
Chief Executive's Office

Please ask for: Mr A Uren
Direct Dial: (01257) 515122
E-mail address: tony.uren@chorley.gov.uk
Date: 23 March 2006

Chorley
Borough Council

Chief Executive:
Donna Hall

Dear Councillor

EXECUTIVE CABINET - THURSDAY, 30TH MARCH 2006

I am now able to enclose, for consideration at the above meeting of the Executive Cabinet, the following reports that were not attached to the original agenda package.

Agenda No Item

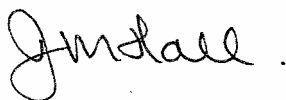
4. **Annual Audit and Inspection Letter, 2004/05 (Pages 221 - 248)**

Further to the circulation of the agenda I have now attached the Final Version of the Annual Audit and Inspection Letter for 2004/05 that was received from the Audit Commission today.

11. **Local Public Service Agreement - Progress Report (Pages 249 - 260)**

Report of Head of Corporate and Policy Services (enclosed).

Yours sincerely



Chief Executive

Encs

Distribution

1. To all Members of the Executive Cabinet and Chief Officers for attendance.

**This information can be made available to you in larger print
or on audio tape, or translated into your own language.
Please telephone 01257 515118 to access this service.**

આ માહિતીનો અનુવાદ આપની પોતાની ભાષામાં કરી શકાય છે. આ સેવા સરળતાથી મેળવવા માટે કૃપા કરી, આ નંબર પર ફોન કરો: 01257 515822

ان معلومات کا ترجمہ آپکی اپنی زبان میں بھی کیا جاسکتا ہے۔ یہ خدمت استعمال کرنے کیلئے براہ مہربانی اس نمبر پر ٹیلیفون

01257 515823

کیجئے:

Annual Audit and Inspection Letter

Chorley Borough Council

Audit 2004/2005

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles.

- Auditors are appointed independently from the bodies being audited.
- The scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business.
- Auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998, the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

Status of our reports to the Council

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any member or officer in their individual capacity; or
- any third party.

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0845 056 0566.

© Audit Commission 2006

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

www.audit-commission.gov.uk

Contents

Key messages	5
Council performance	5
Use of resources	6
The accounts	6
Financial position	6
Other accounts and governance issues	7
Best Value Performance Plan and Performance Information	7
Action needed by the Council	7
Council performance	9
Direction of travel report	9
Other performance work	12
Other Audit Commission inspections	13
Accounts and governance	15
Audit of 2004/05 accounts	15
Financial standing	16
Systems of internal financial control	18
Standards of financial conduct and the prevention and detection of fraud and corruption	18
Legality of transactions	19
Civil Contingencies	19
Use of resources judgements	19
Other work	22
Grant claims	22
National Fraud Initiative	22
Looking forwards	23
Future audit and inspection work	23
Revision to the Code of Audit Practice	23
A new CPA framework	23
Closing remarks	24
Availability of this letter	24

4 Annual Audit and Inspection Letter | Contents

Appendix 1 – Background to this letter	25
The purpose of this letter	25
Audit objectives	25
Inspection objectives	26
Appendix 2 – Audit and inspection reports issued	27
Appendix 3 – Audit and inspection fee	28
Inspection fee update	28

Key messages

Council performance

- 1 The Council is consistently improving outcomes for local people and is addressing previous weaknesses in leadership and strategic direction identified in the corporate assessment of 2004. It has set a clearer path for itself and its communities through a revised community strategy and corporate plan. It is strengthening internal systems to support improvement and the performance management framework is improving.
- 2 Performance has improved in important areas such as waste management, community safety, and benefits. Progress in managing performance is being made but it needs to better link objectives across plans and strategies. A more focussed and meaningful array of performance measures is needed in order to challenge and monitor outcomes. Business unit plans, service objectives and personal objectives for individual staff need to be integrated and more clearly linked to corporate priorities.
- 3 The Council is securing strong and fruitful partnership arrangements and beginning to play a greater role in the economic and social development of the sub region. It is emerging as a strong partner in county wide initiatives such as the Lancashire Shared Contact Centre and takes opportunities to facilitate constructive working arrangements across local authority boundaries.
- 4 The Council focuses its main efforts in community engagement on the five most deprived and disadvantaged urban areas of the borough, but there are significant neighbourhood areas at risk of exclusion. Plans for local neighbourhood areas are not well developed.
- 5 There has been some progress in building member capacity and developing the roles of councillors but the Council needs to firmly embed a sustainable structure for member training and development. While scrutiny arrangements have been strengthened, there remains scope for members to become more involved in performance management.
- 6 The inspection judgement that Chorley Borough Council provides 'excellent' access to services and has 'excellent' prospects for further improvements reflects the way that the needs of Council customers and service users are at the heart of planning and service delivery.

Use of resources

- 7 Overall Chorley Borough Council is performing well on its use of resources. Some improvements can be made to financial reporting including stake holder consultation on summary accounts and to consider the benefits of producing an annual report in a user friendly format. Sound financial management arrangements are in place but there remains a need to integrate the new Community Plan and other internal plans into the future Medium Term Financial Strategy. Members and non-financial officers would benefit from appropriate financial management training. Performance measures and benchmarking should be used to describe and evaluate how the Council's asset base contributes to the achievement of corporate and service objectives.
- 8 Risk management arrangements are performing well although a more risk aware culture could be developed through explicit consideration of opportunity upside of risks in decision-making.
- 9 The Council performs well on value for money. Clear VFM targets are needed for senior managers and members to assess VFM and monitor its achievement. Structures and processes for assessing the wider VFM of policy decisions for the whole community need to be formalised.

The accounts

- 10 We issued an unqualified opinion on the Council's accounts on 22 September 2005. The Council remains well placed to meet the earlier deadlines imposed by the whole of government accounts agenda for the closure of accounts and production of financial statements in 2005/06. The Council needs to ensure that essential working papers are provided, ideally electronically, with evidence of an internal SoRP compliance review at the start of the final accounts audit.

Financial position

- 11 The overall financial position of the Council is generally sound and prudent levels of revenue reserves are set as assessed against the financial risks it faces. HRA reserves are relatively low compared to other districts, but is projected to improve, and needs to be managed given the potential LSVT in June 2006. Whilst the Council's income collection rates are good the level of arrears has remained constant in overall terms so it still needs to ensure it continues to actively pursue all debts.

Other accounts and governance issues

- 12 We have not identified any significant weaknesses in the overall control framework. However, there is scope to further embed risk management into financial management and partnership arrangements. The Council needs to progress its arrangements to embed a proactive anti fraud and corruption and wider ethical governance culture through effective communication of the whistle blowing policy to members, staff and related third parties and appropriate awareness training.
- 13 Chorley Borough Council has responded well to the Civil Contingencies Act and has updated their Emergency Plan and developed a Business Continuity Plan. The main elements to comply with the Act appear to be in place or under development.

Best Value Performance Plan and Performance Information

- 14 The Council's Best Value Performance Plan (BVPP) was compliant in all significant respects with the statutory guidance, with an unqualified opinion issued on 12 December 2005. The quality of information produced for performance indicators (PIs) needs to significantly improve, with five reservations placed on 2004/05 PIs, through the introduction of more proactive and standardised quality control arrangements.

Action needed by the Council

- 15 The actions for the Council which relate to members' responsibilities include the need to:
 - oversee plans for engaging local neighbourhood areas so as to avoid exclusion;
 - become more effective in the use of performance management measures to challenge and monitor outcomes;
 - implement a sustainable structure for member training and development;
 - continue to monitor the implementation of the Corporate Strategy to achieve strong performance on the Council's overall use of resources;
 - develop financial management and value for money skills to further challenge the future use of Council's resources;
 - embed a proactive anti fraud and corruption and wider ethical governance culture;

8 Annual Audit and Inspection Letter | Key messages

- monitor Civil Contingencies Act compliance, business continuity arrangements and public awareness strategies; and
- monitor the introduction of improved performance information quality control arrangements.

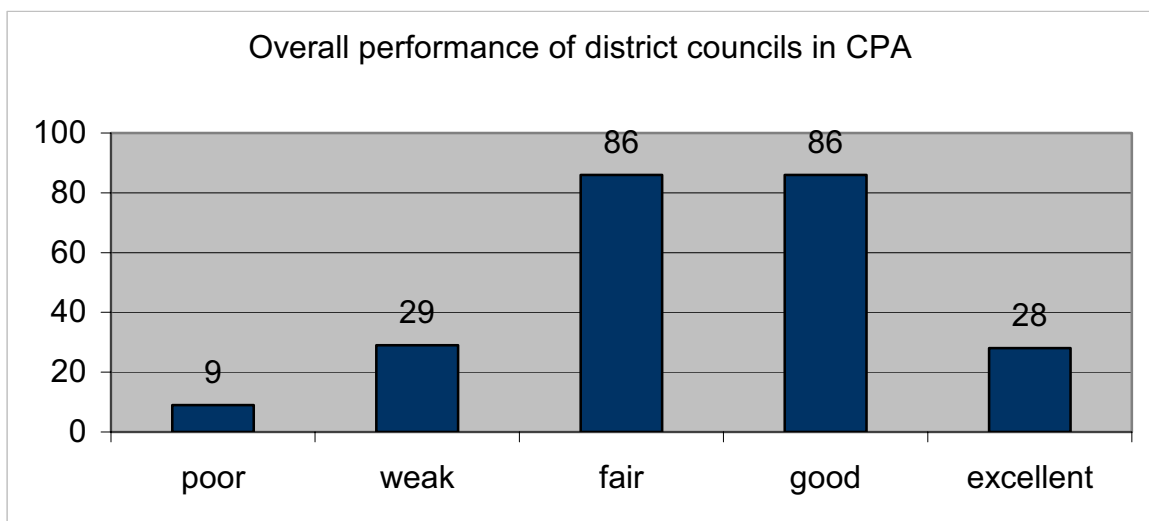
Council performance

Direction of travel report

- 16 Chorley Borough Council was assessed as fair in the comprehensive performance assessment carried out in 2004. These assessments have now been completed in all district councils with the following results.

Figure 1 Overall performance of district councils in CPA

Three times as many district councils are rated Good or Excellent than Poor or Weak



Source: Audit Commission

- 17 Since the assessment, the Council has identified its priorities for improvement and we have been working with the Council as it seeks to improve further.
- 18 The Council continues to improve as an organisation and has developed a confident, outward facing approach. It is securing strong and fruitful partnership arrangements. Good collaboration is delivering important regeneration projects, such as the new village and strategic regional site at Buckshaw. The Council is beginning to play a greater role in the economic and social development of the sub region. Chorley Borough Council is emerging as a strong partner in county wide initiatives such as the Lancashire Shared Contact Centre and takes opportunities to facilitate constructive working arrangements across local authority boundaries. The new community strategy offers real opportunities to deliver significant and sustainable improvement.
- 19 The Council's Corporate Improvement Plan targets the weaknesses identified in the 2004 corporate performance assessment. It is regularly reviewed and updated. The latest version shows good progress in all areas with planned actions completed, or on track to complete, by the target date.

Improving outcomes

- 20** The Council is consistently improving outcomes for local people. It delivers good quality core services, performing well when compared to others. In 2004/05, 57 per cent of national performance indicators showed improvement when compared to previous years with the majority (67 per cent) above average. Performance improved in important areas such as waste management, community safety, and benefits. The Council has focussed efforts to drive improvements in weaker areas such as planning, speeding up its processing times substantially. It is also improving areas of strength such as recycling where it is a top performer nationally. In 2005 the Council introduced an enhanced collection scheme for 95 per cent of households and unaudited figures for the first six months show an increase in recycling from 28 per cent to 42 per cent.
- 21** Customer satisfaction is high. In the 2003/04 Mori survey satisfaction at 74 per cent exceeded the national average in all but two areas. Satisfaction with complaint handling (average), and satisfaction with planning services, were well below the national average in 2003/04 and remained so in 2004/05. The Council has improved its planning services and is confident that this will feed through into higher level of satisfaction in future customer surveys. Following substantial improvements to the housing repairs service tenant satisfaction has risen to 81 per cent compared to the national average of 77 per cent.
- 22** Providing access to information and services and a good customer experience is a major priority of the Council. Its success is reflected in an inspection assessment of a three-star approach to customer access and user focus that has excellent prospects for improvement. Strong, visionary leadership places customers and service users at the heart of planning and service delivery. A good range of access channels fit well with local needs including well developed electronic access, and a modern one stop shop with excellent facilities. This has substantially improved the service to the public. Standards are high, reflecting best practice in the public and private sectors with a strong customer focussed culture across the organisation. Almost all, at 97 per cent, queries and service requests are dealt with at the first point of contact and customer satisfaction as measured by regular surveys is consistently high. Furthermore, the effectiveness of back office systems has improved, although, there is still further work to be done in this area. Currently 76 per cent of Council buildings are suitable for and accessible to people with disabilities in line with the requirements of the Disability Discrimination Act, and Chorley Borough Council is on target to reach 88 per cent in 2006.
- 23** The Council takes an innovative approach to using technology piloting e-voting and using mobile working systems to speed up response to service requests. Technology is used to gain information and feedback from residents and service users. E-government targets are being met, with 96 per cent of relevant services e-enabled.

Leadership and strategic direction

- 24 The Council is addressing previous weaknesses in leadership and strategic direction, setting a clearer path for itself and its communities. With its partners Chorley Borough Council has launched a new community strategy 2005-2025. This sets out five long term priorities for improving quality of life based on a good analysis of the challenges facing the borough and rooted in thorough and reliable consultation with local people. The underpinning objectives are realistic, target the right things, and have the support of partners and community representatives. The Council is clear about its role and responsibilities in delivering the community strategy, and its new corporate plan explicitly links to the wider vision.
- 25 A stronger emphasis on consultation and a more structured dialogue with customers, partners and residents has led to a deeper knowledge of the make up of the borough and the diversity of its communities. This has driven a redefinition of priorities and restructuring of political and managerial leadership around priority areas. Improved communication means that Councillors and staff, partners and local people better understand and support what the council is trying to achieve. Investments are targeted towards priorities and there is a commitment to identifying and withdrawing from areas of low priority. This will be tested with the adoption of the 2006/07 Corporate Strategy and underlying budget.
- 26 The minority ethnic population is growing and the Council is building a good level of engagement with community representatives developing its understanding of the cultural issues that can create barriers to access and take up of services. In response to feedback it has appointed a designated liaison officer and councillor champion with specific responsibilities to build deeper working relationships. Engagement with young people is also effective giving them opportunities to shape service delivery such as the design of a new youth and community centre at Adlington. The Council focuses its main efforts in community engagement on the five most deprived and disadvantaged urban areas of the borough, but there are significant neighbourhood areas at risk of exclusion. Plans for local neighbourhood areas are not well developed.

Systems to support improvement

- 27 The Council is strengthening internal systems. The corporate planning regime more explicitly integrates corporate and community plans and is bringing clarity around aims and objectives in service plans. New strategies are in place and beginning to deliver in key areas such as procurement, consultation, communication and human resources management.
- 28 Performance management is improving. Monitoring systems and progress reporting are more rigorous with regular updates to councillors and managers about performance against national and local performance indicators; project plans and improvement plans. A competency based staff appraisal system links performance to training and development. A firmer approach to identifying and tackling under performance is improving outcomes.

For example, a strengthened scrutiny and overview function has an influential role in driving remedial action to tackle weaker areas, and identifying improvement opportunities. As a result there have been improvements in areas such as grass cutting and provision of youth activities. There is still room for improvement. For example, ensuring that all staff have clear personal objectives that link to the Corporate Strategy and that the performance management framework is embedded and routinely applied at every level. There are still problems with reliability of performance data. The Council needs to improve its quality assurance arrangements to drive up the quality of BVPI management information as it is the bedrock to any performance management framework.

- 29 The implementation of better HR systems is reflected in improved outcomes such as sickness levels which reduced from 13.5 days lost in 2003/04 to 9.6 days in 2004/05. The 2005 staff survey shows that morale is high. Staff enjoy a good working environment which encourages innovation. They have an effective range of opportunities to influence decision-making and planning such as the 'Improve 4u' initiative, staff newsletter and an excellent interactive intranet.
- 30 There has been some progress in building member capacity and developing the roles of councillors. However, there is still some way to go and the Council needs to firmly embed a sustainable structure for member training and development that ensures consistency of approach. Progress is still at times hampered by tense political relations and this presents a real challenge for the Council in driving forward its ambitions for the community. There are examples of good cross party co-operation around important decisions such as the transfer of council housing stock. The Council is aware of these weaknesses and recently employed consultants to guide improvement planning.

Other performance work

Performance management

- 31 The Council is making progress in managing performance but needs to better link objectives across plans and strategies and develop a focussed and meaningful array of performance measures in order to monitor outcomes.
- 32 Chorley Borough Council's 2004 Comprehensive Performance Assessment (CPA) found that weaknesses outweighed strengths in performance management. We carried out a detailed review of different aspects of performance management arrangements based on interviews with staff and completion of self assessment checklists.
- 33 We found notable improvements in leadership and motivation. Good performance is recognised and celebrated by managers, and a performance oriented culture is emerging. Further work is required to consolidate this and, while scrutiny arrangements have been strengthened, there remains scope for members to become more involved in performance management.

- 34 A strong customer focus is evident in the approach to performance management. Service standards are increasingly based on consultation with service users and subsequent monitoring and review includes feedback from customers and citizens.
- 35 The Council has defined the outcomes it needs to deliver in order to realise the vision for the borough set out in the Community Strategy. It is updating corporate policies to reflect this but has not yet reviewed and quantified the resource implications of delivering its part of the vision. The clarity of performance reporting has improved but current measures of performance do not fully reflect the revised corporate objectives. The Council needs to develop additional local performance indicators to measure the outcomes it seeks for local citizens. The Council needs to address concerns around data quality raised in the PI audit and noted elsewhere in this letter. Business unit plans, service objectives and personal objectives for individual staff need to be integrated and more clearly linked to corporate priorities.
- 36 The Council is making good progress in strengthening people management and capacity through the implementation of a new HR Strategy and business plan. A comprehensive staff development and performance review process has been introduced.

Best value Performance Plan and Performance Information

- 37 The Council's Best Value Performance Plan (BVPP) complied with statutory guidance in all significant areas and was issued with an unqualified opinion on 12 December 2005.
- 38 The quality assurance arrangements on performance data quality is under developed as reflected in 40 per cent of 2004/05 BVPIs being inaccurate, with reservations placed on five out of 48 PIs. The quality of information produced for performance indicators (PIs) needs to significantly improve through the introduction of more proactive and standardised quality control arrangements.
- 39 Improvements in the quality assurance framework would allow the Audit Commission to reduce its future level of testing and related fee by placing greater reliance on the Council's own arrangements.

Other Audit Commission inspections

Customer access and focus

- 40 The inspection team gave the Council's approach to improving services through customer access and focus the highest possible score of three stars.

14 Annual Audit and Inspection Letter | Council performance

- 41** The inspection judgement that Chorley Borough Council provides ‘excellent’ access to services and has ‘excellent’ prospects for further improvements reflects the way that the needs of council customers and service users are at the heart of planning and service delivery. Particular strengths are as follows.
- The Council has a good understanding of the make up of the borough and the diversity of its communities and this helps it to provide the type of access to services that local people need – for example, on line, by telephone and via its modern ‘one stop shop’ which has excellent facilities.
 - Standards are high with a strong customer focussed culture in operation across the Council.
 - Staff and Councillors are committed to improving the experience of service users and, as a result, customer satisfaction is high and the substantial improvements that the Council has made are recognised and valued by service users, residents, partners and staff.
 - Through strong partnership working the Council makes sure that its premises and those of other public services are accessible to people with mobility problems or disabilities.
 - The Council is influential in the development of electronic government across Lancashire and in the North West region. It uses sophisticated technology to not only provide a high quality response but also to deliver efficiency savings which are passed onto its customers.
 - Consultation and feedback are used to shape and improve access and take up of services and the Council has ambitious plans for further improvements based on up to date knowledge of what matters to local people.
- 42** In order to secure further improvements, the inspectors recommended that the Council provide a designated point of contact for minority groups and develop clearer plans for local area meetings that enable residents to participate in plans for their communities, especially in rural areas.

Accounts and governance

Audit of 2004/05 accounts

- 43 The published accounts help the Council report its stewardship of the public funds at its disposal and its financial performance to use these resources. We gave an unqualified opinion on the Council's accounts on 22 September 2005. The Council amended the accounts for one material and a number of other non trifling errors and they were re-approved by the Accounts Committee on 21 September 2005.
- 44 Although the Council has sound systems in place for the preparation of financial statements there are some areas that require strengthening, including:
- regularity and authorisation of control account reconciliations;
 - journal procedures; and
 - system balancing and access levels.
- 45 We were able to conclude that the main accounting system can be relied upon to produce statements free from material misstatement. The Council will address these weaknesses as part of the new main accounting system.
- 46 We are satisfied that the majority of expected budgetary controls in relation to budget setting, monitoring, control and reporting are in place. Further improvement could be secured through:
- adopting written procedures for budget monitoring;
 - providing budget holders with adequate training; and
 - improving the controls over budget monitoring undertaken by budget holders as well as ensuring the information is fit for purpose.
- 47 Our review of the closedown procedures identified that effective arrangements are in place to prepare the financial statements. However, there are a number of areas where improvements can be made, including:
- senior officer review of accounts and working papers before the audit commences;
 - reconciling the asset register to general ledger and final adjustments to capital charges;
 - regular progress meetings between finance and other departmental staff who are critical to earlier closedown; and
 - a detailed plan needs to be in place to help the Council with continuing to produce the statement of accounts to the future earlier deadline.

Matters arising from the final accounts audit

48 The 2004/05 opinion audit identified one material amendment, which required re-approval due to the treatment of grant used to fund expenditure on deferred charges. Other changes to the accounts related to technical matters, with none of the amendments impacting on the bottom line of the CRA. The accounts presented for audit were of a reasonable standard. Other amendments contained within our Opinion Memorandum focused on the Council ensuring full compliance with the Cipfa Statement of Recommended Practice (SORP 2004).

Report to those with responsibility for governance in the Council

- 49 We are required by professional standards under Statements of Auditing Standards (SAS) 610 'Reporting to Those Charged with Governance' which in Chorley Borough Councils case is the Accounts Committee, certain matters before we give an opinion on the financial statements.
- 50 As all material and non trifling errors have been amended in the re-approved accounts with no other material weaknesses, we informed the members of the Accounts Committee on the 21 September 2005 that, no SAS 610 report was necessary.

Financial standing

51 The Council’s financial position is satisfactory with General Fund balances being at an adequate level as internally assessed against the future financial risks it faces. HRA reserves are low relative to other district councils but the Council's position has been improving. The table below shows that the Council has a combined reserve total of £2.75 million.

Table 1 Level of balances

This table summarises the overall level of balances and reserves

Year	General Fund £000	Earmarked Reserves £000	HRA £000	Total £000
2001/02	1,111	2,144	158	3,412
2002/03	1,257	2,291	265	3,813
2003/04	1,000	1,483	311	2,794
2004/05	1,000	1,305	443	2,748

Source: Statement of accounts

General fund spending and balances

- 52 The net cost of services per head of population is £208 in 2004/05, which is in the mid range for districts. The general fund balances represents 13.2 per cent of net operating expenditure, which represents a decrease from last year but it is still within the mid range for districts.
- 53 The latest forecast for 2005/06 reported to the Executive Cabinet on the 9 February 2006 indicates that the Council is projecting an overspend of £101,000. However, savings have been identified to reduce this overspend.

Housing Revenue Account

- 54 The HRA balance position has improved over the past year. It is now 4.7 per cent of HRA related expenditure in 2004/05 but it remains relatively low compared to other districts. The Council needs to continue with this improvement and ensure the HRA balances are closely monitored and managed in light of the potential forthcoming LSVT. We acknowledge the Council is taking action to increase HRA reserves with projected balances of £534,000 and £613,000 in 2005/06 and 2006/07 respectively.

Capital programme

- 55 The 2004/05 approved total capital programme was £17 million, although only £9 million was spent. The main slippage relates to Eaves Green Link Road scheme which now forms part of the 2005/06 capital programme. The Council is able to fund the bulk of the capital programme from capital receipts. However, it will need to continue to monitor and ensure strong programme and project management for the future.

Income collection and arrears

- 56 Table 2 details the overall level of Council arrears, which have only fallen by £7,000 or 0.29 per cent during the year. Although all these levels of debt are relatively low compared to other districts improvement is needed especially within Council Tax and NDR where debts have remained constant over the last financial year. Whilst the Council is performing relatively well on collection rates it should continue to explore all options to ensure debts are actively pursued in all areas.

Table 2 Total indebtedness

The table shows the debts in each of the main categories

Year	Council Tax £000	NDR £000	Housing Rents £000	Total £000
2001/02	2,184	557	274	3,015
2002/03	2,016	475	302	2,793

Year	Council Tax £000	NDR £000	Housing Rents £000	Total £000
2003/04	1,915	212	263	2,390
2004/05	1,884	308	191	2,383
Variance £	-31	96	-72	-7
Variance %	-1.62%	45.28%	-27.38%	-0.29%

Source: Statement of accounts

Systems of internal financial control

- 57 We have not identified any significant weaknesses in the overall control framework and are able to rely on Internal Audit. The Council has sound systems in place to monitor financial systems and to manage risks. However, there is scope to further embed risk management into financial management and partnership arrangements.

Internal Audit

- 58 Our assessment of Internal Audit confirms that it continues to provide an effective service. We are happy to report that we can rely on the work undertaken by the section and the work undertaken provides an effective component of the Council's internal control environment and governance arrangements.

Standards of financial conduct and the prevention and detection of fraud and corruption

- 59 We have not identified any significant weaknesses in your arrangements to prevent and detect fraud and corruption. However, arrangements need to be more proactive, supported by an embedded whistle blowing policy and awareness training. Subsequent to our review a whistle blowing policy has been adopted, which now needs to be effectively communicated to members, staff and related third parties.
- 60 The Council's overall arrangements demonstrate that it is committed to prevent and detect both fraud and corruption but could be more proactive on promoting high ethical governance standards. However, the Council needs to ensure all their policies and procedures are up to date and comply with statutory and other guidance. Arrangements to monitor and test the operation of CIPFA/SOLACE framework by members also needs to be in place.

Legality of transactions

- 61 We have not identified any significant weaknesses in the framework established by the Council for ensuring the legality of its significant financial transactions.

Civil Contingencies

- 62 A Civil Contingencies review has been undertaken with a report agreed and tabled at the January 2006 Audit Committee. Chorley Borough Council has responded well to the Civil Contingencies Act and has updated their Emergency Plan and developed a Business Continuity Plan. The main elements to comply with the Act appear to be in place or under development.
- 63 Training has been provided where needed and is included in the staff appraisal process for ongoing training.
- 64 Tests were carried out throughout Lancashire to establish if there were enough resources to operate ten Rest Centres at the same time. This proved successful, but arrangements to ensure that contractors and suppliers can, where relevant, support the Council during an emergency, are not uniformly in place. It is important that not only is the emergency dealt with but that critical services are also maintained, and steps should be taken to develop a purchasing policy which includes these elements.
- 65 Recommendations were made around member involvement and public awareness on Civil Contingencies and business continuity, and formalised information sharing with the Local Resilience Forum. The Council is well on with implementing these recommendations.

Use of resources judgements

- 66 The use of resources assessment is a new assessment, which focuses on financial management, but links to the strategic management of the Council. It looks at how the financial management is integrated with strategy and corporate management, supports council priorities and delivers value for money. It will be carried out annually, as part of each council's external audit. We anticipate in future the Use of Resources judgements will form part of the CPA framework.
- 67 We have assessed and scored the Council's arrangements in five key theme areas as outlined in Table 3.

Table 3 Councils arrangements

Overall Chorley Borough Council is performing well on its use of resources

Element	Assessment
Financial reporting	2 out of 4
Financial management	3 out of 4

Element	Assessment
Financial standing	3 out of 4
Internal control	2 out of 4
Value for money	3 out of 4
Overall	3 out of 4

(Note: 1 = lowest, 4 = highest, 2 adequate performance, 3 performing well, 4 performing strongly)

- 68 In reaching these judgements we have drawn on the above work and supplemented this with a review against specified Key Lines of Enquiry. A separate Use of Resources report has been agreed with the Management Team with the most significant areas where further development is needed outlined below.

Financial reporting

- 69 Improve the final accounts quality assurance arrangements to ensure the statement of accounts is fully SoRP compliant and free from material and non trifling errors. Need to introduce a process of consultation with a range of stakeholders on content and format of future summary accounts. In addition, consider the benefits of producing an annual report in a user friendly format.

Financial management

- 70 The Council has taken effective action to ensure that its Medium Term Financial Strategy (MTFS), budgets and capital programme are soundly based and are adequately designed to deliver its strategic priorities. Further improvements to the Council's financial management arrangements can be made through incorporating the new Community Plan and other internal plans into the future MTFS to assist in the delivery of its strategic priorities. Deliver regular financial management training for members and non-financial officers.
- 71 Performance is actively managed against budgets and the Council performs well on managing its asset base, and the capital strategy is being updated to reflect current priorities. Performance measures and benchmarking should be used to describe and evaluate how the Council's asset base contributes to the achievement of corporate and service objectives, including improvement priorities, and the results shared with stakeholders.

Financial standing

- 72 The Council has a good track record of managing it's spending within budget, linking the level of reserves against the financial risks it faces. Strong performance can be secured through members monitoring of financial health indicators.

Internal control

- 73 The Council does have well performing arrangements to manage its significant business risks largely achieved through the integration of risk management into its performance management and business planning framework. Although risk management is considered within each of the major partnerships, more work is required through formulating a partnership RM policy framework. To secure strong performance on managing risks broader staff and member RM related training is required, with a more risk aware culture developed through explicit consideration of opportunity upside of risks in decision-making.
- 74 There are sufficient basic controls, strategies and policies in place to give the Council a well performing regulatory framework, although there are no formalised arrangements for regular review of this documentation. There are arrangements to ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. Members are involved in the process which monitors systems on internal control. Some formalisation and development of existing procedures will be required before advancement to strong performance.
- 75 However, some important elements in the conduct of the Council's business such as an adopted and well communicated whistle blowing policy have still not been embedded to ensure probity and propriety. Partnership arrangements need to be developed in this area. In overall terms, the approach to promote and ensure probity and propriety in the conduct of its business needs to be more proactive.

Value for money

- 76 Benchmarking information on costs and quality of services achieved currently and over time needs to be used consistently throughout all services and corporately as a means of challenging performance and VFM.
- 77 VFM considerations need to be integrated by all services into their day to day operational management arrangements. Clear VFM targets are needed for senior managers and members to assess VFM and monitor its achievement. Structures and processes for assessing the wider VFM of policy decisions for the whole community need to be formalised.
- 78 The Council needs to compile information on costs and quality of services in regular reporting to members. To further enhance effective performance management arrangements the Council needs to ensure full integration between all of its key strategies and strengthen structures for monitoring and reviewing efficiency savings.

Other work

Grant claims

- 79 In accordance with Strategic Regulation, the Audit Commission has continued with a more risk-based approach to the certification of grant claims. We have reduced our audit of these claims but our ability to reduce further depends on the adequacy of the Council's control environment.
- 80 During the year we have audited the Councils major grant claims including Housing Benefit and Non Domestic Rates. We are pleased to report that no major issues arose during the year.

National Fraud Initiative

- 81 In 2004/05, the Council took part in the Audit Commission's National Fraud Initiative. The NFI, which is undertaken every two years, aims to help identify and reduce fraud by bringing together data from NHS bodies, local authorities and government departments and other agencies, to detect a wide range of frauds against the public sector. These include housing benefit fraud, occupational pension fraud, tenancy fraud and payroll fraud as well as, new for 2004/05, right to buy scheme fraud and providing new contact details for former tenants with arrears in excess of £1,000.
- 82 The NFI audit work completed confirms that the Council have adequate arrangements and resources in place to prevent fraud. However, the Council need to have a realistic timetable in place to complete the fraud work. The NFI exercise has identified and made total savings of £42,062 for Chorley Borough Council during 2004/05.

Looking forwards

Future audit and inspection work

- 83 We have an agreed plan for 2005/06 and we have reported in this letter those aspects that have already been completed. The remaining elements of that plan, including our audit of the 2005/06 accounts, will be reported in next year's Annual Letter.
- 84 We have sought to ensure, wherever possible, that our work relates to the improvement priorities of the Council. We will continue with this approach when planning our programme of work for 2006/07. We will seek to reconsider, with you, your improvement priorities and develop an agreed programme by 31 March 2006.

Revision to the Code of Audit Practice

- 85 The statutory requirements governing our audit work, are contained in:
- the Audit Commission Act 1998; and
 - the Code of Audit Practice (the Code).
- 86 The Code has been revised with effect from 1 April 2005. Further details are included in our Audit Plan which has been agreed with the Management Team and shared with the Audit Committee in early 2005. The key changes include:
- the requirement to draw a positive conclusion regarding the Council's arrangements for ensuring value for money in its use of resources; and
 - a clearer focus on overall financial and performance management arrangements.

A new CPA framework

- 87 The Audit Commission has extended the consultation period on the proposals for revising the CPA framework for District Councils up to summer 2006. The revised framework will then follow later in 2006.

Closing remarks

- 88 This letter has been discussed and agreed with the Chief Executive and Management Team. A copy of the letter will be presented at Executive Cabinet on 30 March 2006, to full Council on 11 April 2006 and at a future Audit Committee.
- 89 The Council has taken a positive and constructive approach to our audit and inspection I would like to take this opportunity to express my appreciation for the Council's assistance and co-operation.

Availability of this letter

- 90 This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk and also on the Council's website.

Mike Thomas
District Auditor Relationship Manager

March 2006

Appendix 1 – Background to this letter

The purpose of this letter

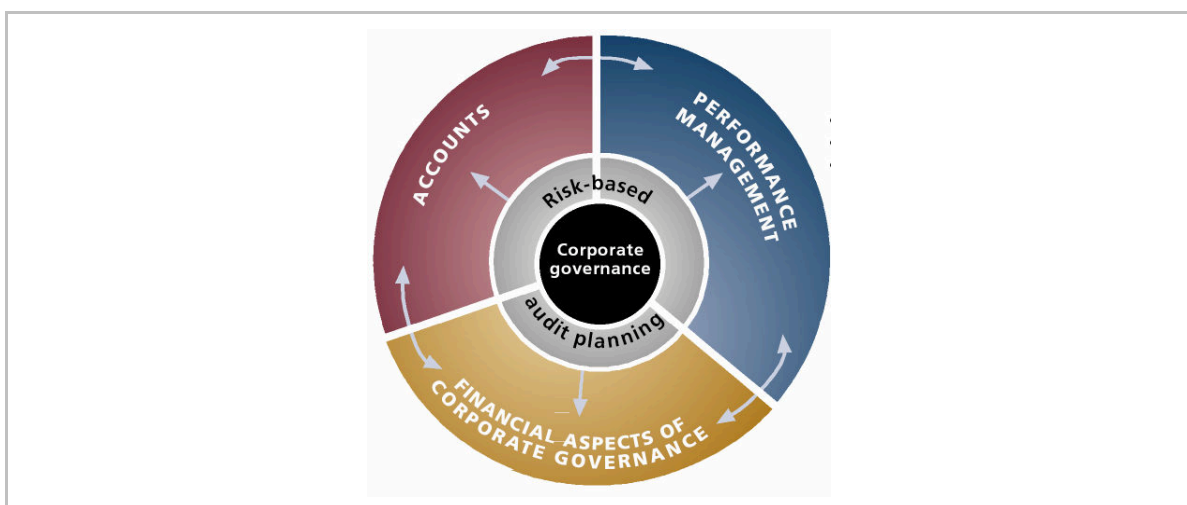
- 1 This is our audit and inspection 'Annual Letter' for members which incorporates the Annual Audit Letter for 2004/05, which is presented by the Council's Relationship Manager and District Auditor. The letter summarises the conclusions and significant issues arising from our recent audit and inspections of the Council.
- 2 We have issued separate reports during the year setting out the findings and conclusions from the specific elements of our programme. These reports are listed at Appendix 2 for information.
- 3 The Audit Commission has circulated to all audited bodies a statement that summarises the key responsibilities of auditors. Our audit has been conducted in accordance with the principles set out in that statement. What we say about the results of our audit should be viewed in the context of that more formal background.
- 4 Appendix 3 provides information about the fee charged for our audit and inspections.

Audit objectives

- 5 Our main objective as your appointed auditor is to plan and carry out an audit that meets the requirements of the Code of Audit Practice. We adopt a risk-based approach to planning our audit, and our audit work has focused on your significant financial and operational risks that are relevant to our audit responsibilities.
- 6 Central to our audit are your corporate governance arrangements. Our audit is then structured around the three elements of our responsibilities as set out in the Code and shown in Figure1.

Figure 2 Code of Audit Practice

Code of practice responsibilities



Accounts

- Opinion.

Financial aspects of corporate governance

7 Reviewing how effectively the Council ensures:

- financial standing;
- systems of internal financial control;
- standards of financial conduct and the prevention and detection of fraud and corruption; and
- legality of transactions with significant financial consequences.

Performance management

- Use of resources.
- Performance information.
- Best Value Performance Plan.

Inspection objectives

8 Inspection work is based around section 10 of the Local Government Act 1999, which requires us to carry out inspections and deliver reports that will:

- enable the Council and the public to judge whether best value is being delivered;
- enable the Council to assess how well it is doing;
- enable the Government to assess how well its policies are being implemented; and
- identify failing services where remedial action may be necessary.

Appendix 2 – Audit and inspection reports issued

Table 4

Report title	Date issued
Audit and Inspection Plan	March 2005
Customer Access and Focus Inspection	August 2005
Letter on the 2004/05 financial statements to those charged with governance (SAS 610)	September 2005
Interim Audit Memorandum	November 2005
Opinion Memorandum	November 2006
BVPP Opinion	December 2005
BVPP and PI review	December 2005
Performance Management review	January 2006
Civil Contingencies	January 2006
Use of Resources	March 2006

Appendix 3 – Audit and inspection fee

Table 5 Audit fee update

Audit area	Plan 2004/05 £	Actual 2004/05 £
Accounts	32,950	33,847
Financial aspects of corporate governance	20,400	22,560
Performance	43,750	40,693
Total Code of Audit Practice fee	97,100	97,100

Inspection fee update

The full year inspection fee is £51,981 with Chorley Borough Council paying £10,396. The work reported in this audit and inspection letter has been funded by the fee planned in 2004/05 and is net of an 80 per cent ODPM grant.

Report of	Meeting	Date
Head of Corporate and Policy Services (Introduced by Cllr D Edgerley, Executive Member for Customers, Policy and Performance)	Executive Cabinet	30/3/06

LOCAL PUBLIC SERVICE AGREEMENT – PROGRESS REPORT

PURPOSE OF REPORT

- To update Executive Cabinet on progress against the targets contained within the Lancashire Local Public Service Agreement (LPSA).

CORPORATE PRIORITIES

- The Council is a partner within the LPSA as we have ‘substantive involvement’ in the achievement of five of the twelve targets. The five targets are:

Target 2 - Improving the quality of life and independence of older people

Target 5 - Cost effectiveness

Target 8 - Prevention of youth offending

Target 11 - Youth participation

Target 12 - Customer Services – improving the handling of contact with the public utilising the e-government agenda.

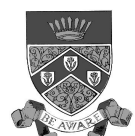
- These targets were selected for our ‘substantive involvement’ as they supported the achievement of our then corporate priorities of serving the customer better and creating a greener, cleaner, safer Chorley.

RISK ISSUES

- The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy		Information	
Reputation		Regulatory/Legal	
Financial	✓	Operational	
People		Other	

- The attainment of the twelve ‘stretch’ targets within the LPSA attracts Performance Reward Grant (PRG). Performance below the identified ‘stretch’ target will see the amount of PRG reduce.



BACKGROUND

6. The Local Public Service Agreement (LPSA) was signed in July 2003 and covers the period April 2003 to March 2006. It sets out to deliver 12 'stretch' targets around the themes of improving life chances of young and older people and is a partnership between LCC, the 12 District Councils, other key partners and central Government.
7. The current LPSA is in its final year. Action plans have been produced for all targets and are reviewed regularly. Progress reports have been produced for the targets outlining activity and outcomes achieved so far and copies are available on the County Council website in the LPSA section:
<http://www.lancashire.gov.uk/corporate/public-service-agreement/index.asp>

SUMMARY OF PROGRESS

8. This report summarises performance of the 12 targets up to the end of the third quarter 2005 – 2006 and projects the estimated level of PRG. A more detailed picture is appended in tabular form in Appendix A.
9. Overall good progress is being made and there is a degree of confidence that the 60% threshold trigger for payment of the PRG will be reached for 9 of the 12 targets. In terms of the PRG this means that the LPSA is likely to receive approximately £14.56 million. Clearly this is an indicative figure at this stage. A breakdown is attached at appendix B

COMMENTS OF THE HEAD OF HUMAN RESOURCES

10. There are no HR implications at this stage.

COMMENTS OF THE DIRECTOR OF FINANCE

11. As stated in the report the indications are that Performance Reward Grant criteria will be achieved by the County as a whole and therefore funds should be distributed to the Districts. Our current estimate is that PRG could be between £150k - £200k. This will of course be dependent upon the final outcome. As the income is a one off and not recurrent it is proposed to treat any income as effectively a windfall year, so as not to skew the Council's base budget for that year and cause potential financial difficulties in the future years following the receipt of the money. In support of this approach the Council as part of the 2006/07-2008/09 Financial Strategy, earmarked any money received to pay for the Council's pilot scheme on Police Community Support Officers. The financial implications of the pilot are due to start in the year 2007/08.

RECOMMENDATION(S)

13. Executive Cabinet is asked to note the report.

REASONS FOR RECOMMENDATION(S)

14. The report is presented for information.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

15. None.

TIM RIGNALL
HEAD OF CORPORATE AND POLICY SERVICES

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
---------------	-----	------	--------

Tim Rignall	5140	16 September 2005	CPSREP/92075LM
-------------	------	-------------------	----------------

LPSA 3rd Quarter Monitoring report 2005/06

LPSA Target	Measures	LPSA Target Performance			Performance 2004/05		Q1 2005/06	Q2 2005/06	Q3 2005/06	Narrative
		Baseline	Without PSA in 05/06	With PSA in 05/06	Target	Actual	Actual	Actual	Actual	
1 Education - Improve performance of 16 year olds	% of 16 year olds achieving the equivalent of 5 or more GCSEs grades A* to C	51.7%	59.7%	61.7%	57	53.8	56.6 (prov.)	No data - annual	No data - annual	We are below head to meet this target at the moment. Schools are making significant progress in building capacity to deliver vocational curriculum. This has contributed to the above trend improvements in the 5+ A*-C results in 2005. Reaching the stretch target will remain very challenging as the increase is far greater than that ever achieved. The chance of achieving the target is fairly low.
	Estimate of PRG for Target 1a = <60%									
	The number of secondary schools in which fewer than 28% of pupils achieve five or more GCSE grades A* to C	8	5	0	-	6	2	No data - annual	No data - annual	The number of schools in 2004 below 28% (2) represents a significant reduction. There is a fair degree of confidence that all schools will achieve above 28%. It will still be 'touch and go', but there is a collective will in each of the schools most at risk of falling below the target to continue the drive to raise attainment.
Estimate of PRG for Target 1b = 100%										
The average proportion of pupils achieving five or more GCSE grades A* to C or equivalent in Lancashire's 15 lowest performing schools	28.1%	36.1%	40.1%	-	32.1%	34.4 (prov.)	No data - annual	No data - annual	The lowest performing schools did not achieve quite as much improvement as the average in 2005, against the recent trend, though several have used new flexibilities to stimulate early achievement for the 2006 cohort. All 15 schools are deploying a range of strategies and several schools are addressing the need for literacy and numeracy accreditation by working towards Basic Skills Qualifications. As such, the capacity to reach or exceed the stretch target has significantly improved, but there is a large gap to close and the chance of achieving it is fairly low.	
Estimate of PRG for Target 1c = <60%										

- PRG – Performance Reward Grant
- Actual column is coded for 2004/05 as GREEN target met, YELLOW for target not met but within accepted tolerance, RED for target not met.
- Actual column is coded for Qs 1, 2 and 3 2005/06 as GREEN for 100% PRG predicted, YELLOW for 60% predicted (though this may rise in some cases to 100%) and RED for 60% PRG not expected to be reached

Appendix A

LPSA 3rd Quarter Monitoring report 2005/06

LPSA Target	Measures	LPSA Target Performance			Performance 2004/05		Q1 2005/06	Q2 2005/06	Q3 2005/06	Narrative
		Baseline	Without PSA in 05/06	With PSA in 05/06	Target	Actual	Actual	Actual	Actual	
2	Social Care/Health – Improve quality of life and independence of older people	118.9	109	97	99	90.4	92.4	89.84	88.24	<p>Supported Admission The slight jump in the wrong direction of the performance against this PI during the first quarter of 05/06 related to a change in definition. This does not jeopardise the target, and indeed the trajectory since the first quarter has continued in the same positive direction. The target will be achieved with an estimate of 05/06 performance as being around 89 admissions per 10,000 population.</p> <p>Intensive Home care The improvement in the numbers of people receiving intensive home care continues. The estimated full year 05/06 performance will be in the region of 19.5 per 1000 population</p>
		<p>Estimate of PRG for Target 2a = 100%</p>								
3	Transport – Improve bus usage and road safety	11.1	13.9	16	16.60	17.7	18.4	19.7	19.3	<p>Every effort is being made to ensure that this forecast target is met.</p>
		<p>Estimate of PRG for Target 2b = 100%</p>								
<p>Efforts are continuing to increase passenger journeys. However we will only be able to assess how effective our many initiatives have been, and whether we will meet the 60% after April this year.</p>										

- PRG – Performance Reward Grant
- Actual column is coded for 2004/05 as GREEN target met, YELLOW for target not met but within accepted tolerance, RED for target not met.
- Actual column is coded for Qs 1, 2 and 3 2005/06 as GREEN for 100% PRG predicted, YELLOW for 60% predicted (though this may rise in some cases to 100%) and RED for 60% PRG not expected to be reached

LPSA 3rd Quarter Monitoring report 2005/06

LPSA Target	Measures	LPSA Target Performance			Performance 2004/05		Q1 2005/06	Q2 2005/06	Q3 2005/06	Narrative
		Baseline	Without PSA in 05/06	With PSA in 05/06	Target	Actual	Actual	Actual	Actual	
	Number of people killed or seriously injured on the roads in Lancashire	1,215	994	905	873	888	225	No data	No data	The Police have just released a trial data set for verification/consultation from their new computer system, however outturn data from May 2005 onwards is still unavailable. Providing the trend from 2003 and 2004 continues the target will be achieved.
	Estimate of PRG for Target 3b = 100%									
4	Crime Reduction – Reduce youth re-offending	35.1%	30.1%	28.1%	28.1	28.0	20.6	27.2	29.6	This quarter return represents the end of the measurement period for LPSA 1. The target has been exceeded, however the return does represent a reduction of 5.5 percentage points over the period. LYOT has made an appeal to the ODPM on the basis of changes in the recording methodology for this target. We await a response from ODPM and the Home Office.
	Estimate of PRG for Target 4 = <60%									
5	Basket of performance Indicators for LCC and each of the 12 District Councils – scored on a measure of cost effectiveness	100	106	108	-	101.36	-	103	-	In projecting the changes in cost (total LCC cost) against improvement in performance for the agreed basket of Pls. LCC s forecasted performance against this target is below that required to trigger any PRG i.e 3% increase against the 60% trigger of 6%. Available information indicates all District councils should achieve their individual target.
	Estimate of PRG for Target 5 = <60%									

- PRG – Performance Reward Grant
- Actual column is coded for 2004/05 as GREEN target met, YELLOW for target not met but within accepted tolerance, RED for target not met.
- Actual column is coded for Qs 1, 2 and 3 2005/06 as GREEN for 100% PRG predicted, YELLOW for 60% predicted (though this may rise in some cases to 100%) and RED for 60% PRG not expected to be reached

Appendix A

LPSA 3rd Quarter Monitoring report 2005/06

LPSA Target	Measures	LPSA Target Performance			Performance 2004/05		Q1 2005/06	Q2 2005/06	Q3 2005/06	Narrative
		Baseline	Without PSA in 05/06	With PSA in 05/06	Target	Actual				
6	Reduce under 18 conception rate	46.2	38.5	35.5	42.7	40.6	No data - Annual	No data - Annual	No data - Annual	Under 18 conception rates are produced by calendar year, therefore the figure reported is for the calendar year 2003. On the current trajectory we would expect achieve the target over the 3 year period 2004-06. However it should also be noted that rates fluctuate year by year and teenage conceptions are influenced by a complex range of socio economic factors that will only benefit from long term solutions over a period of time. Aggregated district level data comparing 1997/9 and 2000/2 shows rates falling in most districts but continuing to rise in Lancaster, Preston, South Ribble and West Lancashire. Similar "hotspots" also exist within districts where the overall rate is falling. Due to the nature of this measure, the data for 2004 will be available in February 2006
<p style="text-align: center;">Estimate of PRG for Target 6 = 100%</p>										
7	Increase participation in drug treatment programmes	2,411	2,822	3,300	3086	4462	No data - Annual	No data - Annual	No data - Annual	Good progress is being made with this target with district council/partner involvement through CDRPs. Locality drugs groups have been established and CDRPs have been invited to send representatives to these meetings. This target is likely to be achieved. A service level agreement is currently being developed with our major treatment provider, Lancashire Care NHS Trust, which will enable the DAT to monitor both service levels and service quality across the county. The SLA is being further developed to include criminal justice drug services and those provided for young people. This is an annual indicator however in-year monitoring information is currently being sought/compiled.
<p style="text-align: center;">Estimate of PRG for Target 7a = 100%</p>										

- PRG – Performance Reward Grant
- Actual column is coded for 2004/05 as GREEN target met, YELLOW for target not met but within accepted tolerance, RED for target not met.
- Actual column is coded for Qs 1, 2 and 3 2005/06 as GREEN for 100% PRG predicted, YELLOW for 60% predicted (though this may rise in some cases to 100%) and RED for 60% PRG not expected to be reached

LPSA 3rd Quarter Monitoring report 2005/06

LPSA Target	Measures	LPSA Target Performance			Performance 2004/05		Q1 2005/06	Q2 2005/06	Q3 2005/06	Narrative
		Baseline	Without PSA in 05/06	With PSA in 05/06	Target	Actual	Actual	Actual	Actual	
	Percentage of problem drug users subject to planned discharges during the year	tbc	0%	+15%	+55%	+57%	No data - Annual	No data - Annual	No data - Annual	
	Estimate of PRG for Target 7b as at 16/9 = 100%									
8	Prevention of youth offending	2,571	7,665	7,479	4986	4930	5714	6466	7208	The number of young people identified as first time offenders is now some 350 individuals over target with 3 months left for the measurement period. 2005 has seen a marked change in the numbers of young people identified as first time offenders. The YOT has made an appeal to the ODPM on the basis of conflicting national targets which have potentially undermined the initial target.
	Estimate of PRG for Target 8 = <60%									
9	Education - Narrowing the pupil performance and attendance gap between primary schools	47.38%	62%	66%	-	59.9%	59.4% (prov.)	No data - Annual	No data - Annual	This is an annual indicator. The figures in the Actual field are unvalidated data from Summer 2005. These will be validated shortly. Each of the schools involved is subject to a range of improvement initiatives aimed at raising attainment.
	Estimate of PRG for Target 9a = 100%									
	% of 11 year olds in listed schools achieving level 4 or above in Maths	52.49%	64%	67%	-	55.8%	57.1% (prov.)	No data - Annual	No data - Annual	This is an annual indicator. The figures in the Actual field are unvalidated data from Summer 2005. These will be validated shortly. Each of the schools involved is subject to a range of improvement initiatives aimed at raising attainment. This target was examined by CCPI on 3 October where the lead officer presented a progress report.
	Estimate of PRG for Target 9b = <60%									

- PRG – Performance Reward Grant
- Actual column is coded for 2004/05 as GREEN target met, YELLOW for target not met but within accepted tolerance, RED for target not met.
- Actual column is coded for Qs 1, 2 and 3 2005/06 as GREEN for 100% PRG predicted, YELLOW for 60% predicted (though this may rise in some cases to 100%) and RED for 60% PRG not expected to be reached

Appendix A

LPSA 3rd Quarter Monitoring report 2005/06

LPSA Target	Measures	LPSA Target Performance			Performance 2004/05		Q1 2005/06	Q2 2005/06	Q3 2005/06	Narrative
		Baseline	Without PSA in 05/06	With PSA in 05/06	Target	Actual	Actual	Actual	Actual	
	% of authorised and unauthorised absences in listed schools	8.49%	7.31%	6.9%	-	7.78%	No data - Annual	No data - Annual	No data - Annual	We are not currently anticipating any significant change to the expected outcome.
	Estimate of PRG for Target 9c = 60%									
	Number of claims made by people aged 60 or over resulting in award of IS/MIG/PC	500	2,125	3,225	2150	2573	No data - Annual	No data - Annual	No data - Annual	We are on track to meet the target subject to the receipt of the full results by May/June 2006.
	Estimate of PRG for Target 10a = 100%									
10	Increase take up of welfare benefits by older people	0	0	1,100	624	569	659	772	913	The Attendance Allowance outturn had reached 913 by the end of the quarter so we have just under 200 to go. Again, results will continue to come in after April 06 because there is a time lag between doing the work and obtaining the results.
	Estimate of PRG for Target 10b = 100%									
11a	To increase the number of young people aged 13 – 19 who undergo personal and social development which results in an accredited outcome	2314	2545	3124	-	1668	No data - Annual	No data - Annual	No data - Annual	Current activity makes us very confident that we will achieve at least 60% of the overall stretch figure but we are still reasonably confident of achieving 100%. The outturn for 2004/05 may be affected by underreporting and therefore in reality may be slightly higher.
	Estimate of PRG for Target 11a = at least 60%									
11b	Increase access to leisure activities for	245	301	520	-	486	No data - Annual	No data - Annual	No data - Annual	A more accurate view of the position of this target will be available following the steering group meeting on 31/1/05.

9

- PRG – Performance Reward Grant
- Actual column is coded for 2004/05 as GREEN target met, YELLOW for target not met but within accepted tolerance, RED for target not met.
- Actual column is coded for Qs 1, 2 and 3 2005/06 as GREEN for 100% PRG predicted, YELLOW for 60% predicted (though this may rise in some cases to 100%) and RED for 60% PRG not expected to be reached

Appendix A

LPSA 3rd Quarter Monitoring report 2005/06

LPSA Target	Measures	LPSA Target Performance			Performance 2004/05		Q1 2005/06	Q2 2005/06	Q3 2005/06	Narrative
		Baseline	Without PSA in 05/06	With PSA in 05/06	Target	Actual	Actual	Actual	Actual	
	young people with disabilities									
	Estimate of PRG for Target 11b = 60%.									
11c	To increase the number of schools gaining the Healthy Schools Quality Mark Certificate in Standard 1 – Healthy Eating	6	50	100	60	84	No data-Annual	123	No data-Annual	PSA Target has been achieved with 123 schools meeting Healthy Eating Standard, 110 schools meeting Physical Activity Standard.
	Number of schools gaining Healthy Schools Quality Mark Certificate in Standard 1 – Physical Activity	2	50	100	60	76	No data-Annual	110	No data-Annual	
	100% PRG achieved for Target 11c									
12	Customer Services – Improve handling of contact with the public utilising the E-Government Agenda	tbc	+5%	+10%	-	No data	No data	No data	No data	Targets are more stretching than originally envisaged and we will not reach this target by the LPSA deadline. Therefore we will not be undertaken the survey to ascertain our performance as this is costly. A report regarding this target and the shared services contact centre was presented to meeting of the CCPI on 27 January.
	% of enquiries resolved at first point of contact									
	Estimate of PRG for Target 12 = 0%									

10

- PRG – Performance Reward Grant
- Actual column is coded for 2004/05 as GREEN target met, YELLOW for target not met but within accepted tolerance, RED for target not met.
- Actual column is coded for Qs 1, 2 and 3 2005/06 as GREEN for 100% PRG predicted, YELLOW for 60% predicted (though this may rise in some cases to 100%) and RED for 60% PRG not expected to be reached

Appendix B

Calculation of PRG Earned for LPSA

Target	Maximum PRG	Forecast Achievement	Forecast PRG
1a	0.770944	0%	-
1b	0.770944	100%	0.7709
1c	0.770944	0%	-
2a	1.156417	100%	1.1564
2b	1.156417	100%	1.1564
3a	1.156417	0%	-
3b	1.156417	100%	1.1564
4	2.312833	0%	-
5			-
LCC	2.012165	0%	-
Burnley	0.030067	100%	0.0301
Chorley	0.020816	100%	0.0208
Fylde	0.01619	100%	0.0162
Hyndburn	0.023128	100%	0.0231
Lancaster	0.037005	100%	0.0370
Pendle	0.025441	100%	0.0254
Preston	0.043944	100%	0.0439
Ribble V	0.011564	100%	0.0116
Rossendale	0.018503	100%	0.0185
South Ribble	0.020816	100%	0.0208
West Lancs	0.027754	100%	0.0278
Wyre	0.025441	100%	0.0254
6	2.312833	100%	2.3128
7a	1.156417	100%	1.1564
7b	1.156417	100%	1.1564
8	2.312833	0%	-
9a	0.770944	100%	0.7709
9b	0.770944	0%	-
9c(i)	0.385472	60%	0.2313
9c(ii)	0.385472	60%	0.2313
10	2.312833	100%	2.3128
11a	0.809492	60%	0.4857
11b	0.346925	60%	0.2082
11c(i)	0.578208	100%	0.5782
11c(ii)	0.578208	100%	0.5782
12	2.312833	0%	-
Total	27.754		14.5631

52.47%

This page is intentionally left blank