

	Finance & Audit Scrutiny Committee - 29 March 2011	Agenda Item No.	8
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Title	Value for Money Conclusion
For further information about this report please contact	Mike Snow
Service Area	Finance
Wards of the District directly affected	N/A
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No
Date and meeting when issue was last considered and relevant minute number	Finance and Audit Scrutiny Committee 25 th January 2011
Background Papers	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant Deputy Chief Executive, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval		Name
Deputy Chief Executive		Andy Jones
Chief Executive		
CMT		
Section 151 Officer		Mike Snow
Legal		
Finance		Mike Snow
Portfolio Holder(s)		Andrew Mobbs
Consultation Undertaken		
Please insert details of any consultation undertaken with regard to this report.		
Final Decision?	Yes/No	
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 This report updates the Committee on the Value For Money self assessment which was agreed to be reported back to this meeting.

2. **RECOMMENDATION**

- 2.1 That the Finance and Audit Scrutiny Committee note the Value For Money conclusion self assessment (Appendix 1).
- 2.2 That the Finance and Audit Scrutiny Committee note the Strategic Financial Management self assessment (Appendix 2).

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The Audit Commission issued new auditor guidance on the Value For Money conclusion. A Value For Money assessment has been part of the requirements upon the external auditors in considering the Council's Statement of Accounts for several years. Recently this work has been part of the broader Use of Resources assessment. The Value for Money guidance has been considered, with the attached (Appendix 1) self assessment produced. Whilst many of the criteria are subjective, it is believed that the Council is continuing to make improvements in value for money. No formal Action Plan is proposed as the Council's concentration on the Fit For the Future Change Programme should result in further improvements, efficiencies and value for money.
- 3.2 The Strategic Financial Management assessment includes many matters of good financial management and governance. These will be brought to the attention of the Senior Management Team to reinforce the importance of these issues.

4. **ALTERNATIVE OPTION CONSIDERED**

- 4.1 No alternative options are proposed.

5. **BUDGETARY FRAMEWORK**

- 5.1 The Council undergoes a Value for Money assessment as part of the audit of its Statement of Accounts
- 5.2 It is important that the Council provide value for money in all its activities. This is important to ensure all stakeholders receive value for money, and to ensure the best use is made of all resources, especially in the current difficult financial regime. With the Council needing to achieve savings of around £2.9m on a net budget of £18m over the next 5 years, it is important that it continues to strive to improve in the value for money that it provides in its service provision.

6. **POLICY FRAMEWORK**

- 6.1 By managing the Council's resources properly this will support the Council in achieving its corporate objectives and value for money.

7. **BACKGROUND**

- 7.1 Following the Use of Resources ceasing, the Audit Commission published auditor guidance on the VFM conclusion on their website in December, as reported to Finance and Audit Scrutiny Committee in January.
- 7.2 A self assessment has been produced based on the auditor guidance. There is no requirement for authorities to produce a self assessment, unlike under the former Use of Resources. However, by producing the self assessment, it is possible to consider any aspect where the Council needs to improve, review its operations, or is able to justify its position. In addition the self assessment will assist the auditors in carrying out their work as part of the audit of the Statement of Accounts.
- 7.3 In producing the self assessment, it is believed that the Council is able to demonstrate it is making improvements in value for money against all the issues in the auditor guidance. Indeed, under the previous Use of Resources assessment, the VFM aspect was one of the aspects the Council was performing best at.
- 7.4 Based on the self assessment, it is not proposed to produce a separate action plan. The Council has comprehensive improvement plan as reflected by the Fit For the Future change programme. This programme is extremely comprehensive, encompassing all services areas, and requiring them to make service improvements whilst reducing costs. Progress on the programme is regular monitored by the Senior Management Team and reported to members, as discussed in the Change Programme report to February 2011 Executive. Any further action plan is believed would result in duplication, be resource intensive to monitor and may be perceived to be a "tick box" exercise.
- 7.5 The Audit Commission published "Strategic Financial Management in Councils – Delivering services with reduced income" last autumn. This publication is referred to within the VFM Guidance. This includes a Good Practice checklist. The checklist has been reviewed, and an assessment of how the Council performs has been undertaken. This is attached as Appendix 2.
- 7.6 Whilst the Strategic Financial Management assessment does not show any major gaps, it is proposed that it is discussed at a future meeting of the Senior Management Team.