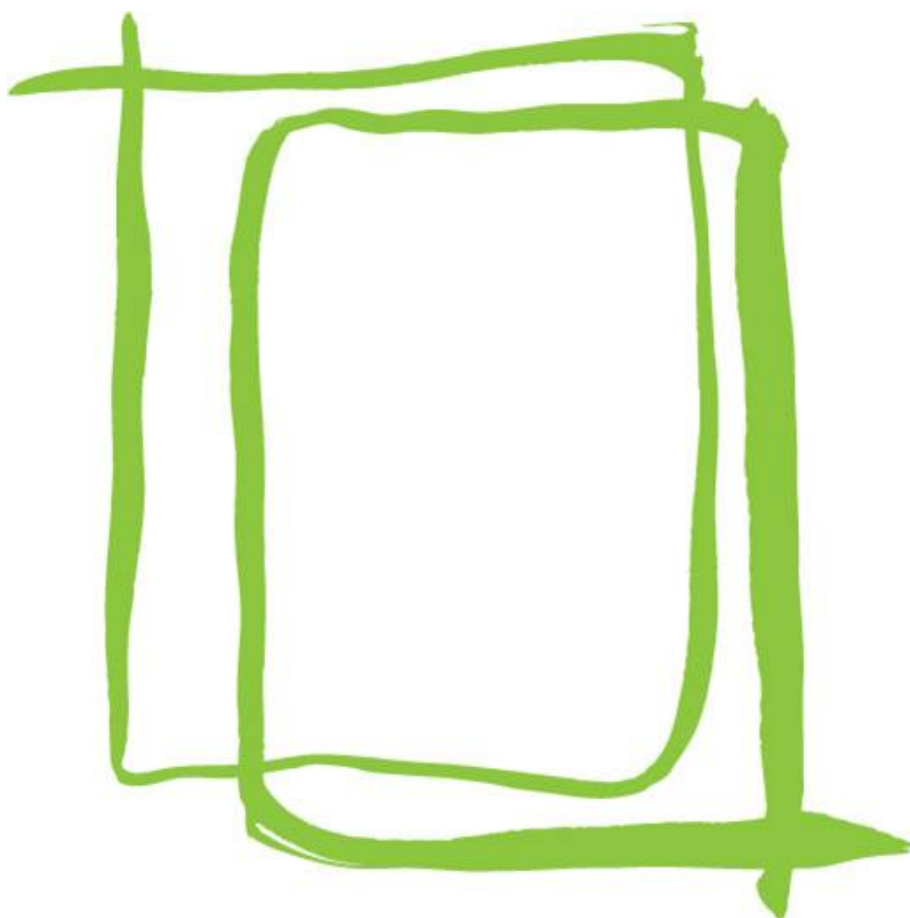


# Use of Resources

South Ribble Borough Council

Audit 2008/09

November 2009



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## **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.
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# Summary

**This report summarises our key findings from our assessment of how South Ribble Borough 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 a 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 South Ribble'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 3 for its use of resources which means the Council is performing well.
- 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 South Ribble Borough 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](#).

## Use of resources framework

- 7 From 2008/09, the new use of resources assessment forms part of the [Comprehensive Area Assessment \(CAA\)](#) and 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**

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

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

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# Use of resources judgements

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## Scored judgements

11 South Ribble Borough Council's use of resources theme scores are shown in Table 2.

**Table 2** Use of resources theme scores

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

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## Managing finances

- 12 The Council has demonstrated a strong track record of managing its finances to deliver value for money and using cost and budget monitoring information to inform decision making.
- 13 Financial planning is fully integrated with strategic priorities linking its Medium Term Financial Strategy ( MTFS ) and budget planning. Members actively take part in financial decisions. Engagement with local communities is strong, South Ribble Borough Council makes extensive use of Citizen's Panels, Equality Forums and BME groups to understanding what matters to citizens and reflect these in Council spending priorities.

- 14** The Council has clear information on costs, including transaction costs and unit costs for specific services. Overall, comparative costs have fallen since 2007/08 and the Council is amongst the lowest 25 per cent spenders compared to its comparative group for major elements of expenditure. These services include waste collection, local tax collection, council tax benefits administration and economic and community development.
- 15** Where the Council has costs which are higher than the average, in some areas a correlation can be seen with increased performance and value for money. In particular, whilst expenditure of housing benefits administration is within the highest 25 per cent compared to its nearest neighbours service, reflecting the priority given to this service by the Council performance has continued to improved and the section has dealt with an increasing caseload without the need for additional resources.
- 16** Councillors and managers routinely use this information to review value for money in services and to give resources to priority areas. The Council has, for example, kept the cost of local tax collection comparatively low by encouraging the use of direct debits. 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.
- 17** Through the C-smart programme the Council identifies and pursues opportunities to reduce costs and improve quality of services. Outcomes include the Gateway contact centre to improve access to services and responsiveness and faster processing times for benefit claims.
- 18** South Ribble's financial reporting is timely, reliable and meets the needs of users. The Council's financial statements were prepared to a good standard with no material errors identified. The financial performance of partnerships is regularly reviewed, linked to outputs, and the results shared with partners and acted upon. Relevant non-financial and financial information is reported to members and the Council is strong at providing clear concise reports to members that aid decision making.

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### Governing the business

- 19** The Council commissions and procures services which deliver sustainable outcomes, improve value for money (VFM) and meet local needs. It has a track record of listening to local people and using their comments to design services such as the Gateway contact centre which has the Customer Excellence Award. It has a good understanding of the supply market for services. The Council is strong in supporting small and medium businesses, especially during the economic downturn, and community and voluntary groups.
- 20** The Council has a good approach to options appraisal and procurement, for example, the leisure and waste partnerships, with comprehensive monitoring and evaluation. It has made good progress with the shared financial and assurance services with a neighbouring council. This partnership is delivering financial savings and providing access to wider expertise.

## Use of resources judgements

- 21** Good arrangements are in place to ensure that relevant and reliable data supports decision making. The Council shares data with partners to target resources on its priorities, such as community safety and the Families First project with vulnerable households. Less satisfaction with the cleanliness of the local environment resulted in a 'hit squad' to provide a faster response to littering and fly-tipping. To enhance arrangements the Council needs to be able to show that processes are in place to monitor and validate data from third parties and ensure that such data is actually fit for purpose with the appropriate assurance from third parties.
- 22** The Council analyses performance information alongside, financial, and risk data to identify any gaps in services (or under-performance) and future demands. Equality and Diversity reports ensure the Council is meeting the needs of minority groups within the borough. Improved outcomes in 2008/09 include an increase in affordable homes and a decrease in the number of households in temporary accommodation. The C-Smart transformation programme is using performance data to improve efficiency and achieve better outcomes for lower costs.
- 23** South Ribble's constitution mirrors the Local Code of Corporate Governance, demonstrating the principles of good governance. The Standards Committee is at the heart of raising ethics standards with high calibre independent members having been brought in to strengthen an existing strong skills base.
- 24** The Council has demonstrated a strong approach to partnerships working including the creation of a shared service with Chorley Borough Council. Appropriate governance arrangements exist for all partnerships and the Council's partnership evaluation toolkit provides a framework ensuring robust governance protocols are in place. All key partnerships have been evaluated.
- 25** Strategic risk management is fully integrated with the corporate planning and annual budget setting processes. The MTFs includes a full consideration of budget risks and key corporate risks are identified and reported to the Policy and Service Review Committee and Cabinet annually at the same time as the Corporate Plan.
- 26** South Ribble has sound systems of internal control including a strong Internal Audit section, which fully complies with CIPFA professional standards. Members play an active role in challenging and maintaining effective internal control mechanisms, which has been evidenced at recent Governance Committee meetings. Throughout the year members have made a positive contribution by providing a robust challenge in several key areas namely:

  - review /input to the Corporate Governance action plan;
  - assessing risk management progress and the potential risks to the Council of a downturn in the economy; and
  - challenging the Council's CSmart efficiency programme.

### Recommendation

**R1** Ensure that arrangements are in place to:

- validate data from third parties;
- ensure that such data is fit for purpose and third parties demonstrate that it complies with the requirements set out in the third party protocol;
- provide assurance that partners have secure processes in place for providing information; and
- identify and share information on potential data quality issues and address any data sharing problems.

### Managing resources

- 27** The Council performs well in managing its staff to meet current and future needs. It has a skilled and productive workforce. A recent assessment found that it is 'the essence of an Investor in People organisation'. Learning opportunities enable staff to reach their full potential. Staff satisfaction is high.
- 28** The Council has addressed skills gaps and capacity through, for example, the shared financial and assurance services with a neighbouring council. However, in 2008/09 sickness absence was comparatively high at 10.02 days per employee although it did fall from 10.42 days in 2007/08.
- 29** Performance appraisals link to corporate objectives and an annual learning and development plan. The People Plan integrates workforce planning with corporate and service planning. The C-Smart programme is identifying the future numbers and skills of employees to deliver transformed services.
- 30** The Council manages organisational change well. It listens to employees and supports the workforce through a wide range of formal and informal consultation mechanisms. Eighty-one per cent of staff feel the Council always tries to gain their commitment to change.
- 31** People management is strong. External accreditation for Positive about Disabled and achieving level 3 of the Equality Standard for Local Government is evidence of a strong commitment to diversity. Policies and practices reflect a focus on ensuring equality in the workplace. The Fair Pay policy rewards competences and excellent performance. A broad range of employee benefits contribute to a total rewards approach. High satisfaction levels among users reflect staff commitment, including the time to respond to enquiries and service requests.

### Detailed findings

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



# Use of resources 2009/10

**33** 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 April 2009 about the audit fee for 2009/10, I identified 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
<p><b>Financial pressures</b></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><b>International Financial Reporting Standards</b></p> <p>2010/2011 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 key finance staff on the key changes required and the plans in place to address them. We will share any 'good' practice or other sources of advice as they become available. We will assess the Council's progress to inform our use of resources and VFM conclusion work.</p>
<p><b>Shared Services Arrangement</b></p> <p>The Council has embarked in a shared financial services arrangement with Chorley Borough Council. The arrangement potentially offers some economies of scale but service performance, business continuity and contractual risks will need managing.</p>	<p>We will continue to review the Council's progress in managing the associated risks as part of our work on Use of Resources.</p>

**34** An additional KLOE, 3.1 - Natural resources will apply to District Councils for 2009/10. I also considered whether there were any additional risks arising from my 2008/09 value for money conclusion and have not identified any additional risks which would impact on my 2009/10 value for money conclusion.

# Appendix 1 – Use of resources key findings and conclusions

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

**Table 4** Theme 1 - Managing finances

<b>Theme 1 score</b>	<b>3</b>
<b>KLOE 1.1 Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?</b>	<b>3</b>
<b>Key findings and conclusions</b>	
<p>Financial planning is fully integrated with strategic priorities linking the medium term financial strategy (MTFS) and the budget planning process. The MTFS focuses on the medium/long term covering budget projections for four years, is owned by members who receive specific finance training and actively take part in financial decisions. The Council's approach to efficiencies covers the same four year period and South Ribble Borough Council's record is impressive, its three year target was £997,000, actual gains amounted to £2,378,000.</p> <p>There is strong evidence of the Council shifting resources resulting in positive outcomes. The Gateway Customer Contact Centre in response to customer feedback saw the layout and accessibility of provision at the Council's main office altered, resources re-aligned and opening hours extended. As a result local satisfaction levels were up with 75 per cent of customers now rating the service as 'Excellent' and 23 per cent 'Good'. South Ribble also challenges best options for providing services, for example setting up a joint committee and creating the shared financial service with Chorley BC. The Council's Treasury Management arrangements have 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.</p> <p>South Ribble Borough Council makes extensive use of Citizen's Panels, Equality Forums and BME groups to understanding what matters to citizens and reflect these in Council spending priorities. The Council operates five area committees and local residents are empowered to make decisions and set priorities for their area. Evidence seen of positive outcomes arising from the area committees include decisions affecting highways maintenance, awarding of grants to small community groups and making contributions towards bus shelter cleaning and road resurfacing. The recent Place Survey results were very positive and people felt they could influence decisions in their local area. South Ribble recorded the 4th highest scores in Lancashire.</p>	

## Appendix 1 – Use of resources key findings and conclusions

### Key findings and conclusions

South Ribble Borough Council is playing a leading role in helping businesses and communities in the difficult economic period. Initiatives include the Joint Redundancy Task Force working with Jobcentre Plus, Learning and Skills Council to provide advice/support to businesses and people in a redundancy situation. The Council has also been actively working with local colleges and housing associations.

The Council has demonstrated a track record of managing spending within available resources. There is quarterly reporting of the financial position to members via the Corporate Plan/Budget Progress Monitoring Report and there is regular benchmarking of costs. As a result of benchmarking council tax costs changes were made to procedures which has seen performance of the service improve.

The Council adopts an open management style encouraging active participation and challenge around its financial messages and assumptions. Examples include the Cabinet Member for Finance and Resources, supported by the Corporate Director (Resources) holding individual meetings with Cabinet Members to challenge budget proposals prior to discussion at Cabinet workshops. Voluntary groups facing budget cuts were also notified in advance of the budget meetings to allow discussions to be made, on going dialogue with the Unions throughout the budget process and embargoed press briefing for local media in advance of the Cabinet meeting.

<p><b>KLOE 1.2 Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?</b></p>	<p><b>3</b></p>
<p><b>Key findings and conclusions</b></p>	
<p>The Council has a good understanding of its costs, including transaction costs (for example, customer contact) and unit costs for specific services. Councillors and managers routinely use this information to review and challenge value for money in services. The Council has, for example, kept the cost of local tax collection comparatively low by encouraging the use of direct debits. It understands and evaluates the impact of long-term costs and benefits such as electronic document management.</p> <p>The Council uses cost and performance information well in decision making and commissioning services. It identifies opportunities for improving value for money as in the partnerships for leisure and waste services. Each year it reviews its priorities and gives extra resources to improve services. Recent examples include street cleansing and services to support local people and businesses during the economic downturn.</p> <p>A robust procurement strategy ensures the Council takes major investment decisions based on sound principles. It works well with other councils to make best use of combined resources and increase the impact of its work. Good examples are a joint community safety partnership and supporting vulnerable households.</p> <p>Through the C-smart programme the Council pursues opportunities to reduce costs and improve the quality of services. The wider use of information technology and re-engineering business processes are improving value for money. Outcomes include the Gateway contact centre to improve access to services and responsiveness and faster processing times for benefit claims.</p> <p>The Council has clear information on costs, including transaction costs and unit costs for specific services. Overall, comparative costs have fallen since 2007/08 and the Council is amongst the lowest 25 per cent spenders compared to its comparative group for major elements of expenditure. These services include waste collection, local tax collection, council tax benefits administration and economic and community development.</p> <p>Where the Council has costs which are higher than the average, in some areas a correlation can be seen with increased performance and value for money. In particular whilst expenditure of housing benefits administration is within the highest 25 per cent compared to its nearest neighbours service performance has improved and the section has dealt with an increasing caseload without the need for additional resources.</p>	

## Appendix 1 – Use of resources key findings and conclusions

<b>KLOE 1.3 Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?</b>	<b>3</b>
<b>Key findings and conclusions</b>	
<p>The Council has robust budget monitoring arrangements in place which sees budgetholders provided with timely information throughout the year and members with regular access to financial information. Budget monitoring reports clearly demonstrate over and underspending against profiles and outturn and actions are developed where material variances arise. The capital programme is reviewed alongside revenue monitoring to ensure informed decision making.</p> <p>The financial performance of partnerships is regularly reviewed, linked to outputs, and the results shared with partners and acted upon. The Council has two significant financial commitments, Leisure and Waste partnerships. Their performance is separately featured in the quarterly reports to management. Relevant non-financial and financial information is reported to members. The Council is also strong at providing clear concise reports to members that aid decision making. Every report that goes to members uses a report template that ensure a risk assessment is considered that routinely covers the financial and legal implications of decisions along with any other associated risks including impact on the Council's sustainability agenda.</p> <p>The Council prepares accounts that meet statutory requirements, financial reporting standards and present fairly, the financial performance and position. The 2008/09 accounts were prepared on time and working papers were of a high quality. Members have a strong track record of scrutinising the accounts in detail and effectively. Reports are widely available to the public and provide an objective, balanced and understandable assessment of the organisation's performance in the year. The Annual Report and other in year reports provide a comprehensive assessment of the Council's environmental footprint and facilities exist for reports to be made available in a variety of formats.</p> <p>In terms of engaging more broadly with potential non english speaking residents, the Council has worked in partnership with other organisations to produce a Welcome Pack for migrant workers and new arrivals to the area. Inside, readers find a range of information, including a summary of the Council's services and how decision are made, and details of how to get in touch for more information. More than 4000 copies of the guide, which is available in both English and Polish, have been distributed to local libraries, churches, employers and other service points around the borough.</p> <p>External reporting includes environmental and social information with an analysis of the council's environmental footprint. The Council also considers sustainability issues within its internal reports and the 2008/09 Annual Report includes information on the Council's environmental performance covering successes in energy savings and cutting down on waste.</p>	

**Table 5 Theme 2 - Governing the business**

<b>Theme 2 score</b>	<b>3</b>
<b>KLOE 2.1 Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money</b>	<b>3</b>
<b>Findings and conclusions</b>	
<p>The Council performs well in commissioning and procuring quality services, which have delivered sustainable outcomes, improved value for money (VFM) and met local needs. It has a clear vision of the intended outcomes for local people and its communities. It has a thorough understanding of needs of the borough’s diverse communities based on wide-ranging intelligence, which it consolidates in the annual ‘Facing the Future’ report.</p> <p>Multi-agency projects are meeting specific needs and targeting inequalities; for example, the ‘Families First’ project has improved the quality of life and life chances for 26 vulnerable families. Work on reducing health inequalities has national recognition - mortality gaps have fallen in disadvantaged communities.</p> <p>The Council has a strong track record of listening to customers and residents. It uses their comments to design services around their needs and to improve procurement and commissioning. Examples include waste collections and leisure activities to provide exercise for users on incapacity benefit.</p> <p>The C-Smart programme is transforming the delivery of services. This programme has a focus on improving customer access, experience and VFM. The Council has a progressive and innovative approach to using information technology and business improvement techniques; for example, investment in mobile working allows users to receive a more efficient and responsive service by making claims for benefits at home. Users have high satisfaction with the Gateway customer contact centre, which provides access to a wide range of services. Gateway has achieved the nationally recognised Customer Service excellence Award.</p> <p>The Council has a good understanding of the supply market for the services that it procures or commissions. Support for small and medium businesses is good. It also supports the third sector by procuring via this route if this offers greatest value to both the Council and local communities. Its website sets out guidance for doing business with the Council, including approved suppliers, a summary of the procurement policy and guidance on tenders and contracts.</p> <p>The approach to options appraisal and procurement is good. Examples are the leisure and waste partnerships, with comprehensive monitoring and evaluation. The Council uses framework agreements to lower costs, for example, electronic document management, telephony and vehicle contracts. The shared financial and assurance services with a neighbouring council is delivering financial savings and providing access to a wider expertise. A Procurement Strategy sets out how the Council buys goods and services and products with minimal, adverse impacts. An example is reducing energy consumption by replacing network servers.</p> <p>The Council reviews the competitiveness of services and achieves VFM while meeting wider social, economic and environmental objectives. It is, for example, sending less household waste to landfill. VFM is an integral part of the C-Smart programme which aims to achieve priorities through efficient and effective services.</p>	

## Appendix 1 – Use of resources key findings and conclusions

<b>KLOE 2.2 Does the organisation produce relevant and reliable data and information to support decision making and manage performance?</b>	<b>3</b>
<b>Key findings and conclusions</b>	
<p>The Council performs well in producing and using relevant and reliable data and information to support decision making. It has a comprehensive Data Quality Policy. This policy sets out arrangements for the collection, monitoring and review of data and the responsibilities of members and officers. These arrangements integrate with corporate and service planning. Validation procedures, in particular by the Council's Internal Audit, provide decision makers with information that is robust and accurate. To enhance arrangements the Council needs to be able to show that processes are in place to monitor and validate data from third parties and ensure that such data is actually fit for purpose with the appropriate assurance from third parties.</p> <p>Data on costs, trends, comparators, as well as performance indicators and targets, informs decision making. The Council shares data with partners to target resources on these priorities, such as community safety and the Families First project with vulnerable households. This project uses robust intelligence about individual perpetrators and their family history of service demand. The Economic Partnership uses a suite of business data to decide short and long-term priorities and to respond to the economic downturn.</p> <p>Good and timely reporting arrangements mean the Council responds to any dissatisfaction with services. For example, to address a fall in satisfaction with the cleanliness of the local environment it gave extra resources for a 'hit squad' to provide a faster response to littering and fly-tipping. Councillors receive reports that contain both financial and other performance information and progress on key projects. This information allows them to challenge rigorously the use of resources.</p> <p>Robust arrangements are in place to ensure data security, including compliance with nationally recognised standards such as Government Connect. An Information Technology Strategy contains clear policies. The Council tests business continuity and disaster recovery plans to ensure that information systems produce quality, performance data.</p> <p>The Council makes good use of performance data in managing and improving the delivery of services. It has a culture and ethos of performance improvement and a clear focus on customers. It analyses performance information alongside, financial and risk data to identify gaps in services and future demands. Equality and Diversity reports ensure the Council is meeting the expressed needs of minority groups within the borough.</p> <p>The Council tackles under-performance robustly and, where necessary, officers carry out improvement plans. Improved outcomes in 2008/09 include an increase in affordable homes delivered and a decrease in the number of households in temporary accommodation. The C-Smart transformation programme uses detailed service and performance data to improve efficiency and achieve better outcomes for lower costs.</p>	

<p><b>KLOE 2.3 Does the organisation promote and demonstrate the principles and values of good governance?</b></p>	<p>3</p>
<p><b>Key findings and conclusions</b></p>	
<p>The Council's constitution influenced by the Local Code of Corporate Governance, demonstrates a commitment to the principles of good governance. Members and senior officers have defined roles and the constitution is reviewed annually ensuring it is fit for purpose and complies with changes to legislation.</p> <p>Success in leadership and workforce related governance has been recognised in Employee Survey results and achievement of renowned standards and assessments through both Investors in People and the North West Member Development Charter Awards which includes a specific focus on governance. Members have development plans in place and take up of member training is good, including long-standing members with feedback sought on all training events and evaluated. The learning and outcomes from such events are used to shape future training.</p> <p>Member roles are constantly under review and the introduction of deputies to the Cabinet members to develop potential and provide extra capacity has led to positive outcomes. For example the Deputy Cabinet Member working with local voluntary groups helped the Council achieve Fairtrade status in March 2009.</p> <p>South Ribble's priorities are developed after extensive consultation with partners and the local community through a variety of mechanisms including area committees, citizen's panels, residents' surveys and targeted work with community groups. Communities feel that their views are appropriately considered, indeed the 2008 citizen panel surveys showed that 68 per cent of respondents felt that the Council were good at asking people for their views.</p> <p>We have seen evidence that the views of local residents are listened to, for example, the recent playground refurbishment programme. This included consultation with schools, residents and community groups and local people were able to scrutinise designs at open afternoons and Area Committees.</p> <p>The Standards Committee is at the heart of raising ethics standards at South Ribble Borough Council. High calibre independent members have been brought in to strengthen an existing strong skills base and roles are constantly reviewed. Extensive governance training is provided to all members. In addition bi-annual ethical governance audits are undertaken building on the Council's existing sound ethical footprint. Governance awareness is also a key part of member, staff induction and the senior officer leadership development programme. All Members have signed up to the Code of Conduct for Elected Members and staff the voluntary Code of Conduct for Employees.</p> <p>South Ribble Borough Council has a strong approach to partnerships and collaborative working including the creation of a shared service arrangement with Chorley Borough Council. Appropriate governance arrangements exist for all partnerships, including complex legal agreements, formal terms of reference and a compact document setting out roles for each partner. The Council has developed a partnership evaluation tool, providing a framework for evaluation, including governance protocols with all key partnerships have been evaluated.</p>	



## Appendix 1 – Use of resources key findings and conclusions

<b>KLOE 2.4 Does the organisation manage its risks and maintain a sound system of internal control?</b>	<b>3</b>
<b>Key findings and conclusions</b>	
<p>Strategic risk management is fully integrated with the corporate planning and annual budget setting processes. The MTFS includes a full consideration of budget risks and key corporate risks are identified and reported to Policy and Service Review Committee and Cabinet annually at the same time as the Corporate Plan.</p> <p>The Council uses the partnership toolkit to evaluate partnerships and assess risks and considers such risks and provides assurances about their management with action plans to address risks.</p> <p>Examples of positive outcomes from partnership working include the innovative 'Families First' project. This began with the recognition that a number of vulnerable families, were having a disproportionate impact on budget and service delivery for the Council and partners. By joining up support with partners and offering families an all round support package, there have been a number of outcomes, in particular:</p> <ul style="list-style-type: none"><li>• reduced complaints of anti-social behaviour leading to better neighbourly relationships;</li><li>• fewer lost tenancies resulting in homelessness and better communication with landlords;</li><li>• lower truancy and absence levels from schools providing better educational support; and</li><li>• one lead professional co-ordinating interventions establishing better trust in the Council.</li></ul> <p>The Council has sound and robust fraud and corruption procedures and policies in place which are regularly reviewed and communicated to staff. The Council's fraud and corruption strategy forms part of the induction process and is accessible on Council's intranet and web site. Fraud and corruption work also forms a significant part of Internal Audit work which is determined by a formal risk assessment. There is an extensive programme of proactive counter fraud work by the Benefits Enquiry Unit (BEU). Annual targets are set for BEU work and these are consistently exceeded and results are publicised via Member News and Council's newspaper.</p> <p>The Council works well with a number of enforcement agencies to tackle fraud. Positive examples of such working include staging one of the largest scale check operations in the North West where 60 vehicles were stopped resulting in two drivers being investigated for benefit fraud. Where fraud is proven disciplinary process are applied and proceedings investigated. The Council takes every opportunity to recover financial loss is explored including the use of procedures set in the Proceeds of Crime Act and during 2008/09, £161,000 of benefit savings have been made, through 14 successful prosecutions.</p>	

**Key findings and conclusions**

South Ribble has sound systems of internal control, a strong IA section, which fully complies with CIPFA professional standards. Members play an active role in challenging and maintaining effective internal control mechanisms. As has been evidenced at recent Governance Committee meetings. Throughout the year members have played made a positive contribution by provided a robust challenge in several key areas namely:

- review/input to the Corporate Governance action plan;
- assessing risk management progress and the potential risks to the Council of a downturn in the economy; and
- challenging the Council's CSmart efficiency programme

The Council undertakes an assessment on the viability of its significant partners' business continuity arrangements prior to embarking into contractual arrangements and as part of the contract evaluation process, the Council obtains assurances to deal with unexpected or unusual events. These arrangements have subsequently been tested in real life situations.

**Table 6      Theme 3 - Managing resources**

<b>Theme score</b>	<b>3</b>
<b>KLOE 3.3 (workforce planning)</b>	<b>3</b>
<b>Key findings and conclusions</b>	
<p>The Council has a productive and skilled workforce. A recent assessment found that it is 'the essence of an Investor in People organisation'. It undertakes a wide range of formal and informal activities to develop the workforce such as induction, a leadership forum and 'Share and Learn'. Learning opportunities enable staff to reach their full potential. The Council addresses skills gaps and capacity through, for example, shared services with other councils. These arrangements provide efficiency savings and give access to a wider range of expertise.</p> <p>Performance appraisals link to corporate objectives and an annual learning and development plan. A Values Framework reflects the competences that staff must meet in existing and future roles. Recognising success is a key part of the Council's culture with annual awards to recognise individual and team achievement. The Bright Ideas suggestion scheme encourages staff to develop better ways of working such as a skills database to share competences across the Council.</p> <p>In 2008/09 sickness absence was comparatively high at 10.02 days per employee although it did reduce from 10.42 days in 2007/08, when it was worse than average for all councils.</p> <p>The People Plan integrates workforce planning with corporate and service planning. Senior managers provide strong leadership which drives effective workforce management and development at a service and team level.</p>	

## Appendix 1 – Use of resources key findings and conclusions

### Key findings and conclusions

The C-Smart programme - to improve value for money across the Council – is identifying the numbers of employees needed to deliver transformed services and their future skills. The Council has, for example, re-assessed demand for its benefits, revenues and Gateway (contact centre) service areas in response to the economic downturn. It has made changes in response to users' comments to better meet their needs. An example of good outcomes is faster processing times for benefits claimants.

The Council manages organisational change well. It listens to employees and supports the workforce. Formal and informal consultation, including an Employee Panel and the Chief Executive's lunchtime listening sessions, involve the workforce and trade unions in developing services. The transfer of services (and staff) to external partners, job evaluation, the budget process and the transformational change programme are examples of how this culture works in practice.

Eighty-one per cent of staff feel the Council always tries to gain their commitment to change. Staff satisfaction - based on 2007 data - is high.

Eighty-seven per cent of staff were satisfied with their job. And 92 per cent of employees said that they were happy with the Council as an employer.

External accreditation for Positive about Disabled, Investors in People and achieving level 3 of the Equality Standard for Local Government is evidence of a strong commitment to people management and diversity. Policies and practices reflect a corporate focus on ensuring equality in the workplace. The Fair Pay policy encourages innovation and rewards competences and excellent performance. A broad range of employee benefits complements this policy and contributes to a total rewards approach.

The Council strives to have a workforce that represents the local community but has mixed performance. In particular, employees with a disability do not reflect the local population that has a disability. It has hosted REACH (for people with a disability) and LGBT events.

## Appendix 2 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
8	<p>R1 Ensure that arrangements are in place to:</p> <ul style="list-style-type: none"> <li>• validate data from third parties;</li> <li>• ensure that such data is fit for purpose and third parties demonstrate that it complies with the requirements set out in the third party protocol;</li> <li>• provide assurance that partners have secure processes in place for providing information; and</li> <li>• identify and share information on potential data quality issues and address any data sharing problems.</li> </ul>	2	Head of Policy and Community Engagement.	All agreed	The council has already taken steps to meet the recommendations outlined in this report. An internal review of Data Quality arrangements has been completed and actions arising are currently being attended to. These Use of Resources recommendations will be incorporated within this work.	By end of 2009/10

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