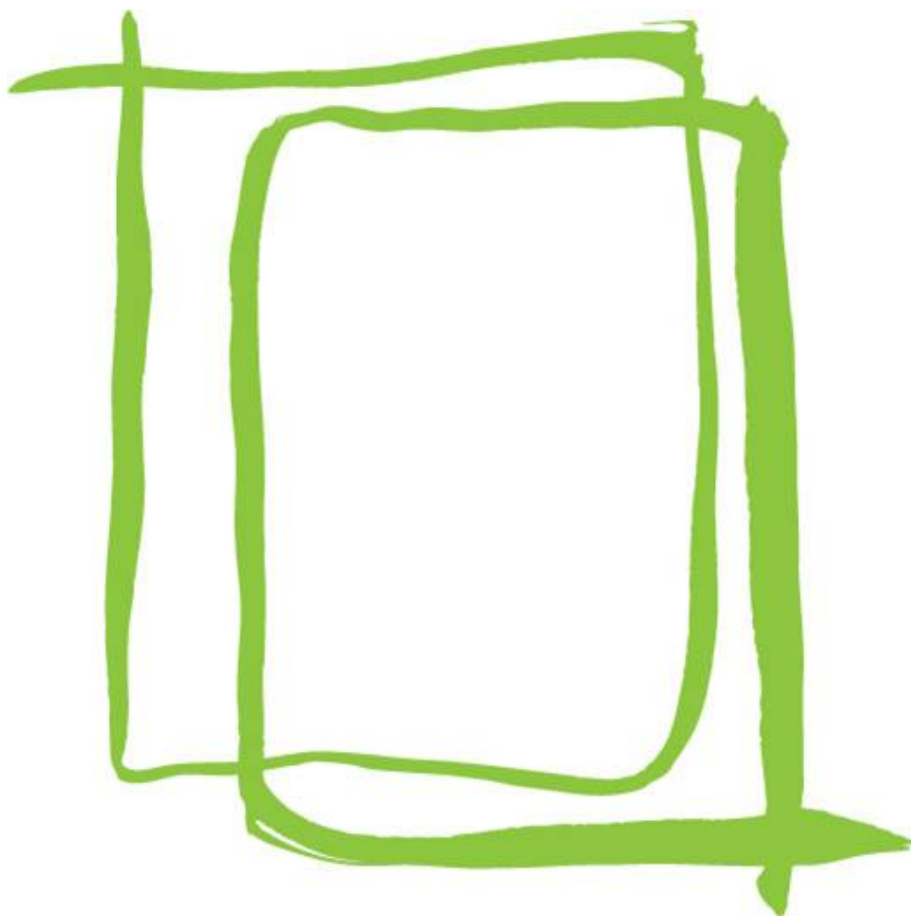


Use of Resources

Chorley Borough Council

Audit 2008/09

December 2009



Contents

Summary	3
Introduction	4
Use of resources judgements	5
Use of resources 2009/10	9
Appendix 1 – Use of resources key findings and conclusions	11

Status of our reports

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 non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

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

Summary

This report summarises our key findings from our assessment of how Chorley Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people.

- 1** Our assessment of how well the Council is managing and using their resources to deliver value for money and better and sustainable outcomes for local people is now complete. The basis of the assessment has changed in 2009 and defines use of resources in a broader way than previously, embracing the use of natural, physical and human resources. It also places new emphasis on commissioning services for local people and achieving value for money.
- 2** The new assessment places a much stronger focus on the outcomes being achieved by Chorley's management and use of its resources representing a harder test than the previous basis of assessment which was more focussed on the arrangements in place to deliver positive outcomes.
- 3** The Council received an overall score of 4 for its use of resources which means the Council is performing excellently overall. The Council was deemed to be particularly strong, demonstrating innovative practices which are delivering positive outcomes for the local community in a number of areas. These include:
 - the Council's use of activity based costing across the whole organisation, which is helping to deliver significant savings and improved services;
 - its approach to using a wide range of quality tested data to identify areas for investment which, together with a clarity of vision and focus, strong partnership working and effective member engagement are resulting in improved services in areas of need at a neighbourhood level; and
 - and its overall approach to workforce planning and management, which has resulted in a highly motivated, skilled and effective workforce which meets current and future needs.
- 4** Our detailed findings are shown in Appendix 1. The following sections of this report provide a summary of the results of the assessment in each area reviewed.

Introduction

- 5 This report sets out my conclusions on how well Chorley Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people and gives scored use of resources theme judgements.
- 6 In forming my scored theme judgements, I have followed the methodology set out in the [use of resources framework: overall approach and key lines of enquiry \(KLOE\) document](#) and the use of resources [auditor guidance](#). For each of the specific risks identified in relation to our use of resources work, which were set out in our audit plan, we considered the arrangements put in place by the Council to mitigate the risk and planned our work accordingly.

Use of resources framework

- 7 From 2008/09, the new use of resources assessment forms part of the [Comprehensive Area Assessment \(CAA\)](#). It comprises three themes that focus on:
- sound and strategic financial management;
 - strategic commissioning and good governance; and
 - the management of natural resources, assets and people.
- 8 The scores for each theme are based on the scores reached by auditors on underlying KLOE. The KLOE are generic and applicable equally to all organisations subject to use of resources judgements under CAA. This promotes consistency, demonstrating all organisations within a CAA area are treated in the same way, and to the same standards.
- 9 The Commission specifies in its [annual work programme and fees document](#), which KLOE are assessed over the coming year.
- 10 Judgements have been made for each KLOE using the Commission's current four point scale from 1 to 4, with 4 being the highest, please see Table 1. Level 1 represents a failure to meet the minimum requirements at level 2.

Table 1 **Levels of performance**

Level 1	Does not meet minimum requirements – performs poorly
Level 2	Meets only minimum requirements – performs adequately
Level 3	Exceeds minimum requirements – performs well
Level 4	Significantly exceeds minimum requirements – performs excellently

Source: [use of resources framework: overall approach and KLOE document](#)

Use of resources judgements

Scored judgements

11 Chorley's use of resources theme scores are shown in Table 2.

Table 2 Use of resources theme scores

Use of resources theme	Scored judgement
<p>Managing finances How effectively does the organisation manage its finances to deliver value for money?</p>	3
<p>Governing the business How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for local people?</p>	4
<p>Managing resources How well does the organisation manage its natural resources, physical assets and people to meet current and future needs and deliver value for money?</p>	4

Managing finances

12 Financial planning is fully integrated with corporate priority setting, so that the priorities are invested in effectively. Engagement with local communities is strong ensuring that priorities are set based on a good understanding of the diverse needs of the community. Arrangements for financial planning in the medium term are effective and have enabled the Council to move resources to focus on neighbourhoods and into priority areas such as community safety, homelessness and affordable housing. Improved outcomes for the community are evident following such prioritisation including 28 per cent reduction in crime rates since 2005, reductions in the use of temporary accommodation and an increased customer satisfaction to 94 per cent. Financial plans have been updated to reflect issues arising from the current economic climate including the impact of increased costs to the Council together with increased support for local businesses. The Council's Treasury Management arrangements have also been reviewed in the light of the economic downturn to reduce the risk of exposure in relation to investments to protect the Council from potential future investment losses.

- 13** Chorley has a sound understanding of its costs and performance and performs well in achieving efficiencies in its activities, exceeding government set efficiency targets. It is recognised nationally for its innovative use of activity-based costing (ABC) exercises which allow it to make meaningful comparisons with other councils. This has enabled the Council to identify and eliminate activities that do not add value to service delivery, Outcomes include better use of technology in waste management services improving response times whilst reducing costs, reduced benefits claim processing costs, significantly reduced central costs and releasing 17.5 administrative support staff into front line services. Value for money (VFM) reviews fully examine the rationale, efficiency, effectiveness, economy and impact of each service. Overall costs are low compared with other district councils with expenditure per head being well below the median and comparisons at a service level demonstrate excellent value for money for the outcomes being achieved.
- 14** The Council manages its financial performance during the year effectively dealing with potential under/overspends whilst maintaining high standards of service delivery. The Council's financial statements were prepared to a good standard with no material errors identified. The Council's web site contains a comprehensive range of financial reports. The Council has consulted on and amended information provided to residents as a result to include information which residents stated they valued. External reporting only includes sparse environmental and social information with limited analysis of the council's environmental footprint.

Governing the business

- 15** The Council has a clear vision of intended outcomes for local people – reflected in the Sustainable Community Strategy and its Corporate Plan. It has a good understanding of the diversity of the area and the inequalities that exist through customer profiling and the Circle of Need project and uses this information well to determine its priorities and objectives.
- 16** Flowing from this clear vision the Council commissions and procures services effectively to deliver those priorities and objectives in the most effective and efficient manner. This includes effective partnership working wherever possible to achieve maximum impact and obtain the benefit of wider available resources. The needs of citizens and users are placed at the heart of service design through a business transformation programme to improve access to services, efficiencies and customer experience. The Council has a robust approach to procurement which reflects the national procurement strategy. The management of contracts is strong resulting in improved outcomes for example in waste management and the leisure contracts. Good progress has been made on shared financial and assurance services with a neighbouring council which is delivering financial savings and provides access to wider expertise.

Use of resources judgements

- 17** The Council performs strongly in producing reliable relevant data and information to support decision making and manage performance, including make best use of partnership data. Excellent use is made of this information to identify and target issues for specific action and investment resulting in improvements in areas of most need at a borough and neighbourhood level. Improvements have been achieved in areas such as crime rates and anti-social behaviour, teenage pregnancies, sickness absence and homelessness. Additionally weeks of action held at neighbourhood level have resulted in more targeted improvements at a local level for example improved cleanliness of the local environment and reduced criminal activity in targeted areas.
- 18** There is a culture of openness and respect within the Council. Officers and Councillors have clearly defined roles and know what they are responsible for. The excellent relationships between officers and members translate into service delivery and improvement for local communities. Member development is strong enabling members to effectively represent their communities' interest and to provide effective challenge within the Council. A clear culture around standards of conduct for officers and members exists is led by senior officers and members, applied across the Council's partnerships and recognised by all staff.
- 19** The Council proactively manages its key risks in achieving its priorities including effective monitoring and management of its partnership agreements. It has identified specific risks to delivery during the year and taken action which has reduced those significantly and in some cases has resulted in much improved services following their re-design, for example the homelessness service.
- 20** Anti-fraud and corruption arrangements are effective including a pro-active plan following clear identification of fraud and corruption risks across the organisation. A strong anti-fraud stance is taken, resulting in for example, successful prosecutions and sanctions for benefit fraud being well in excess of the North West average. The internal control arrangements remain sound. An effective internal audit is in place which meets CIPFA's code of practice. The Audit Committee provides effective challenge on issues of internal control and ensures that recommendations made by internal audit are followed up and implemented.

Managing resources

- 21** The Council performs strongly in planning, organising and developing its workforce. It has a skilled and productive workforce that is enhanced with a range of partnerships and shared services.
- 22** A range of management and skills development programmes ensure that the Council has a productive and skilled workforce which contributes effectively to improved and transformed services. Action is taken to meet future demands and to target recruitment on under-represented groups.
- 23** Robust performance management, complemented by a competency framework and development opportunities, allow staff to realise their full potential and be fully effective. A rigorous system of attendance management to monitor and manage sickness absence has further reduced absences to 7.23 days per employee in 2008/09 with action being taken to ensure this positive trend continues.

- 24** Organisational change is managed effectively with good engagement with staff. A culture of openness and respect exists throughout the Council. Staff commitment to change has been recognised by, for example, Beacon status for Transforming Services through Citizen Engagement and Empowerment in 2008. Following a period of significant change within the Council including redundancies, the Council was ranked second, with particular strengths in leadership and teamwork, in the Times' list of best councils to work for.
- 25** A proactive approach to diversity and human resource policies supports the achievement of priorities. The Council now meets level 3 of the Equality Standard for Local Government. A range of staff benefits such as leisure centre discounts and recognition for innovation, commitment, good attendance demonstrate a total rewards approach.

Detailed findings

- 26** The key findings and conclusions for the three themes, and the underlying KLOE, are summarised in Appendix 1.

Use of resources 2009/10

27 The key lines of enquiry specified for the assessment are set out in the Audit Commission's work programme and scales of fees 2009/10. My work on use of resources informs my 2009/10 value for money conclusion. In my letter of 21 April about the audit fee for 2009/10, I identified a number of significant risks in relation to my value for money conclusion. For each risk, I consider the arrangements put in place by the Council to mitigate the risk and plan my work accordingly.

Table 3 Initial risk assessment

Risk	Planned work	Timing of work
<p>Shared Services arrangement</p> <p>The Council is in the early stages of its shared financial services arrangement with South Ribble Council. The arrangement potentially offers some economies of scale but service performance, business continuity and contractual risks will need managing.</p>	<p>We will review and monitor the Council's progress in managing the associated risks as part of our work on use of resources.</p>	<p>April 2009 – March 2010</p>
<p>Financial pressures</p> <p>The Council will continue to face increased financial pressures linked to the economic downturn.</p>	<p>We will continue to review the Council's plans for monitoring and managing the financial position as part of our work on Use of Resources.</p>	<p>April 2009 – March 2010</p>
<p>International Financial Reporting Standards</p> <p>2010/11 will see the implementation of international financial reporting standards to local government accounts. This will require forward planning to ensure that the required information is available to enable an efficient transition to the new financial reporting requirements.</p>	<p>We will liaise with finance staff on the key changes required and the plans in place to address them.</p> <p>We will share any 'good' practice or other sources of advice as they become available.</p>	<p>January 2010 onwards</p>

- 28** An additional KLOE, 3.1 - Natural resources will apply to District Councils for 2009/10. However, KLOE 3.3 - Workforce planning will not be assessed. I have also considered any additional risks arising from my 2008/09 value for money conclusion.
- 29** I have not identified any additional risks in relation to my 2009/10 value for money conclusion.

Appendix 1 – Use of resources key findings and conclusions

30 The following tables summarise the key findings and conclusions for each of the three use of resources themes.

Table 4 Theme 1 - managing finances

Theme 1 score	3
KLOE 1.1 (financial planning) score	3
Key findings and conclusions	
<p><i>Integrated financial planning</i></p> <p>Financial planning is closely aligned with corporate priority setting, so that the priorities are invested in effectively. Chorley’s arrangements for financial strategic planning are effective and it has evidenced how it has shifted resources to focus on neighbourhoods and into priority areas such as community safety, homelessness and affordable housing through its budget consultation and setting process.</p> <p>Its investment in community safety has helped to result in a reduction in crime by a further 2 per cent in 2008/09 and anti-social behaviour has decreased by 15.7 per cent. Investment in improving the homelessness service has resulted in a significant reduction in the use of temporary accommodation and increased customer satisfaction to 94 per cent.</p> <p><i>Medium Term financial planning</i></p> <p>Medium-term financial planning and annual budgeting reflect Chorley’s strategic objectives and priorities over three years, and the assumptions on which they are based are clearly stated. Chorley’s medium term financial strategy (MTFS) links to, and underpins, its key strategic objectives. It takes account of local and national priorities and members engage effectively in the planning process.</p>	

Key findings and conclusions

Chorley has robust arrangements in place which challenge existing resource allocation for determining the best options for providing services. Examples include the setting up of shared financial and assurance services with South Ribble Council which are expected to realise savings over two years of around £150k as well as improved quality of service.

Overview and Scrutiny Committee consider budget proposals and scrutinises efficiency gains demonstrating Chorley's commitment to greater ownership and accountability in the use of resources.

Despite council tax increases being below inflation, Chorley has consistently achieved its targets around efficiency savings. For 2008/09 it is forecasting that £446k (33 per cent above its target) of savings will be made through more effective working and better use of technology.

Engagement with stakeholders

Chorley regularly consults with local residents and stakeholders to ensure that it reflects their views in setting priorities and allocating resources. For example, as part of the 2009/10 cycle it undertook a series of consultation sessions to ensure it involved as wide a group of people as possible. This included sessions with school children, a focus group from the Making Chorley Smile panel, a straw poll in its 'One Stop Shop' together with feedback from parish councils and the Overview and Scrutiny Committee.

Chorley's CPA report in June 2008 highlighted its success in engaging local stakeholders to set ambitions for the local area: 'Effective engagement means ambitions are informed by sound understanding of the Borough's diverse communities and their needs...'

The Place Survey results show that Chorley has the second highest percentage of residents in Lancashire who feel they can influence decisions in their locality.

Manages spending

The Executive Cabinet receives comprehensive quarterly update reports on the delivery of the revenue budget and capital programme, with commentaries around additional pressures and developments in the budget which include recommendations for corrective actions. Directorates update their budget delivery through Business Plan Monitoring Statements, presented to the Overview and Scrutiny Committee on a quarterly basis.

Chorley has a track record of operating within its budget while maintaining good service performance. In 2007/08, 61 per cent of nationally-comparable indicators improved. The percentage of indicators where Chorley performed in the top quartile was significantly above the national average at 41 per cent.

Appendix 1 – Use of resources key findings and conclusions

Key findings and conclusions	
<i>Financial Governance and Leadership</i>	
Elected Members and Strategy Group take collective responsibility for the management of Chorley’s finances. There is openness about Chorley’s financial position, and the quarterly reports give clear updates on financial pressures and opportunities as recognised in the CPA report in 2008.	
KLOE 1.2 (understanding costs and achieving efficiencies) score	4
Key findings and conclusions	
<i>Understanding costs</i>	
The Council has an excellent understanding of its costs and performance and achieves efficiencies in its activities. It uses transaction costs and unit costs to improve value for money (VFM) and target resources. Combined data sets include cost, activity, performance and human resource information.	
Chorley is recognised nationally for its innovative use of activity-based costing exercises which allows it to make meaningful comparisons with other councils and eliminate activities that do not add value to service delivery. VFM reviews (already completed for three of the Council’s four directorates). fully examine the rationale, efficiency, effectiveness, economy and impact of each service. Trend data and service transaction costs distinguish the services most in demand in different geographic locations, thereby identifying where to focus resources to improve services for users.	
Improved outcomes include the better use of technology in waste management services to improve efficiency and responsiveness by sending service requests directly to the contractor, reduced processing costs per benefit claim from £59.57 in 2004/05 to £46.08 in 2008/09, saving £125,000 through a restructure of the Business Directorate and reducing Central Services costs from £27.74 per head in 2006/07 to £20.95 per head in 2008/09. An e-workforce programme reduced the administrative support by 17.5 FTE’s and resources were re-allocated to frontline services.	
<i>Decision making</i>	
The Council makes excellent use of benchmarking cost, performance information in decision making and commissioning. VFM reviews examine how services have a positive impact within the community and on the Council’s objectives. The Council understands and evaluates the impact of its long-term and whole life costs, including environmental and social benefits; for example, additional investment has been made in activities for young people and to provide integrated services within neighbourhoods.	

Key findings and conclusions

The Council makes effective commissioning decisions that are resulting in strong outcomes for the community. Community safety activities with partners and a neighbouring council have resulted in a 28 per cent reduction in crime rates since 2005. Work with the Chorley Children's Trust has resulted in a 10 per cent reduction in teenage pregnancies and a 75 per cent increase in young people accessing sexual health services.

Making efficiencies

The Council has thorough processes for identifying and making efficiency gains, aligned with business planning. It reported efficiency savings of £2.7 million for the three year period ended 2007/08, over double the govt's target for this council. Further efficiency savings of £446,000 were reported in 2008/09. Ongoing service improvements have been achieved and high performances maintained whilst reducing costs. In recent years the council has reduced staffing by 100, achieved significant cost savings and kept council tax increases below inflation whilst improving its performance and is achieving its ambitious objectives.

Overall costs are low compared with other district councils and nearest neighbours, based on revenue estimates for 2008/09. Total expenditure on services per head was below the medians for nearest neighbours and for all district councils. Overall costs were comparatively lower than the 2006/07 revenue estimates. Council tax increases have been kept below inflation averaging 1.8 per cent pa over last three years.

Comparative costs of services are variable, ranging from the highest 25 per cent (for example, parks and open spaces) to the lowest 25 per cent (for example, environmental health) but do represent excellent vfm for the outcomes achieved. Where available, unit costs for activities, are generally lower than other councils. The Council is consistently a top performing organisation as recognised in the 2008 CA.

Appendix 1 – Use of resources key findings and conclusions

KLOE 1.3 (financial reporting) score	3
Key findings and conclusions	
<i>Financial monitoring and forecasting</i>	
<p>Financial reporting on a timely, accurate and meaningful basis is embedded across the Council, supporting Managers, Directors and Members. Monitoring reports are taken to Directors and budget holders on a monthly basis. On a quarterly basis the integrated performance, finance and risk report is considered by Overview and Scrutiny Committee and Executive Cabinet with a summary report to full Council. Officers maintain a regular dialogue with those partners who potentially pose financial, operational and reputational risk to the Council.</p> <p>Variations in financial performance and forecast financial outturn for the year are identified and action plans are developed and monitored when a material variance arises or a deficit is forecast. The Council has a good track record of managing financial performance whilst maintaining or improving service delivery.</p>	
<i>Using fit-for-purpose financial reports to monitor performance and support strategic decision making</i>	
<p>Financial and performance data is reported together in combined reports to the Council's Executive Cabinet and Overview and Scrutiny Committee to ensure that financial and strategic decision making is fully integrated. The Council's financial system is accessible to all budget managers and the system has been changed and upgraded during 2008/09 to allow better reporting to budget managers. Internal financial monitoring and reporting during the year is relevant, understandable and accruals based, ensuring a clear link between the budget, in-year forecasts and actual year-end position. Several examples of how the integrated monitoring reports have been used during the year to inform decision making are referred to under KLOE 2.2.</p>	
<i>Preparation of accounts</i>	
<p>The comprehensive monthly budget monitoring reports assist in earlier close down at year end, thus allowing time to comply with the statutory reporting requirements. The Statement of Accounts was approved at the Audit Committee on 24 June 2009 following a comprehensive explanation by the Head of Financial Shared Services. The Accounts were submitted for audit at the start of July and were supported by comprehensive working papers. Accountants have liaised with us on specific accounting issues in the run up to the production of the financial statements. Our audit of the accounts did not identify any material errors.</p>	

Key findings and conclusions

Publishing reports

The Council's website contains a comprehensive range of financial reports including the 2008/09 pre-audit Statement of Accounts and the 2007/08 Annual Audit and Inspection Letter. In 2008/09 the Council undertook consultation regarding the content of the Council Tax leaflet. In addition to the statutory Council Tax information, this leaflet has been revised to include information which residents stated they valued including the amount of money spent in different service areas, how to contact the Council and information about projects the Council is working on. The design and layout of the leaflet was also changed following the consultation to make it more understandable and reader-friendly. However, external reporting only includes sparse environmental and social information with limited analysis of the council's environmental footprint.

Table 5 Theme 2 - governing the business

Theme 2 score	4
KLOE 2.1 (commissioning and procurement) score	3
Key findings and conclusions	
<i>Clear vision of expected outcomes</i>	
The Council has a clear vision of intended outcomes for local people – reflected in the Sustainable Community Strategy and its Corporate Plan. It has a good understanding of the diversity of the area and the inequalities that exist through customer profiling and the Circle of Need project. It uses this understanding well to target its priorities (for example, tackling health inequalities and alcohol harm) and to determine the best model of service delivery for achieving value for money (VFM).	
<i>Extensive involvement in commissioning</i>	
Local people, partners, staff and suppliers are actively involved in commissioning services, for example, markets management and revised waste collection arrangements.	

Appendix 1 – Use of resources key findings and conclusions

Key findings and conclusions

Improvement through service redesign

The needs of citizens and users are placed at the heart of the design of service delivery through a Business Transformation Programme. Good use is made of ICT to improve access to services, efficiencies, the customer experience and VFM. Investment in 'thin client' technology is designed to further improve operational efficiency whilst enhancing sustainability with reduced CO2 emissions.

Understanding the supply market

The Council has a good understanding of supply markets. VFM reviews consider strategic procurement. It works well with other councils to take advantage of collaborative procurement opportunities and framework agreements. A 'Selling to the Council' guide helps to support local businesses.

Evaluation of procurement options

The Council has a robust approach to procurement that reflects the National Procurement Strategy. An outsourced property services contract includes, for example, a new energy management plan that is forecast to achieve savings of £819,000 over the seven year life of the contract. It has a good understanding of the socio-economic and environmental implications of procurement, reflected in a Sustainable Procurement Policy, a Climate Change Strategy and working with the third sector.

Good progress has been made on shared financial and assurance services with a neighbouring council which is delivering financial savings and provides access to wider expertise. Collaborative procurements take advantage of a variety of OGC buying solutions and consortia frameworks for paper where these prove competitive.

A new waste recycling collection contract from April 2009 includes improved recycling targets and improved performance management arrangements. The model is now used when other councils outsource their waste collection. Strong governance arrangements for all significant partnerships ensure that opportunities to improve VFM are maximised.

The Council works well working with health sector partners - including pooling budgets - to address health inequalities demonstrated by, for example, a reduction in teenage pregnancies. A combined community safety partnership enables joint resources to be targeted more effectively on problem areas with crime incidents having reduced.

Key findings and conclusions	
<i>Reviewing service competitiveness and achieving value for money and wider objectives</i>	
<p>The Council reviews the competitiveness of services and achieves VFM, which is an integral part of the Council's business planning process. Ongoing reviews examine all aspects of services for rationale, efficiency, economy, effectiveness and impact, assess the extent to which they provide VFM and make recommendations for improvements to services. Rough cut activity based costing exercises identify and change or eliminate functions that do not add value to service delivery. The e-workforce programme, for example, reduced the administrative support establishment by 17.5 FTE's through e-enablement and the introduction of electronic processing.</p>	
KLOE 2.2 (data quality and use of information) score	4
Key findings and conclusions	
<i>Data quality</i>	
<p>Strong arrangements are in place to produce relevant and reliable data. An updated Data Quality Strategy sets out how the Council secures good data quality. More emphasis is placed on the accuracy of partners' data, including independent checks. Procedures, such as Performance Challenge Groups and Performance Round Tables ensure that accurate, consistent and reliable performance data is collected, recorded, analysed and reported. No indicators have been qualified or reserved in the last two years and high quality data found in the current spot-checks.</p>	
<i>Decision making process</i>	
<p>Excellent use is made of information to support the decision making process with a range of data on costs, trends, comparators, public opinion, as well as performance indicators and targets. Fit for purpose performance information, linked to needs, is reported in a timely manner to ensure that the Council can respond to issues and direct resources accordingly; for example, use of data informed the decision to provide the Homelessness service directly by the Council and has also driven a significant reduction in sickness absence. Information is shared with partners, for example, on community safety to target problem areas. Using information from the Police, Fire Service, Council and other partners, this approach has been highly successful and helped contribute to a further fall in crime of over 2 per cent in 2008/09 and to feelings of safety during the day of 91 per cent and 57 per cent at night. Internally the Council is coordinating all customer insight information to further improve responsiveness and meet all the needs of local people for eg addressing issues linked to fastest ageing population in Lancashire.</p>	

Appendix 1 – Use of resources key findings and conclusions

Key findings and conclusions

'Mosaic' customer profiling information makes innovative use of the property gazetteer and is used with partners' data to address specific issues at a neighbourhood level. Resultant action has, for example, improved the cleanliness of the local environment and reduced criminal activity in targeted areas.

Data security

Arrangements are in place to ensure data security and compliance with statutory requirements. A comprehensive and up-to-date Information Security Framework sets out the responsibilities of managers in ensuring that risks to data integrity are mitigated. New posts of Information Manager and Network and Security Manager ensure a strategic overview of security. Procedures ensure each actual or potential security breach is investigated and recommendations resulting from investigations lead to changes in policy and practice.

Refreshed business continuity plans are in place for all of the Council's services and key information systems and their integrity. Tests have demonstrated the resilience of the Council's network and disaster recovery procedures.

As a result the Council complies with the requirements of Government Connect, the secure Intranet, and maintains the confidentiality and integrity of data.

Performance mgt

The Council continues to make excellent use of performance data in managing and improving the delivery of services through the Strategy Group, Executive Cabinet, Overview and Scrutiny Committee and the Audit Committee. A culture of performance improvement and a clear focus on customers are evident throughout the Council. The Council has a track record of exceeding financial and non-financial targets, including efficiency gains.

A sustained focus on priority issues is reflected in strong and improving performance against key indicators resulting in improved outcomes for local people, such as a 28 per cent reduction in crime and a 10 per cent reduction in teenage pregnancies. Under-performance is robustly addressed as, for example, plans to improve the delivery of affordable housing. The number of families in temporary accommodation has reduced from 42 in 2008 to 24 in 2009.

KLOE 2.3 (good governance) score	4
Key findings and conclusions	
<p><i>Principles of good governance</i></p> <p>The Council’s constitution is published on the Council’s website and intranet and clearly describes the roles of Member and Officers. The Constitution and its summary also describe the role of other elected Members and overview and scrutiny committee.</p> <p>The CPA inspection in 2008 recognised the clear roles and good working relationship between Members and senior management team: “There is a culture of openness and respect within the Council. Officers and councillors have clearly defined roles and know what they are responsible for.”</p> <p>The roles of Members and the senior management team are regularly reviewed to ensure that they remain focussed on delivering improvements. eg responsibilities of Executive Members have recently been amended to reflect changes to senior management team to make the Council more customer-focussed.</p> <p>The Council’s Partnerships Framework recognises that the success of any partnership is based on effective systems of governance. The framework establishes the principles of governance and risk management that must be applied in key partnerships.</p> <p>Member Development at Chorley is strong and every elected Member has an up-to-date Personal Development Plan, which identifies possible training needs. Feedback from training sessions is positive, with 90 per cent of Councillors stating they were very satisfied the training provided.</p> <p><i>Purpose and vision</i></p> <p>The Council has an innovative ‘plan on a page’ Corporate Strategy which clearly states the Council’s vision and priorities. This is based on the insight that the Council holds on the local area and its residents – see also KLoE 2.2. The Corporate Assessment of Chorley in 2008 recognised the Council had developed an overarching vision for the area based on a shared understanding of local needs with its local partners:</p> <p>Chorley was recently awarded Beacon Status for ‘Better Outcomes for People and Places’ recognising the strong vision that both Officers and Members have for the local area.</p> <p>There are excellent relationships between members and senior officers, which translate into service delivery and improvement for local communities.</p>	

Appendix 1 – Use of resources key findings and conclusions

Key findings and conclusions

Ethical framework and culture

The Council has Officer and Member Codes of Conduct and a Member-Officer Protocol, which are regularly reviewed.

During 2008, a group of staff developed a set of values which everyone within the Council work to. The leadership of the Council sets an example in adhering to the values and promoting an open culture: “The leadership sets the tone by creating a climate of support, openness and respect, and there is the appropriate level of debate and challenge between councillors and senior managers” (CPA Report 2008)

During 2008/09, CBC has implemented changes to respond to the new arrangements that transferred responsibility for assessing complaints from the Standards Board for England to the local Standards committee. Members have attended training on conducting local assessment hearings and training offered by the North West Independent Members’ Forum

Partnership governance

Chorley has a comprehensive partnership framework that covers all the key partnerships. The framework ensures that the partnerships are consistently managed effectively particularly in relation to identified risks. This includes a scheme of delegation and steps to ensure compliance with the Council’s wider policies.

The CPA inspection in 2008 recognised the success the Council has had in using partnerships to improve outcomes: “The Council has constructive and proactive relationships with its key strategic partners, whose view of the Council is extremely positive. Partnership working is delivering improvements for local people in line with priorities.”

The Council has worked with the voluntary, community and faith sector within Chorley to develop a compact which clearly sets out the common principles that the Council and VCF sector will work to when working together.

KLOE 2.4 (risk management and internal control) score	3
Key findings and conclusions	
<p><i>Risk management</i></p> <p>The comprehensive Risk Management Framework sets out how risk management will operate within all of Chorley’s key business systems and processes. The Council proactively manages its key risks in achieving its priorities through the Strategic Risk Register aligned to its corporate priorities, which is overseen by the Audit Committee. Mitigating actions are integrated into Business Improvement Plans, with clear ownership assigned to individuals and portfolio holders.</p> <p>Members receive training on the arrangements for risk management, as do key officers. In 2008/09, project management training was undertaken with key staff which focussed on identifying and managing risks.</p> <p>Chorley’s Partnership Framework sets out corporate standards for partnership governance, including performance management and risk management ensures that it ethical standards are replicated in all partnerships. There are a range of examples where the council has responded to risks highlighted through its risk management approach both for itself and in partnership and has effectively reduced the risks and resulted in improved services many of which we have quoted under other KLOEs.</p> <p>Detailed governance assessments and reviews of joint risk registers for all Chorley’s key partnerships were carried out in 2008/09. These include assessments around sustainability, equality and diversity and business continuity.</p> <p><i>Counter fraud and corruption arrangements</i></p> <p>Chorley refreshed its Anti-Fraud & Corruption Strategy, Whistle-Blowing and Anti Money-Laundering Policies during 2008/09. These were included in new sections on the intranet and promoted through team briefings.</p> <p>Recently the Council undertook a review to develop a Corporate Anti Fraud and Corruption Risk Register. This involved a risk assessment of the potential for fraud within the activities of each directorate and included partnership working and joint venture activity. These individual risk assessments are used to inform the pro-active counter fraud and corruption work on an ongoing basis.</p> <p>Chorley’s strong anti-fraud stance is also demonstrated in its success in prosecuting and sanctioning benefit claimants for fraud. The Benefit Enquiry Unit secured 13 successful prosecutions and 80 sanctions for 2008/9. This represents 12.23 prosecutions/sanctions per 100,000 caseload which is well above average for the North West of 5.99.</p> <p>Counter fraud and corruption measures extend to the Council’s partnerships. The Partnerships Framework contains guidance on the standards of behaviour and personal conduct required from members, officers and partners involved in partnership activity which partners are required to sign up to.</p>	

Appendix 1 – Use of resources key findings and conclusions

Key findings and conclusions

Systems of internal control

Chorley has sound systems of internal control. It has operated an Audit Committee since 2001 and the arrangements were formally reviewed and updated in 2007 following an internal assessment of compliance with the CIPFA Code of Practice on Audit Committees. An effective internal audit is in place which complies with CIPFA's code of practice for internal audit. Internal audit concluded for 2008/09 that a sound control environment had been in place across the authority.

There is an ongoing programme of training and the Committee regularly receives presentations and briefings to provide context and background to the external and internal audit reports they are asked to consider. The committee provides effective challenge on issues of internal control and ensures that recommendations made by internal audit are followed up and implemented.

Chorley has adopted a Local Code of Corporate Governance which includes a robust mechanism for the production of the Annual Governance Statement. The annual self-assessment includes the integration of Directorate Assurance Statements within Chorley's performance management, assurance framework and overall system of corporate governance.

Table 6 Theme 3 - managing resources

Theme score	4
KLOE 3.3 (workforce planning) [score / not applicable to single tier and county councils in 2008/09]	4
Key findings and conclusions	
<p><i>Productive and skilled workforce</i></p> <p>Through a range of management and skills development programmes the Council has a productive and skilled workforce that is making an effective contribution in delivering improved and transformed services. The Council has introduced a number of initiatives such as modern apprenticeships and succession planning in, for example, Building Control and Planning services to meet future demands. It makes good use of e-recruitment and targets recruitment on under-represented groups.</p> <p>Joint working with other agencies and councils, such as financial and assurance services, is making good use of scarce capacity and allows expertise to be shared.</p> <p>Robust performance management, complemented by a competency framework and development opportunities, allows staff to realise their full potential and be fully effective. Non-value adding work activities have been eliminated with resources re-allocated to front-line services. A rigorous system of attendance management to monitor and manage sickness absence has reduced absences by 30 per cent in the last two years to 7.23 days per employee. Action is being taken to ensure this positive trend continues, including health and wellbeing initiatives, such as smoking cessation and health screening.</p> <p>High performance, innovation are recognised by the annual Chief Executive’s Awards for individual employees and teams.</p> <p><i>Workforce planning</i></p> <p>Workforce planning is effective and integrated into business improvement planning process to ensure that the Council has the future capacity and skills to achieve its priorities. Staffing implications of new proposals are assessed. Development opportunities enable staff to prepare for future roles and retain expertise within the Council. A programme of value for money reviews ensures current and future working structures are fit for purpose and aligned to the service delivery needs of local people.</p>	

Appendix 1 – Use of resources key findings and conclusions

Key findings and conclusions

Organisational change

Organisational change is managed effectively with good engagement with staff. A culture of openness and respect within the Council and a range of communication and consultation mechanisms reassure staff that senior managers are approachable and are genuinely interested in their views. Council successes - such as achieving Investors in People in 2007 and Beacon status for Transforming Services through Citizen Engagement and Empowerment in 2008 - are celebrated as an achievement for everyone in the Council.

Additional work, such as individual briefings and support from the Human Resources team, is undertaken during organisational change to ensure those staff affected (for example, in the restructure of ICT services) are kept fully informed and are able to engage with the consultation process.

Staff satisfaction has increased during a period of significant change involving redundancies, restructuring and redeployment. In 2008, Chorley was the runner-up in the Times' list of best councils, with particular strengths in leadership and teamwork.

Diversity and good people management

A proactive approach to diversity and human resource policies and practices supports the achievement of priorities. The Council now meets level 3 of the Equality Standard for Local Government – the independent assessment found that employment and training was a particular strength. The diversity of the workforce – and opportunities – is reflected amongst senior managers. Whilst the workforce reflects the local BME population it does not reflect the percentage of the economically active population who have a disability.

The equal pay audit has been completed and the results implemented.

A range of staff benefits such as leisure centre discounts and recognition for innovation, commitment, good attendance demonstrate a total rewards approach that helps to attract and retain staff.

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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 0844 798 7070.

© Audit Commission 2009

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

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

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

www.audit-commission.gov.uk
