3	2

The assessment in 2009 changed and included wider assessment criteria and more challenging improvement targets.

Use of Resources Judgement 2009

The individual scores for each UOR theme are set out below.

Theme	2009
Financial planning	3
Understanding costs	2
Reporting	2
Commissioning & procurement	3
Data quality and information	2
Good commerce	2
Risk management & internal control	2
Natural resources	2
Asset management	3

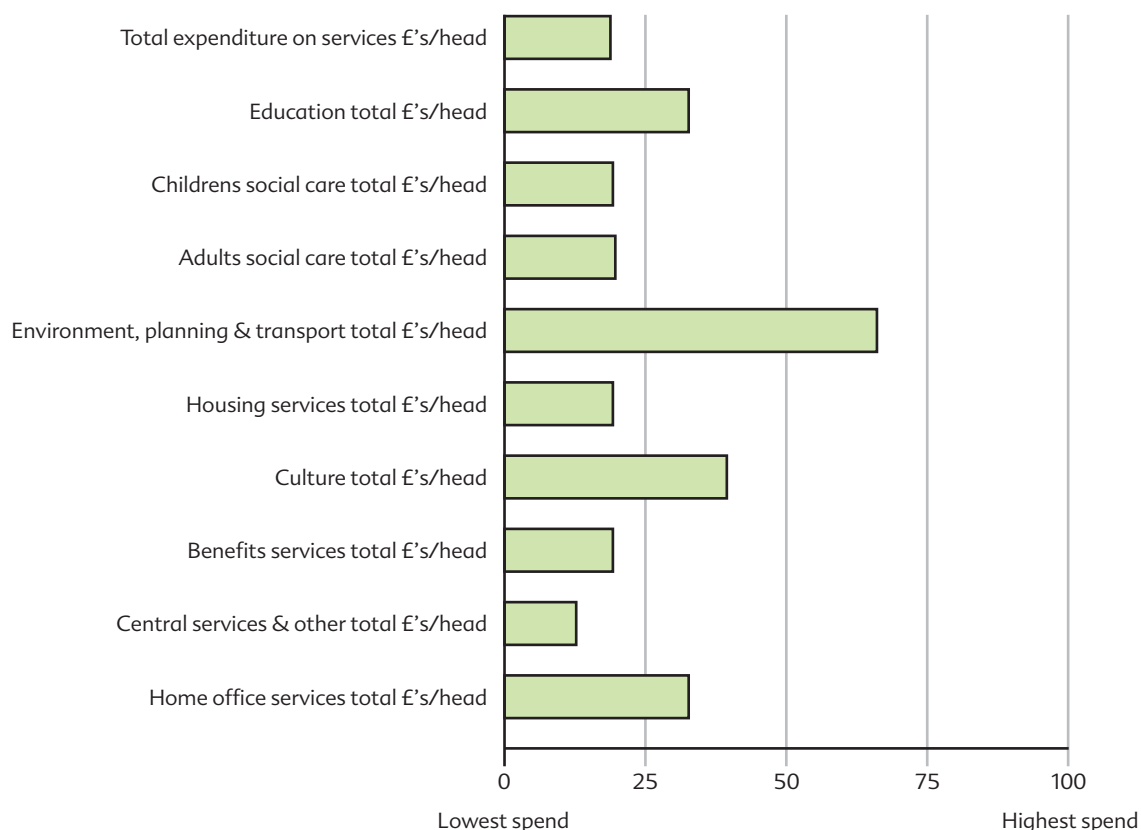
Audit Commission Value for Money Profile Tool

The Audit Commission's Value for Money Profile Tool is designed to support judgements about councils' effective use of resources as part of the use of resources assessment. The council uses the online tool as a primary source of VfM information. It is used to produce reports, charts and tables by service area, comparing with either pre determined groups of authorities (nearest neighbours/authority groups) or bespoke comparator groups. The tool uses information taken from revenue estimates submitted by councils (RA forms and Section 52 forms) together with performance information submitted in various forms by councils (performance assessment frameworks and indicators e.g. OFSTED, BVPIs and NIs).

The council uses the online tool as a primary source of VfM information

The chart below compares council spending projections (expenditure per head) for 2008/9 against our nearest neighbours (economic not geographical). Total expenditure on services' £'s per head is lower quartile when comparing against our nearest neighbours.

Expenditure per head



Price Waterhouse Cooper benchmarking

The Regional Improvement & Efficiency Partnership - Yorkshire & Humber has provided funding for all local authorities in the area to subscribe to Price Waterhouse Coopers (PwC) Benchmarking Service. PwC provide the council with in year comparative data and quarterly analysis

tools to enable the council to analyse its performance against national indicators with other councils who participate in the benchmarking.

- NLC ranked 42nd out of 94 councils overall

Compared to other councils →

Theme	2008/9% average	2008/9% rank (low is better)
Overall	52.1%	42nd out of 94
Safer and Stronger Communities	49.6%	55th out of 90
Children and Young People	53.7%	30th out of 93
Adults	51.7%	36th out of 85
Economic and Environment	51.7%	46th out of 80

Spending Review 2004 & Comprehensive Spending Review 2007

Under the Gershon SR04 the council was set an efficiency target of £9.18 million to be achieved by 31 March 2008. By this date the council had successfully identified cumulative gains of £11.5 million of which £8.8 million were cash-releasing.

Unlike with the Gershon efficiencies the council has not been set a specific cash-releasing target under CSR07. Although 10% cash releasing efficiency gains is the expectation during 2008/9 and 2010/11. The government however has issued guidance in the form of Delivering Value for Money in Local Government: Meeting the challenge of CSR07.

The DVMLG guidance defines a basis of which expected efficiency gains can be calculated. Using this calculation it is anticipated that during the period 1 April 2008 to 31 March 2011 the council will be required to find cash-releasing efficiencies of £15.3 million. In the recent three-year budget process efficiencies of £8 million were identified by services, a significant amount of work will be required by the services if the c£7.5 million shortfall is to be met.

North Lincolnshire Residents' Perception of the Council Providing Value for Money

As part of the developing Local Government Reputation Campaign the Local Government Association has carried out an in depth study of Best Value Performance Indicator (BVPI) statistics for every council in England. In February 2008 individual scorecards for every council were published. The council's Reputation Scorecard (below) shows that the local residents' perception of the council providing value for money was lower than both the regional and national average.

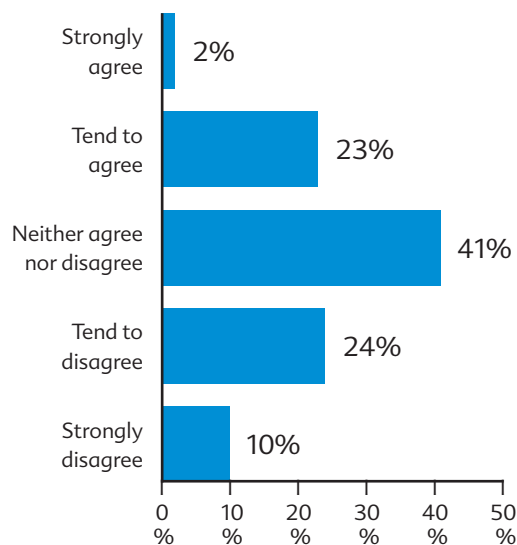
Place Survey 2008

The 2008 Place Survey provides information on people's perceptions of their

local area and the local services they receive. The questionnaire asked respondents to consider to what extent they feel their authority provides value for money. In addition, residents were also asked to state how satisfied they are with the way the local authority runs things.

When considering North Lincolnshire Council one in four residents believe the council provides value for money (25%). Residents most commonly gave a neutral response, with 41% indicating they neither agree nor disagree. The remaining 34% believe that the council does not provide value for money.

Agreement that the local authority provides value for money (All valid responses)



It should be noted that there is interplay between perceptions of the value of money the council offers and satisfaction with the local area. Four in five (80%) of those dissatisfied with their local area disagree the council provides value for money compared to 29% of those satisfied with their local area. This is a statistically significant difference. Similarly, over three fifths (64%) of those satisfied with the council feel value for money is provided. This level of agreement reduces very significantly to only 1% amongst those dissatisfied with the council.

In the recent three-year budget process efficiencies of £8 million were identified by services, a significant amount of work will be required by the services if the shortfall is to be met

Learning to swim

- 2,500 children per week learn to swim via Swimlincs
- The council provides swimming lessons to around 2,000 school children per year
- 2,340 school children a year receive water safety training
- The council has spent £4.8m in recent years to improve swimming facilities

cost:

2p*

per resident per week

*average cost of the Swimlincs programme

Among those who work for the council 37% feel it provides value for money compared to 27% of those with a family member employed by the authority. Among those with no family member working for the council 25% agree the authority offers value for money.

When considering their overall satisfaction with how North Lincolnshire Council runs things, 38% of residents are satisfied, whilst 28% are dissatisfied. The remaining 34% are ambivalent; Levels of satisfaction have decreased by 7-percentage points since 2006 (45%).

User satisfaction survey 2008/9	Your Council	National Average (your council type)	Regional Average (your council type)
2008/9 (percentage points)			
Overall satisfaction with the council	37.6%	45.4%	40.8%
Average service scored	57.3%	58.8%	57.8%
Gap (sp) (BVB-Av. Service)	-19.7%	-13.4%	-17%
Percentage of residents who think their council provides good value	25.1%	33.2%	29.5%

* Service Score calculated as an average of User Satisfaction with: cleanliness, waste collect, waste recycling (local facilities), waste disposal (local tips), transport information, bus service, Sports & Leisure facilities, Libraries, Museums and galleries, Theatre and concert halls, Parks and open spaces

Inclusion of Efficiency Information on Council Tax Demand Notices

As from the 2009-10 billing round, councils were required to include information on the efficiency achievements of the billing authority, and the local fire and rescue functions, both in demand notices and in the accompanying leaflet. Council taxpayers rightly expect excellent public services and value for money, and should be given the information they need to ensure their local authorities deliver this.

Research has shown that there is a distinct relationship between the degree that people feel well-informed about their council and their perception that it operates efficiently. By placing efficiency information on the face of the bill, it will be seen by more people and will help them to understand what their authority is doing on efficiency and give them the tools to challenge any authority that is not performing well.

An example of a council tax demand notice, the highlighted area shows the efficiency information →

```

.XXXXXX
XXXXXXXXXXXXXXXXX
ASHWELLS ROAD
XXXXXXXXXX
XXXXX
CH15 9ST

Reason For Bill : Annual
HOW THE TAX IS ARRIVED AT FOR BAND B %
15 XXXXXX XXXXX
BARTON ON HUMBER
DN18 5xx
North Lincolnshire 964.21 4.0
Barton On Humber 37.50 1.3
Humberside Fire 60.25 5.0
Humberside Police 129.27 6.3

05
B
CT054100150
1191.23 4.2

Forecast efficiency savings By March 2009 as a % of 2007/8 spend
North Lincolnshire Council £3,259,000 2.2%
Humberside Fire Authority £ 623,000 1.0%
These efficiencies equal £67 for the average band D dwelling

Charge For Period Band B 01-APR-2009 31-MAR-2010 1191.23
Discount Unoccupied Nil* 01-APR-2009 31-MAR-2010 0.00
    
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Where do we want to be?

Using Audit Commission data and inspection opinion together with PWC benchmarking the council can conclude that it is delivering low to average cost services at generally average performance levels in comparison with other councils. The council aims to maximise its performance to be ‘best in class’ providing good value for money. The council will focus spending on the services that matter to the area. To that end the council has identified the following themes as key to the development and improvement of VfM. Within the themes are a number of key elements including strategies and plans for delivery.

Business Process Improvement

- VfM Programme
- VfM Service Reviews
- VfM Team
- Service VfM Groups
- Process Redesign Programme
- Lean Thinking
- Improvement Tools

Asset Management & ICT

- Capital Strategy & Asset Management Plan
- Property Strategy
- IT Strategy

Strategic Commissioning, Procurement & VfM

- Procurement Strategy & Business Plan
- Strategic Commissioning Policy
- Adults & Childrens Commissioning Strategy

Sustainability

- Environmental Policy
- Carbon Management Plan
- Procurement Strategy and Business Plan

Workforce Development

- VfM programme
- Valuing People Strategy

Transformation

- Transforming Together

Financial Strategy

- Efficiency Capture
- Council Tax Setting
- Charging Policy
- Budget Planning

Performance

- Performing Together
- Customer Service Strategy

Parks and open spaces

- 36.6 million square metres of parks, gardens and allotments maintained by the council
- Three parks awarded Green Flag status by the Civic Trust
- Nine principal parks and country parks, and over 500 allotment plots, provided for people to enjoy

cost:

29p*

per resident per week

*average cost of providing and maintaining parks and open spaces

Business Process Improvement

VfM Programme

The 2009-12 VfM Programme includes over 40 VfM reviews to be carried out over the 3-year period. The programme is sponsored by CMT and is reviewed annually. The reviews are designed to challenge service delivery models, generate efficiencies, and increase income opportunities.

WorkSmart

WorkSmart has been identified as a key contributor to achieving transformational change and is a programme of work identified in 'Transforming Together'. The programme seeks to introduce business models that accommodate 21st century lifestyles and expectations for both the workforce and the service user, maximising the use of new technologies to improve both efficiency and customer experience. The programme will support the development of mobile and remote working, which more generally will help to reduce the council's carbon footprint. The council has various initiatives to be included in the WorkSmart programme e.g. channel migration, which together will contribute to transforming the operations of the council. Customer service will be improved, accommodation will be rationalised and efficiency savings will be achieved.

Business Process Redesign

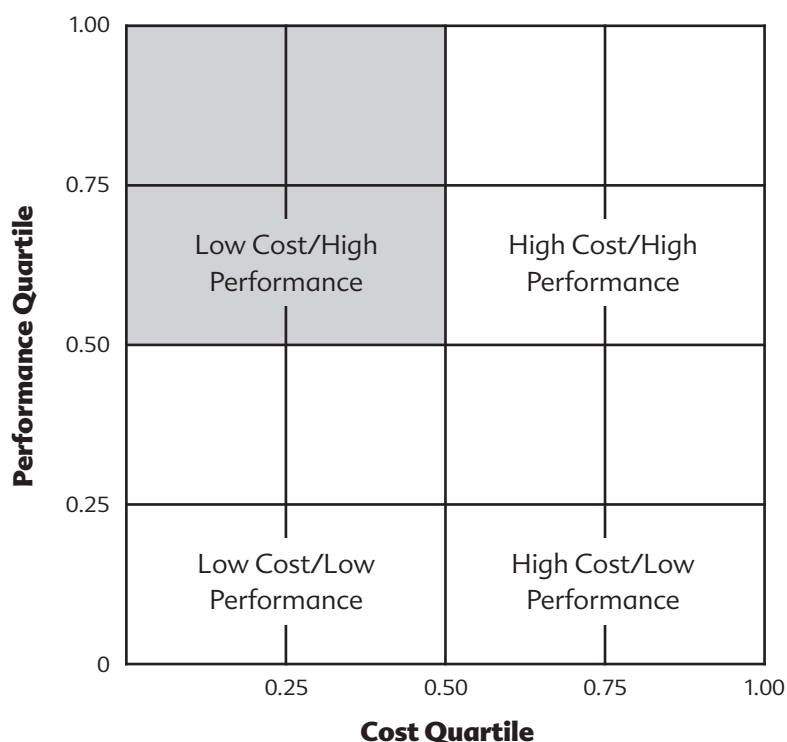
The council has a programme of Business Process Redesign projects designed to move the customer contact to front facing channels whilst automating the workflows and preparing for the mobile working at the end of the process. Mobile working as an enabler, can lead to better customer services. For this the council envisages adding mobile working to as many processes as is practicable and possible within budget constraints. This programme will be updated to link more effectively with the WorkSmart project in April 2010.

Lean Thinking

Lean thinking is fundamentally about improving performance by eliminating waste, such as errors, duplication, rework etc. It encourages an organisation to understand and focus on what customers want and removes waste from operations to improve value.

Service Planning & VfM Profiling

VfM Profiling has been incorporated in service planning. Using existing comparison data (such as CIPFA Benchmarking) services are profiling their cost and performance. The matrix below is used to help services determine the VfM performance of the service. A third dimension – importance to the Strategic Plan - identifies priority areas for VfM Reviews. Profiling will take place annually as part of services ongoing commitment to VfM and will provide a trend analysis over time. Once profiled, a series of actions are determined to help shift the cost and performance to an optimum VfM position. VfM profiling is reviewed through Service VfM Teams and Quarterly Performance Reviews (QPRs)



The VfM profiling can be carried out at team, service division or whole service level

 Shaded area is the optimum VfM position of low cost and high performance

The VfM profiling can be carried out at team, service division or whole service level.

The extract below is an example of how the profiling information is included in the service plan. The importance to the strategic plan provides a third dimension to the profiling to prioritise VfM Reviews.

Service Function	VfM Profiling Outcome		Overall VfM Position	Importance to Strategic Plan	Direction of Travel	Evidence Source
	Cost	Performance				
A	High	High	Fair	Low	↔	CIPFA Benchmarking 2008/9
B	High	Low	Poor	Low	↓	CIPFA Benchmarking 2008/9
C	Low	Low	Poor	Low	↔	CIPFA Benchmarking 2008/9
D	Low	High	Strong	Med	↑	CIPFA Benchmarking 2008/9

The diagram right sets out an overview of the council's approach to reviewing VfM. If one or more of the areas considered highlight weakness a VfM review would be carried out by either the Strategic Procurement & VfM Unit or the service →

VfM Service Review Methodology



The Strategic Procurement & VfM Unit

The Strategic Procurement & VfM unit champion and implement the VfM, commissioning and procurement strategies for the council. The unit coordinates and helps deliver the council's VfM programme by leading on specific corporate projects and supporting services in the delivery of VfM projects providing research, financial accounting and audit support. They act as the operational sub group for the Transformation Board charged with leading the VfM development work.

Roles and Responsibilities

The council has a good balance of responsibility between corporate and service levels for value for money. Corporately the Transformation Board champion the VfM improvement agenda, monitor progress and coordinate the work of the VfM Team. Ultimately service directors are responsible for ensuring that the services they provide are value for money.

Improvement Tools

Benchmarking

Benchmarking is a recognised method of comparing costs and performance with other organisations. It should compare data for councils who are as similar as possible to North Lincolnshire. Sometimes this is undertaken through benchmarking clubs, sometimes through national organisations. A selection of organisations that may be able to provide useful benchmarking data is provided below.

- National Unitary Benchmarking (NUB) Group
- Chartered Institute of Public Finance & Accountancy (CIPFA)
- Society of Information Technology Management (SOCITM)
- Public Sector Benchmarking Service (PSBS)
- Price Waterhouse Cooper National Benchmarking Group (PWC)

Undertaking regular benchmarking against other similar councils enables the council to continually monitor cost and performance data with its peer group as well as sharing best practice examples.

Service VfM Analysis

Services have been encouraged to establish a mechanism for reviewing VfM performance at service and division level. A number of services have set up Service VfM Groups whilst others prefer to discuss VfM at their senior management team meetings. The Service VfM Groups are designed to create ownership of VfM responsibility at a service manager level. The groups review the progress against VfM projects, undertake the VfM Profiling reviews and encourage new ideas for VfM studies and improvement. A member of the VfM Team will regularly visit the Service VfM Groups to offer support, share best practice and ensure effectiveness of the group.

Improvement Groups

Achieving VfM is not solely the responsibility of individual services. It happens throughout the council, at all levels and across services. Overleaf is a list of improvement groups that regularly meet to discuss ideas for making improvements to services

Undertaking regular benchmarking against other similar councils enables the council to continually monitor cost and performance data with its peer group as well as sharing best practice examples

VfM is incorporated into the Quarterly Performance Review (QPR) process to ensure that services and the council as a whole are constantly reviewing and improving the use of our resources and the quality of services that are offered

Adults Services

- Dear Mike Scheme
- Fit for the Future Staff Forum
- Team Meetings

Asset Management & Culture

- Culture Improvement Teams
- Suggestion Box Scheme
- IT Culture Improvement Team
- Team Meetings

Community Planning & Resources

- Team Meetings

Children & Young People Services

- Listening & Learning Groups
- Team Meetings

Finance

- Finance Action Culture Team
- Team Meetings

Highways & Planning

- Highways Alliance Improvement
- Team Meetings

Human Resources

- Action Improvement Team
- Team Meetings

Legal & Democratic

- Team Meetings

Neighbourhood & Environment

- Culture Improvement Team
- Team Meetings

Strategic Regeneration & Housing Development

- Team Meetings

Strategy Development

- Team Meetings

VfM at Quarterly Performance Reviews

VfM is incorporated into the Quarterly Performance Review (QPR) process ensuring that services and the council as a whole are constantly reviewing and improving the use of our resources and the quality of services that are offered.

Performance Management System

The Performance Management System (PMS) is regularly updated to provide an update of progress against the VfM Programme as well as related documents (e.g. minutes of Service VfM Group meetings, VfM Profiling and benchmarking data).

Capital Strategy & Corporate Asset Management Plan

The council's corporate and structured approach to managing capital assets and effective use of capital help achieve the council's objectives and priorities. The use of property effectively, the provision of quality buildings fit for their purpose and the release for sale of under-utilised property are important elements to support the council in taking forward its priorities. The strategy ensures that the council's assets contribute to the provision of quality, cost effective services.

The current strategy has seven themes, which emerged from a major consultation exercise:

- Safer Neighbourhoods
- Better Homes and Environment
- Better Social Care
- Healthier Communities
- Greater Economic Success
- Lifelong Learning
- More Rewarding Leisure Opportunities

Property Strategy

The development of the Property Strategy is a further step forward in improving the performance of our property portfolio. It concentrates on operational and surplus property.

It compliments the Corporate Asset Management Plan and Capital Strategy and informs the council's Capital Programming planning process, helping us to focus our limited resources on improving and rationalising our portfolio, ensuring we only invest in buildings that contribute to the future of our communities and the area over the next 10 to 15 years.

The strategy also outlines the council's approach to reviewing and releasing surplus operational land and buildings. A disposals programme for the next five years has been set, which provides much

needed capital to reinvest in the operational estate.

IT Strategy 2009-2012

The vision builds on earlier work and aims to have outcomes that support the council, citizens and the community. Very broadly it expects that for the council we can enable efficiencies to free staff time and accommodation. For the citizen we want to give greater choice about when and where they interact with us, especially self-service. For the community we want to help increase access to digital technologies to improve communications and enhance business efficiency. It comprises seven themes: WorkSmart; Efficient and Secure Technology; Green IT; Citizen Access; Digital Inclusion; Shared Intelligence, and Developing IT in Partnership.

**Asset
Management &
ICT**

Strategic Commissioning, Procurement and VFM

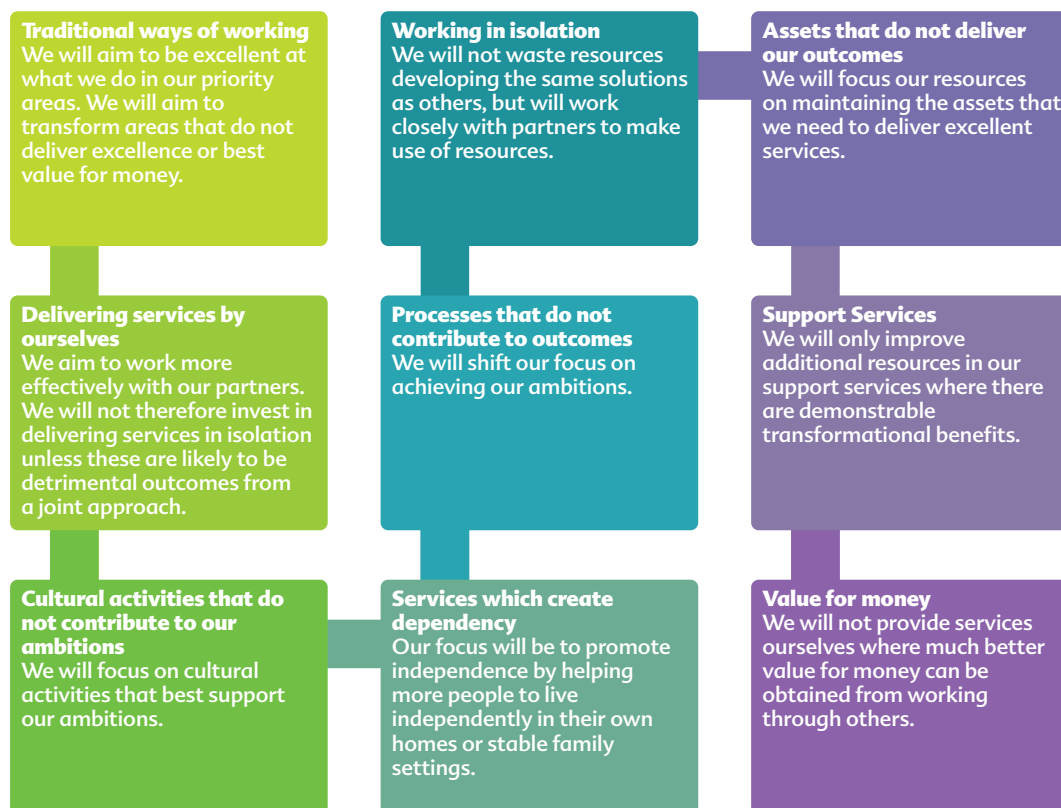
Strategic Commissioning Policy

The 2006 White Paper, Strong & Prosperous Communities directed Local Government to become a strategic leader and place-shaper. The report suggested that to help local government in achieving its efficiency targets, Communities and Local Government (CLG) encouraged greater service collaboration between councils and across all public bodies. CLG also support greater use of business process techniques and greater contestability through the use of fair and open competition.

The White Paper identified that in order for councils to deliver transformed services and value for money they will have to challenge traditional delivery methods, root out waste, keep all council activity under review and work with other public bodies to share assets, systems, data, skills and knowledge more effectively.

Being Clear on What is Not a Priority

As highlighted in the council’s Strategic Plan, being clear about our non priorities is as important as being clear about our priorities. Identifying where our future focus will be enables us to re-direct resources towards our priorities.



Commissioning is a key vehicle to drive forward council transformation. The council aims to shape its core business to deliver its priorities. This will involve challenging traditional ways of working and delivering our services.

The council will robustly consider a range of alternative delivery models to ensure that the best method is selected for service delivery. Instances where we will consider alternative methods are where:

- Services are failing to achieve VfM (high cost and low performing)
- New services are being considered
- Services are being remodelled or redesigned
- Services are deemed as non core activities that do not directly deliver council priorities
- Other organisational reasons

Alternative service delivery models will be considered, and an options appraisal will be used to select the best method. Such options include:

- Transfer / Secondment
- Bring In-house
- Collaboration
- Shared Services
- Joint Ventures
- Pooled Budgets
- Public / Public Partnerships
- Strategic Service Delivery Partnerships
- Public Private Partnerships (PPPs)
- Private Finance Initiatives (PFIs)
- Externalisation

Recent examples of areas where the council has sought alternative methods of delivery include

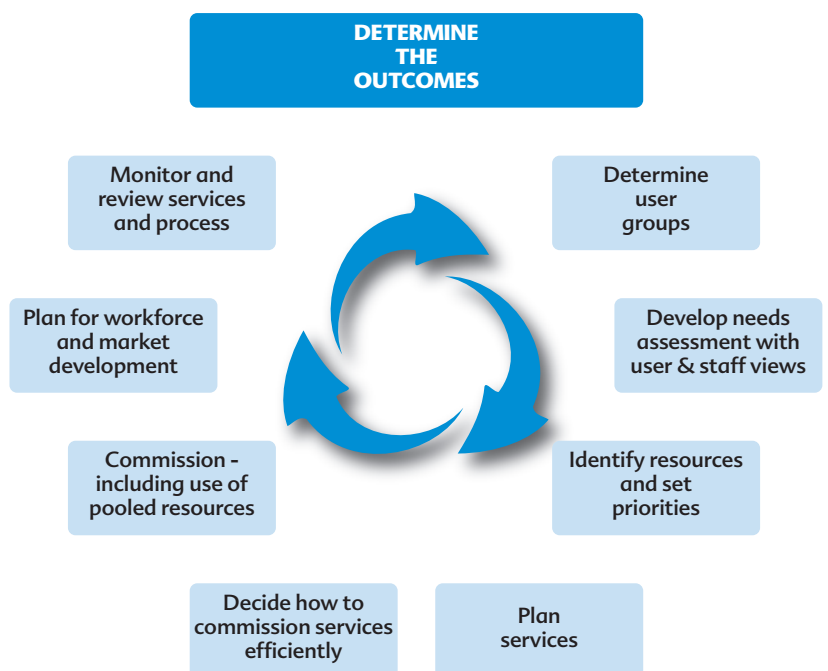
- The Baths Hall Entertainment Venue
- Normanby Golf Catering
- Care Home Provision
- Kerbside Recycling Scheme
- Supporting People
- The Highways Alliance

Competition and contestability will be used as strategic tools for challenging the way in which services are delivered and to develop markets.

The council will ensure that its commissioned arrangements are:

- As efficient and effective as possible
- Legal, fair, transparent and provide value for money
- Actively managed to ensure that outcomes are delivered
- Focused on the user
- Performance driven

The diagram below illustrates the commissioning cycle



Cleaner streets and neighbourhoods

- Over 100 black bags of litter picked up per day
- 29 people employed removing litter, flytips and graffiti
- 500 graffiti sites cleaned in the past six months

cost:

26p*

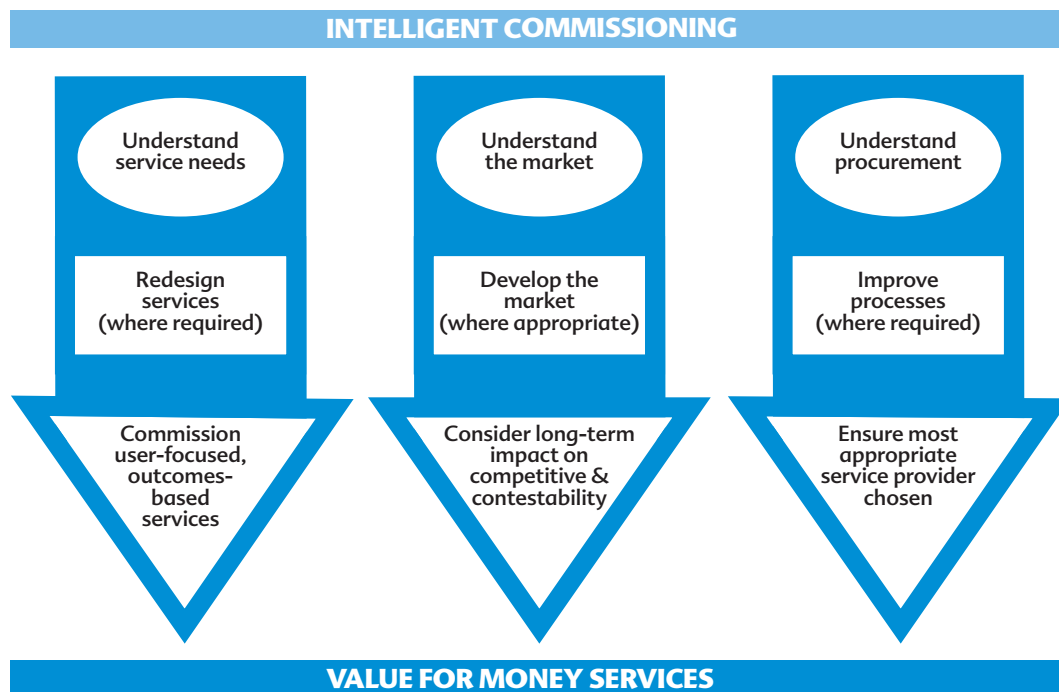
per household per week

*average amount of council tax spent on street cleaning

Source: Every Child Matters

Source – Audit Commission Hearts & Minds July 2007 →

To deliver this the council will adopt an intelligent commissioning model as illustrated below



The council will adopt a category management approach to commissioning where appropriate in recognition of the different approaches that are necessary given the vast range of council goods, works and services.

The council will engage with a range of stakeholders to inform its understanding of the diverse needs of the local community and assist in establishing priorities and in service planning and design with the aim to make the delivery of services more socially, economically and environmentally sustainable.

Service delivery models will continuously be reviewed to ensure that the best method of delivery is undertaken and service quality is sustained. This may involve decommissioning of services where commissioned services are under performing or failing to deliver council priorities. As market conditions change it is important to ensure that models are regularly exposed to competition to ensure best value from commissioned services.

When measuring value for money from commissioned services the council will consider wider social, economic and environmental objectives as well as cost benefits. Capacity building will complement good commissioning practice. The council is actively developing a mixed economy of providers helping to build the capacity and capability of the third sector and small and medium sized enterprises, supporting the shared priorities of the Local Strategic Partnership.

North and North East Lincolnshire have joined together to develop a Compact Code of Good Practice 'Working Together, Better Together'. The compact sets out how the public sector and voluntary/community and third sector will work together in North and North East Lincolnshire to benefit the local communities. The Code of Good Practice maintains Compact principles of communication, joint working, action and trust and allows the third sector to grow and develop to become more effective in the long term.

Strategic Procurement

The council aims to secure better VfM through its procurement arrangements, recognising the £100m it spends every year on bought in goods, services and works. Smarter procurement arrangements will deliver significant savings for the council and support the development of a value for money culture. This is recognised in the Corporate Procurement Strategy 2009-12.

PANNEL

The Procurement Strategy is delivered through the Procurement Alliance North & North East Lincolnshire (PANNEL) which came into effect in April 2006. North and North East Lincolnshire councils have joined together to form a shared procurement service. The aim of the alliance arrangement is to:

- Benefit from the economies of scale and buying power of the combined procurement revenue spend of c. £200 million.
- Generate greater efficiencies and better value for money through working together
- Achieve government efficiency targets
- Pool procurement knowledge, expertise and skills

Environmental Policy

The council is committed to reducing the environmental impact of its activities on the local environment on the basis that good environmental quality benefits everyone and contributes to sustainable development.

The council will contribute fully to the climate change policy through our commitment to the Nottingham Declaration on climate change as agreed by the Leader and the Chief Executive (March 2003). This commitment arises not only from an awareness of potential threats to the environment, but also from a desire to improve the quality of life for all

sections of the local community. North Lincolnshire Council also aims to influence others to do likewise.

The council has agreed a Climate Change Action Plan and a Sustainability Policy for procurement for implementation up to 2012. The council will consider social, economic and environmental outcomes for the area when assessing value for money from its activities.

Valuing People Strategy 2007 - 2010

The Valuing People Strategy supports the council to attract, retain and develop a skilled, competent and motivated workforce equipped to deliver services that meet the council's ambitions and help to transform North Lincolnshire towards a better future for all, as set out in the council's strategic plan, "Going Forward Together". It sets out how the council needs to develop and manage its workforce to support the transformational change required over the next three years.

Workforce Planning

Workforce planning is about how we get to where we want to be by linking our business strategies and our people plans for recruitment, retention, staff development and training. It ensures that we have the right number of employees with the right knowledge, skills and behaviours in the right place, at the right time. It also helps us to predict future demand for different types of staff and helps us match this with supply.

Maximising Staff Productivity

The council's workforce is its greatest asset with a large percentage of the council's budget spent on employment costs. It is therefore important to ensure we maximise staff productivity. Below are some of the means in which the council will achieve this.

Generic Competencies

A series of generic competencies has been

Sustainability

Workforce
Development

introduced at three levels, basic, intermediate and strategic. The Generic Skills and Knowledge Matrix supports this by enabling services to identify the appropriate level of generic skills and knowledge needed for each post within the council. The Service Specific Skills and Knowledge Matrix was designed for services to identify the service specific skills and knowledge required by their employees. These are job specific skills and knowledge that are not included within the generic skills matrix.

Generic Working

In line with the Customer Service Strategy the council intends, wherever appropriate and possible, to co-locate similar services and to deliver them generically. This involves having one staff team trained to deliver more than one service. This allows us to achieve economies of scale whilst delivering a more seamless 'one stop' service for the customer. Currently generic service delivery brings together library and local link services at Ashby, Crowle and Epworth.

Leadership & Management

Providing clear leadership to the workforce is a key priority for the council. Our leadership challenge is to release the full potential of all our managers so we can focus on our ambitions and transform North Lincolnshire to a better future for all. To do this, we need to achieve excellence as measured by the Comprehensive Area Assessment, Investors in People and our Values. This journey will empower our employees so they can make informed decisions, contribute fully to achieving the ambitions and deliver the best possible outcomes.

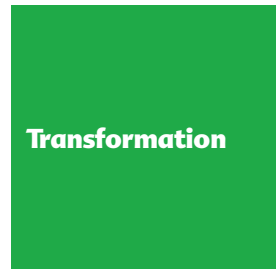
North Lincolnshire Council is committed to creating a culture that supports the continuing development of its employees throughout their employment. The Leadership and Management Competencies enable managers to self-

assess and also to have their management competencies jointly assessed with their line-manager. The advantage is that all managers use one consistent standard to do this.

The Corporate Learning and Development Team use the Leadership and Management Competencies and Assessment to conduct an annual managerial skills audit and broker development solutions with individuals or groups. They will maintain a network of coaches and mentors to create flexible and responsive management learning.

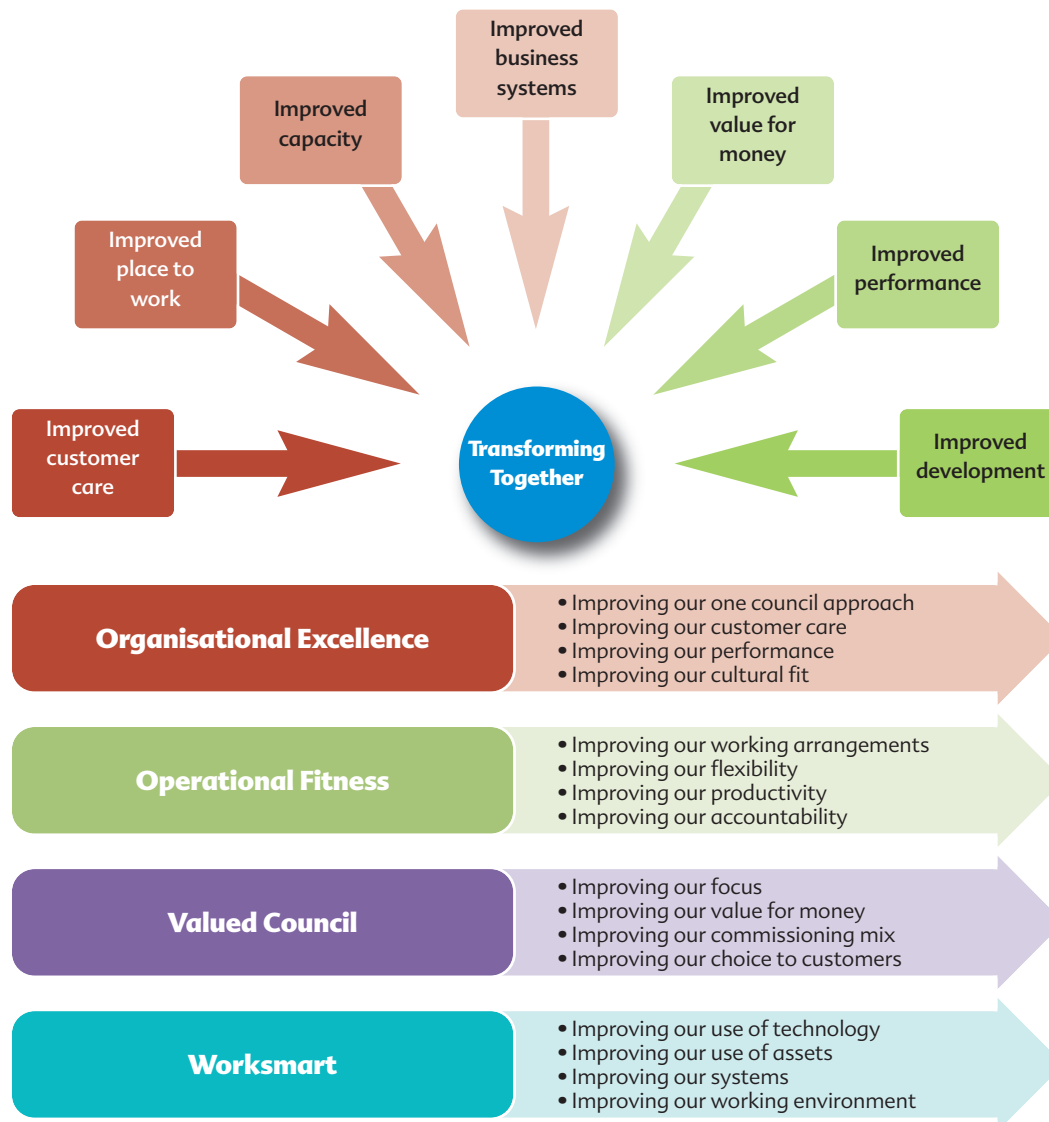
Investors in People

The Investors in People standard is a nationally acknowledged benchmark of effective employee management. It is recognised by the Audit Commission. It is a Going Forward Together indicator of how well we manage and develop our most important resource - our people. The council has achieved Investors in People in each service and across the whole council. Investors in People is important to the council because it requires our managers to demonstrate their leadership, management and employee development. It is also outcome based, ensuring we can demonstrate the impact of what we have done.



The council has identified the need to achieve transformational change in order to deliver a step change in performance, delivering substantial cash releasing savings for re-investment, further improving performance and customer experience. In standing still the council acknowledges that it in fact moves backwards.

The council has agreed seven transformational outcomes and four key transformation programmes as shown in the diagram below



WorkSmart

WorkSmart has been identified as a key contributor to achieving transformational change and is a programme of work identified in ‘Transforming Together’. The programme seeks to introduce business models that accommodate 21st century lifestyles and expectations for both the workforce and the service user, maximising the use of new technologies to improve both efficiency and customer experience. The programme will support the development of mobile and remote working, which more generally will help to reduce the council’s carbon footprint. The council has various initiatives to be included in the WorkSmart programme e.g. channel migration, which together will contribute to transforming the operations of the council. Customer service will be improved, accommodation will be rationalised and efficiency savings will be achieved.

Financial Strategy

Council Tax Setting

There is a legal requirement for the council to set a **revenue budget** each year. The council must decide the level of spending it can afford. The council must take into account the level of grant to be received and the level of **council tax** it wishes to set. The council must ensure that a balanced budget is set, which identifies adequate finances to meet the spending plans.

The government has reserved powers to cap increases in council tax and the revenue budget, which it considers excessive. The minister for Local Government expects increases in council tax to be well below 3%.

The council has a separate **capital programme** for longer-term investment in services. This is spending on construction and the improvement of assets such as schools, roads and other council-run facilities.

The council has also adopted the Chartered Institute of Public Finance Accounting (CIPFA) Code of Practice for Treasury Management. The council sets a **Treasury Strategy** for the investment of cash surpluses and the management of its debt portfolio. The Treasury Strategy defines how and in what circumstances it will borrow funds to support spending plans. The strategy is reviewed annually. The **Prudential Code** governs the rules of investment, the council must ensure that the scale of investment is affordable and prudent over the long-term. The Prudential Code has a specific requirement to calculate costs over three years.

Revenue, capital and treasury issues are all interrelated, for example decisions on how to fund the capital programme affect the revenue budget and therefore council tax.

Decisions on the revenue budget, capital programme, council tax and treasury management are taken in the context of the council's overall **financial strategy**.

For the first time in 2008 the government allocated grants for three years instead of one (2008/9, 2009/10 and 2010/11). The move to three year budgeting has enabled the council to plan in the medium term with greater certainty. Authorities are expected to use this information to set provisional levels for council tax.

Council Tax is collected from residents to pay for the services it provides. The council constantly works to ensure taxpayers are getting the best services for their money. Compared to most councils North Lincolnshire has low average council tax. In 2008/9 out of 354 councils North Lincolnshire was ranked the 72nd lowest which was an improvement on the previous financial year.

The government has reserved powers to cap increases in council tax and the revenue budget, which it considers excessive. The minister for Local Government expects increases in council tax to be well below 3%

Corporate Charging Framework

Income from fees and charges is a key financial area for local authorities, alongside government grants and council tax, it is considered the third major financing source.

The Corporate Charging Framework was set up to encourage an entrepreneurial approach to the setting and reviewing of charges for services provided by the council. The framework sets out:

- specific processes and frequencies for reviewing existing charging levels or areas of the councils work for which charges could in principle be set;
- guidance on the factors to be taken into consideration when charges are reviewed on an annual basis;
- establishes parameters for calculating different levels of charging;
- recommends the criteria for applying concessions or discounted charges on a consistent councilwide basis;
- requires more active use of market intelligence relating to different services.

ensure that any new cost pressures and developments are matched with efficiencies and new income areas so that net adjustments are zero.

Better routes

- 1,338 km of roads managed by the council
- 21.5m vehicle km travelled on those roads each year
- Around 1,250 potholes needing repair each year

cost:

10p*

per household
per week

*average amount of council tax spent on pothole repairs

Medium Term Financial Planning

Financial processes have been established to support the efficiency agenda enabling proactive efficiency generation and a close join between levels of service provision and budget allocation. The finance service has established an efficiency matrix to capture specific service efficiencies.

Through the three-year planning process and the Strategic Review Task Group services are encouraged to identify specific projects, which will produce cashable efficiencies. Quarterly monitoring statements are produced by Corporate Finance to update progress against the efficiency targets. The detailed estimate process also requires budget holders to identify cost pressures, developments, efficiencies and new income areas over the next three financial years. It is the responsibility of the budget holder to

Performance

Performing Together

'Performing Together' is the performance management framework for North Lincolnshire Council. Performance management is the framework used for good management by councils across the country. It allows managers to make informed decisions and provides a system for constantly improving the services the council provides. In simple terms performance management could be defined as taking action in response to actual performance to make outcomes better than they would otherwise be. To know what action to take, performance needs to be monitored and measured against agreed targets on a continual basis. Being clear about what the targets and measures are allows people (both employees and customers) to be clear about what level of performance is expected. This also enables us to demonstrate to our residents, partners, central government and other organisations what we have achieved and makes us accountable for it. The key elements of performance management have been summarised as five building blocks as identified in "Choosing the Right Fabric: A Framework for Performance Information":

- Bold aspirations to stretch and motivate the organisation
- A coherent set of performance measures and targets to translate the aspirations into a set of specific metrics against which performance and progress can be measured
- Ownership and accountability to ensure that individuals who are best placed to ensure delivery of targets have real ownership for doing so
- Rigorous performance review to ensure that continuously improving performance is being delivered in line with expectations
- Reinforcement to motivate individuals to deliver the targeted performance

Customer Service Strategy 2009-2012

The vision builds on earlier work that saw the development of a network of one-stop shops, known as Local Links, a number of contact centres, an outreach service known as HomeLink and a well regarded transactional web site. The strategy includes the development of modern access methods, services delivered to agreed standards, processes that are as simple and transparent as possible and the gathering and use of customer insight to tailor services — all in a way that achieves maximum value for money for customers in the broadest sense — local council tax payers.

The Customer Service Strategy comprises four themes: Customer Access, Service Delivery, Customer Insight and Value for Money.

Customer Insight

Insight is one of the key tools available to the council. We aim to constantly review our services to look for ways that not only save money but also improve customer satisfaction and community well being. A deep understanding of our customers, citizens and communities should always sit at the centre of our approach. Insight will inform all aspects of our operation, in particular our decision-making processes.

The council already carries out elements of customer insight. It does this using tools like consultations, surveys, complaints and the data we hold on our customers. We are changing the way we piece this information together. This will enable us to gain true customer insight. Joined information creates more detailed knowledge. We can then use to inform the decision-making processes of the council.

Being effective users of insight is much more than just being able to collect data and information. It is about having:

- an awareness of the concepts of customer insight;
- the skills and capacity to join customer and community data with information and turn this into knowledge;
- a culture that values insight and is willing to act upon it, and
- the ability to put this knowledge at the heart of all business planning and performance management.

Our approach is to join together the views and experiences of our staff, the data we hold from surveys and the data we hold about our customers and communities. Drawing together all of these sources of information allows us to create detailed knowledge about our customers and communities' needs and expectations.

MOSAIC

MOSAIC is a tool that enables the division of a target audience into groups that show common characteristics and needs. It does this in order to differentiate between groups' needs and experiences; enabling us to target and tailor resources appropriately. For example we have tabulated for each ward the number of households alongside the number of active library users by MOSAIC type. The results are startling. In some wards library users relate quite proportionately to the make up of the ward, whilst in others this is not the case.

This information enables us to delve deeper and ask qualitative questions.

This knowledge has enabled us to critically review our model and also identify target groups for marketing our services to.

Avoidable Contact

National Indicator 14 (NI 14) is aimed at reducing avoidable contact made by customers to councils. This is defined as 'contact that is of low or no value to the customer'. NI 14 is an indicator not a target – and is a means to an end to improve services from the point of view of the customer.

NI 14 can be seen as one key element in a wider programme of improvement and change. The concept is not new and underpins a range of formal improvement methodologies, such as lean and quality management. The council aims to exploit an approach that will understand our customers and design services that reflect their needs better. From the customer's perspective we review and rethink the way in which we and our partners deliver services, and demonstrate that we value both our customers' time and our own efficient use of resources in times of financial constraint.

Key Actions for Improvement

How will we get there?

The action plan below details the key VfM themes and associated improvement actions which collectively will help drive transformational step change in the council's VfM performance. Progress against the action plan will be monitored by the transformation board. The strategy and action plan will be updated annually by the council's Strategic Procurement and VfM Manager.

VfM Improvement Theme & Priority Focus	Key Strategy/Plan Linkage	Action	Lead Officer	By When?
Asset Management & ICT				
- Optimise use of assets; rationalising our asset base where appropriate	- Capital Strategy - Asset Management Plan - Accommodation Strategy - Procurement Strategy - WorkSmart - ICT Strategy	Align key asset management strategies and plans with WorkSmart and strengthen their VfM focus	Chris Ellerby	30 June 2010
- Strengthen our approach to investment and maintenance decisions through adopting total cost of ownership models		Identify & implement best practice Total Cost of Ownership models spanning asset management feasibility/design/construction	Chris Ellerby	30 September 2010
- Establish strategic procurement vehicle for construction		Develop plan for corporate construction procurement solution	Peter Williams/ Geoff Popple	30 June 2012
- Improve VfM focus of ICT Strategy & System Acquisition		Strengthen business case model for ICT acquisition and introduce benefits capture	Chris Daly	31 December 2010

VfM Improvement Theme & Priority Focus	Key Strategy/Plan Linkage	Action	Lead Officer	By When?
Strategic Procurement, VfM & Commissioning				
<ul style="list-style-type: none"> - ensure that we look at the different ways of providing existing and new services and select the best option; - continue to use best practice techniques when acquiring supplies, services and works from third parties to achieve savings targets 	<ul style="list-style-type: none"> - Strategic Commissioning Policy - Procurement Strategy - PANNEL Business Plan - VfM Programme - Adults Commissioning Strategy - Children's Commissioning Strategy 	<ul style="list-style-type: none"> Update VfM programme to reflect commissioning priorities Deliver PANNEL Business Plan and targeted savings Consider Category Management model Use expert analytical resource to analyse the council's third party spend to inform procurement planning, targeting major spend categories Ensure benchmarking & VfM profiling is carried out in all key areas Increase the level of activity in Adult Services which use contestability and competition as strategic tools for improving VfM Increase the level of activity in Children's Services which use contestability and competition as strategic tools for improving VfM 	<ul style="list-style-type: none"> Jason Whaler Jason Whaler Jason Whaler Jason Whaler Jason Whaler Karen Pavey Isabel Wallis 	<ul style="list-style-type: none"> 31 August 2010 31 March 2011 31 March 2011 31 March 2010 30 June 2010 31 March 2011 31 March 2011

VfM Improvement Theme & Priority Focus	Key Strategy/Plan Linkage	Action	Lead Officer	By When?
Sustainability				
<ul style="list-style-type: none"> - ensure we consider whole life costs when we make our procurement decisions - minimise our impact on the environment through better carbon and energy management 	<ul style="list-style-type: none"> - Procurement Strategy - Carbon Management Plan - Sustainability Policy - Energy Strategy 	Achieve energy consumption reduction targets & capture savings to support the budget	Craig Stapleton	31 August 2010
		Migrate gas procurement to Yorkshire Purchasing Organisation	Craig Stapleton	30 September 2010
		Install smart metering equipment at key sites	Craig Stapleton	30 September 2010
		Achieve carbon reduction targets in line with agreed plans	Tim Allen	31 March 2011
		Achieve levels 3 – 5 of the National Sustainable Procurement Flexible Framework	Jason Whaler	31 March 2011
Workforce Development				
<ul style="list-style-type: none"> - ensure our workforce is valued and appropriately trained and equipped to improve and maximise its productivity 	<ul style="list-style-type: none"> - Valuing People Strategy 	Improve the focus of the Valuing People Strategy on key transformation and VfM objectives	Jeff Tattersall	31 March 2011
Transformation				
<ul style="list-style-type: none"> - work in concert with our partners to transform North Lincolnshire will require step improvement through making major changes to the way the council operates, such as WorkSmart and exploring shared services 	<ul style="list-style-type: none"> - Transforming Together 	Deliver all four elements of the transformation programme in line with identified timescales	Simon Driver	As identified in the transformation programme
		Complete initial stages of NELC/ NLC shared services project	Jason Whaler	31 March 2012

VfM Improvement Theme & Priority Focus	Key Strategy/Plan Linkage	Action	Lead Officer	By When?
Financial Strategy				
- the level we set council tax at, how and when we charge for services and how effective we are at managing our finances determines how cost effective our services are to the public and perceptions they hold of the value we provide	Budget & Charging Policy	Develop budget proposals in support of council priorities	Mike Wedgewood	31 March 2011
		Continue to link performance and financial reporting	Mike Wedgewood/ Caroline Barkley	31 March 2011
		Review Corporate Charging Policy	Peter Fijalkowski	31 March 2011
Performance				
- maintain our focus on priorities; - tackle under performing services improving accountability, customer service and outcomes - improve communication with the public on the council's VfM performance	- Transforming Together - Performing Together - Marketing Strategy	Update council-wide VfM profile	Nigel Manders	30 June 2010
		Ensure poor performing priority areas are subject to transformational improvement	Nigel Manders	30 June 2010
		Continue to develop a positive VfM & performance culture council-wide	Nigel Manders	31 March 2011
		Improve communication with local people on the VfM performance of the council	Adrian Capon	30 June 2010

VfM Improvement Theme & Priority Focus	Key Strategy/Plan Linkage	Action	Lead Officer	By When?
Business Process Improvement				
<ul style="list-style-type: none"> - streamline how we work through reviewing, challenging and improving processes; - make better use of technology; reducing errors and duplication 	<ul style="list-style-type: none"> - VfM Programme - BPR Programme 	<ul style="list-style-type: none"> Refocus BPR programme to support WorkSmart/Transformation Ensure VfM improvement teams are active in all service areas and prioritise work programmes on transformation & lean thinking initiatives Refocus work of VfM team on supporting transformation projects Complete full council-wide roll-out of Procure 2 Pay and related finance systems Review business support and facilities management functions and propose WorkSmart delivery model across main council sites 	<ul style="list-style-type: none"> Chris Daly Jason Whaler Jason Whaler Mike Wedgewood Richard Stiff 	<ul style="list-style-type: none"> 30 April 2010 30 April 2010 30 April 2010 31 December 2010 31 December 2010

value for money

value for money strategy

Appendix A

Audit Area	Planned Days	Actual Days to 12/3/10	Work completed (√) Work in Progress (WIP)	Comments
Fundamental Financial Systems (Payroll, Creditors, Debtors, Cash Receipting, Main Accounting Ledger, Council Tax and Housing Benefits, Council Tax, NNDR, Treasury Management, Fixed Asset Register, CareFirst)	189	218	Fundamental financial systems reviews for 2008/09 plus queries and additional testing required completed satisfactorily (√) WIP on all fundamental financial systems reviews for 2009/2010 (wip)	All reviews will be completed earlier than in previous years to consider the findings and any potential impact on the Annual Governance Statement. There will be a resource impact due to the re profiling of this work
CAA work	10	22	Use of resources self assessment for 2008/09 (√) Monitoring action plans for improvement for 2009/2010 (WIP). Liaison with external audit and process for 2009/2010 submission agreed (WIP)	Self assessment for 2009/2010 was completed early March
Annual Governance Statement and Audit Committee work	25	20	In year monitoring and compilation of the Statement (WIP) Preparing reports and Committee attendance (WIP)	Forward plan and assurance map of reports has been introduced to assist the Committee. Reporting format has been strengthened.
Corporate Governance	33	35	In year monitoring and advice. Evaluation of council arrangements against best practice standards. Revision of the council's Code of Corporate Governance (WIP)	2009/2010 review nearing completion
Risk Management	50	47	In year monitoring and advice (WIP) Strategic Risk Management work (WIP)) Annual review of risk management arrangements, strategic and key operational risk controls completed for 2008/09 (√) 2009 review of operational risk registers (84%) complete (WIP) 2009 review of strategic risk register position statements (WIP) Audit review of overall arrangements will take place in March	

Performance Management, Performance Review & Improvement Plans (Strategic Development)	35	15	Performance (Performance indicators) (WIP) Performance Management system (√)	Improvement Planning work has been cancelled
IT Audit	131	94	Disaster Recovery and Back Ups (√) IS/IT Strategy (√) Budgetary Control (√) Project Management Controls(√) Government Connect (√) Application Controls – (WIP)	Physical and Environmental Controls – deferred new computer suite to be evaluated Charging Policy – deferred to allow for new system to be embedded Overview and Governance (superseded by Government Connect work)
Contract Audit	67	6	Contracts (WIP) Highways Alliance (WIP)	IT procurement – deferred
Fraud Prevention and Detection	85	197	Whistleblowers Hotline (ongoing) National Fraud Initiative (Data Matching) (√) Allowances - Direct Payments (WIP) Anti Money Laundering Policy and awareness raising (√) Fraud Risk profile reassessment (√) Anti Fraud Theft and Corruption Strategy refresh (√) Home Improvement Loans (√) Licensing (√) Leisure Grants (√) Income audits – Meals on Wheels (√), Plowright Theatre (√), Car parking (√)	Additional preventative counter fraud work has been carried out to evaluate and strengthen arrangements if necessary in response to professional guidance on the potential risk of fraud as a result of financial and economic pressures. Targeted counter fraud audits were carried out (no instances of fraudulent activity were identified). Counter fraud arrangements were evaluated against both CIPFA best practice (Risk of Fraud – Red Book) and Audit Commission advice (Protecting the Public Purse). The evaluations and action taken have been reported to the Audit Committee throughout the year.
Environmental Audits	15	2		EMAS (Environmental Management Accreditation)

				Scheme) – deferred due to long-term illness of lead officer
Council-wide Systems	147	77	Partnership Arrangements (√) Budgetary Control (report drafted) New Legislation Corporate Manslaughter– (wip) Grant Claims (√) Local Area Agreement (draft) Diversity (assigned but not yet started) Health and Safety (√)	Impact Assessment – deferred
Adult Social Care Services	93	32	Learning Disability (√) Pooled Budgets – Draft report Mental Health Services – (wip)	Lone working cancelled Safeguarding Adults - deferred Single Assessment Process – deferred Transport – cancelled
Children and young people	600	512	25 School Audits (√), 2 Schools Audit (report drafted) 3 Schools Audits to carry forward into 2010/11 Building Schools for the Future – (wip) 23 Financial Management Standards in Schools assessment completed , 14 assessments (report drafted), 6 assessments to carry forward 2010/11 Issues from schools (√) Schools Balances (√) Budgetary Control (√) Integrated Youth Support Service (WIP) Policies for the Protection of Children (WIP) Residential Care (√) Children's Centres – (wip) Maintenance of Schools – (wip)	Adult Ed. – deferred Children's Trust work - not yet assigned
Finance – Other	15	10	Financial Regulations (√)	Insurance (deferred)
Highways & Planning	15	17	Building Control(√)	
Human Resources	50	27	Sickness Policy (√) Casual and Agency staff (√) Recruitment and Selection (wip)	Working Time Directive – deferred to enable the new policy to be evaluated Lone Working – cancelled
Legal & Democratic Services	40	24	Councillors Allowances (WIP) Delegated Powers (assigned but not yet started)	Civic Office – audit deferred

			Democratic Services(report drafted)	
Neighbourhood & Environment	56	56	Catering (√) Budgetary Control (√) Document Imaging (WIP)	
Strategic Regeneration	70	57	External Funding including Area Renaissance (√) Strategic Housing (draft report) Investment and Marketing (√) Bees Knees (WIP)	Spatial Planning –deferred
Asset Management and Culture (excluding IT)	101	81	Maintenance of Buildings(draft report) Commercial Buildings (WIP) Asbestos Management (draft report) Management of Standing Lists (draft report) Markets (√) Policies for the protection of children (√)	Out of hours calls/ Security Centre – deferred Disabled Access – cancelled Professional Fees and Charges – audit not yet assigned Traveller Service Liaison – cancelled
Community Planning and Resources	46	33	Crime and Disorder Section17 (√) Council website (√) Consultation and Engagement (WIP) LPSA (√)	Homelink – deferred
Consultancy, Advice	191	245	Advice and unplanned work as requested including investigations	
Other	90	100	Follow up work. Audit plan and performance monitoring and reporting	
TOTAL	2154	1927		

Resources are expected to be sufficient to complete the prioritised audit plan.

Audit Committee Forward Plan and Assurance Map 2010/2011

Types of Assurance: P = Primary (provides an opinion on the adequacy of arrangements)

S = Supporting (describes work planned or in progress from internal sources or implied assurance from external audit/inspectors)

Meetings and reports	Audit Committee Assurances					
	Effective Counter Fraud Arrangements	Strong Internal Control Environment & Financial Controls	Good Governance Arrangements	Accurate Financial Statements that meet Professional Standards	Significant risks to the council are adequately managed	Value for Money is Achieved
April 2010						
Risk Management Strategy - the council's risk management arrangements including work schedule for the coming year and progress against previous year's work plan.	S	S	S	S	P	
Internal Audit Plan – to approve Internal Audit's terms of reference, strategy and audit plan based on a risk based approach to audit planning and planned audit coverage of high risk systems for 2010/2011	S	S	S	S	S	S
Internal Audit Progress report – audit plan progress, response to audit recommendations and significant issues arising from Internal Audit work which could impact on the council's control environment		S	S	S	S	S
Treasury Management quarterly progress report - to detail investments, interest and highlight salient issues as they arise	S	S	S	S	S	S
External Audit Recommendations Progress Report evaluates the adequacy of management's response to external audit recommendations and improving the council's control environment	S	S	S	S	S	S

Meetings and reports	Audit Committee Assurances					
	Effective Counter Fraud Arrangements	Strong Internal Control Environment & Financial Controls	Good Governance Arrangements	Accurate Financial Statements that meet Professional Standards	Significant risks to the council are adequately managed	Value for Money is Achieved
<p>Grant Claims 2008/09 – to report the outcome of external audit’s review on the council’s arrangements for claiming grants in 2008/09</p> <p>Accounting policies – to seek approval on the accounting policies that the council will use to close the 2009/2010 accounts</p> <p>Value For Money – introduces the council’s VFM strategy for consideration by the committee</p> <p>Sickness Absence Update – report of the Head of Strategy Development</p>	S	S	S	S	S	S
<p>June 2010</p> <p>Internal Audit Effectiveness Report – provides an assessment of the effectiveness of Internal Audit’s work as a major source of assurance. This includes compliance with professional standards and the adequacy of audit performance and coverage.</p> <p>Internal Audit Annual Report –provides an opinion on the adequacy of the council’s control environment and a summary of significant issues arising from Internal Audit’s work to support the evaluation. Brief summaries are provided of all fundamental financial systems and key systems such as risk management and corporate governance.</p> <p>Counter Fraud Report –proactive and reactive work undertaken by Internal Audit and Benefits Fraud Team in support of the council’s Anti Fraud Theft and Corruption Strategy</p>	P	P	P	S	S	P
	P	P	P	S	S	S
	P	S	S	S	S	S

Meetings and reports	Audit Committee Assurances					
	Effective Counter Fraud Arrangements	Strong Internal Control Environment & Financial Controls	Good Governance Arrangements	Accurate Financial Statements that meet Professional Standards	Significant risks to the council are adequately managed	Value for Money is Achieved
<p>Annual Governance Statement – presents a detailed evaluation of the adequacy of the council’s governance arrangements and highlights any areas of significant governance weakness for approval by the Audit Committee.</p> <p>Risk Management Progress Report – significant current or emerging risk management issues which could impact on the council’s control environment</p> <p>Statement of accounts – presents the council’s accounts for approval and highlights key messages and outcomes.</p> <p>Data Quality Report - to provide updates on data quality reviews.</p> <p>Treasury Management and Investment Strategy Annual Report 2009/2010– to provide a summary of performance on the previous years TM activities including measures taken during the year in response to changing circumstances and additional measures planned for 2010/2011 to improve arrangements in light of professional and governmental advice available.</p> <p>Sickness Absence Update – report of the Head of Strategy Development</p>	P	P	P	P	P	P
		S	S	S	S	
		S	S	P	S	S
	S	P	S		P	S
			S		S	S
<p>Sept 2010</p> <p>Internal Audit Progress report – audit plan progress, response to audit recommendations and significant issues arising from Internal Audit work which could impact on the council’s control environment</p> <p>Risk Management Progress Report – significant current or emerging risk management issues which could impact on the council’s control environment</p>		S	S	S	S	
		S	S	S	S	

Meetings and reports	Audit Committee Assurances					
	Effective Counter Fraud Arrangements	Strong Internal Control Environment & Financial Controls	Good Governance Arrangements	Accurate Financial Statements that meet Professional Standards	Significant risks to the council are adequately managed	Value for Money is Achieved
External Audit Recommendations Progress Report – evaluates the adequacy of management’s response to external audit recommendations and improving the council’s control environment	S	S	S	S	S	
Audit of Accounts – External Audit’s report to those charged with governance on significant issues arising from the audit of the council’s accounts. This includes an audit opinion on whether the accounts are ‘fairly stated’ and meet professional accounting requirements	S	S	S	P	S	S
Treasury Management quarterly progress report - to detail investments, interest and highlight salient issues as they arise	S	S	S	S	S	S
Use of Resources Judgement - to report the Auditors Judgement score for 2009/2010	S	S	S	S	S	S
Annual Governance Report – to report the Auditors findings on the financial statements audit and Use of Resources work. This includes the audit opinion on the accounts and VFM judgement	S	S	S	P	S	P
Sickness Absence Update – report of the Head of Strategy Development			S		S	S
January 2011						
Internal Audit Progress report – audit plan progress, response to audit recommendations and significant issues arising from Internal Audit work which could impact on the council’s control environment. The report includes the review of Strategic Risk controls.	S	S	S	S	P	

Meetings and reports	Audit Committee Assurances					
	Effective Counter Fraud Arrangements	Strong Internal Control Environment & Financial Controls	Good Governance Arrangements	Accurate Financial Statements that meet Professional Standards	Significant risks to the council are adequately managed	Value for Money is Achieved
Data Quality Report - to provide updates on data quality reviews.		S	S		S	S
Risk Management Progress Report – significant current or emerging risk management issues which could impact on the council’s control environment		S	S	S	S	
Counter Fraud Policies and Standards – to report on the outcome of a review of the Anti Fraud Theft and Corruption Strategy and evaluation of the council’s counter fraud arrangements against best practice	P	S	S	S	S	S
Treasury Management quarterly progress report - to detail investments, interest and highlight salient issues as they arise	S	S	S	S	S	S
Annual Audit and Inspection Letter - provides an overall summary of the Audit Commission’s assessment of the council, drawing on audit, inspection and performance assessment work	S	S	S	P	S	P
External Audit Fees Letter 2010/2011 – to provide details of external audit’s proposed work and fee for the 2010/2011 audit	S	S	S	S	S	S
Sickness Absence Update – report of the Head of Strategy Development			S		S	S

Culmination of assurances to support the approval of the Statement of Accounts and Annual Governance Statement