

WYRE FOREST DISTRICT COUNCIL

CABINET MEETING THURSDAY 29 SEPTEMBER 2005

VALUE FOR MONEY

OPEN	
COMMUNITY STRATEGY THEME	(Internal Organisational Theme)
CORPORATE PLAN THEME:	Improving Corporacy & Performance
KEY PRIORITIES:	<ul style="list-style-type: none">• Organisational Performance• Financial & Asset management
CABINET MEMBER:	Councillor J-P Campion
RESPONSIBLE OFFICERS:	<ul style="list-style-type: none">• Chief Executive• Head of Financial Services
CONTACT OFFICER:	Corporate Performance Advisor (ext 2723)
APPENDICES	VFM Policy A copy of the Appendix has been placed in Party Group Rooms and a public inspection copy is available on request

1. PURPOSE OF REPORT

- 1.1 To approve a Value for Money Self-Assessment for submission to external auditor KPMG by 30 September 2005; and
- 1.2 To adopt a corporate Value for Money Policy in accordance with the Council's post-Comprehensive Performance Assessment (CPA) Improvement Plan.

2. RECOMMENDATION

The Cabinet is asked to **DECIDE** that:

- 2.1 The Value for Money Self-Assessment circulated separately and deposited in the Group Rooms be approved for submission to KMPG.

The Cabinet is asked to **RECOMMEND** to Council that:

- 2.2 The Value for Money Policy Appendix circulated separately to this report be adopted with immediate effect.

3. BACKGROUND

- 3.1 Following last year's CPA programme for District Councils, the Audit Commission has reviewed the model adopted and is in the process of making a number of changes. A consultation paper has recently been published, which will be the subject of a separate report to Members. Many of the changes will come into effect from April 2006, but some require attention now.
- 3.2 One element of the previous CPA model was an Auditor's Score Judgement, which assessed the Council's use and control of its financial resources. The Commission has completed its review of this particular component and has replaced it with a new, broader Use of Resources Assessment. While still focussing on financial management, it links this more closely to the strategic management of the Council and assesses how well resources are being used to support Council priorities.
- 3.3 The structure of the new Use of Resources Assessment is based on the following areas:
- a) Financial reporting
 - b) Financial management
 - c) Financial standing
 - d) Internal control
 - e) Value for money
- 3.4 While all the above will be assessed by KPMG and reported in their Annual Audit & Inspection Letter, published at the end of each year, item e) requires the most immediate attention, since a Value for Money Self-Assessment must be completed by 30 September 2005.
- 3.5 In addition to the above, and as a separate though related piece of work, the Council also agreed to adopt a corporate Value for Money Policy as part of its Improvement Plan, following completion of last year's CPA.

4. KEY ISSUES

- 4.1 Value for Money and the wider Use of Resources are part of the Government's 'improvement agenda' and linked to other activity, including completion of Annual Efficiency Statements and performance management generally.
- 4.2 The documents referred to in paragraph 2 to this report have been produced for separate but related purposes:
- The Self-Assessment is a statutory requirement and will be scored in accordance with Audit Commission rules. The impact of this on the new CPA model will be clearer after the model has been finally agreed by the Commission later this year.

- The Policy (see **Appendix**) reflects good practice and will assist in demonstrating Best Value in service delivery, part of the Council's statutory duty under the Local Government Act 1999.

4.3 In both cases however the aim is clear: to secure optimum economy with maximum efficiency and effectiveness in the acquisition and use of resources. The process of completing a self-assessment and the guidance provided by a formal corporate policy will assist in achieving this aim.

5. FINANCIAL IMPLICATIONS

5.1 There are no direct financial implications arising from this report.

6. LEGAL AND POLICY IMPLICATIONS

6.1 Adoption of a Value for Money Policy will extend the Council's policy framework and therefore requires endorsement by Full Council in accordance with the Constitution.

7. RISK MANAGEMENT

7.1 Agreeing the recommendations to this report will enable the Council to fulfil its statutory duty and reduce the risk of failing to provide value for money in delivering local services.

8. CONCLUSION

8.1 Value for Money is a fundamental part of the Government's improvement agenda and both this and the new Use of Resources assessment which forms part of the revised CPA programme will focus attention internally and externally on the Council's strategic and financial management. Completion of this first Self-Assessment and adoption of a Value for Money Policy will provide a firm basis for the Council to develop its improvement planning activity.

9. CONSULTEES

9.1 Corporate Management Team

10. BACKGROUND PAPERS

10.1 Use of Resources: Guidance for Councils (June 2005) *Audit Commission*

10.2 Local Government Acts 1999 and 2003