

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 21st SEPTEMBER 2005

REPORT OF THE STRATEGIC DIRECTOR (SA)

This matter is the responsibility of Councillor Williams (Leader of the Council)

COMPREHENSIVE PERFORMANCE ASSESSMENT 2 (CPA2) VALUE FOR MONEY & USE OF RESOURCES SELF-ASSESSMENTS DIRECTION OF TRAVEL ASSESSMENT

Executive Summary

Although the full requirements of CPA2 have yet to be decided for District Councils, there are three self-assessments that must be completed during autumn 2005:-

- Value for Money Self-Assessment
- Use of Resources Self-Assessment
- Direction of Travel Assessment

This report provides the Executive with an overview of the requirements, and details how this piece of work is being delivered. This has been shared with the Review Board earlier in September 2005.

The actual self-assessments are still being prepared - a verbal update on the very latest version will be provided at the meeting.

1. Purpose of Report

1.1 To inform Members of:-

- the requirements of CPA2 (VFM Self Assessment and UOR Self Assessment elements, and the Corporate Direction of Travel Assessment); and
- the progress being made at TDBC on both issues; and
- to share at the meeting, the latest version of the self-assessments.

2. Requirements of CPA2

2.1 The overall framework for CPA2 for District Councils has just been published. Members will be briefed on this consultation paper as soon as it has been reviewed.

2.2 Meantime, there are a three "elements" of the CPA2 assessment that Districts are required to complete over the autumn. Two focus on the key areas of financial management (Value for Money (VFM) Self-Assessment and Use of Resources Self- Assessment) and have to be submitted by the end of September, and the third is a Direction of Travel Assessment that has to be submitted by the end of October.

2.3 This report provides an overview for Members of the Executive of these elements and the work that is underway to complete them by the

deadlines. The actual self-assessments are, and will be until very late in the process, under construction. The latest version will be shared at the meeting in September.

- 2.4 Further details are available on the audit commission website
www.audit-commission.gov.uk

3. Requirements of CPA2 (VFM Self-Assessment)

- 3.1 All Councils are required to complete a self-assessment of their performance in relation to the value for money key lines of enquiry (KLOEs). The audit commission have provided a pro-forma, which must be completed and sent to our local Audit Manager by 30 September 2005 (31st July for upper tier authorities).
- 3.2 The proforma has been designed to invite Councils to assess their current performance in achieving and delivering VFM by answering a series of questions and providing brief supporting details. Fieldwork on site will follow up on areas identified within the self-assessment - focussing on "evidence of outcomes".
- 3.3 TDBC's VFM self-assessment, together with the Use of Resources self-assessment will be presented to our audit commission relationship manager, Rob Hathaway on 5th October 2005 (after which the fieldwork will begin).

The KLOEs (VFM Self Assessment)

- 3.4 There are 2 main KLOE (with lots of supporting questions!) – as set out below.

KLOE
The council currently achieves good vfm <ul style="list-style-type: none">- how well does the council currently achieve good vfm?- How well do the council's overall and service costs compare with others?- How do external factor affect costs and how do adjusted costs compare?- To what extent are costs commensurate with service delivery, performance, and the outcomes achieved?- To what extent do costs reflect policy decisions?
How well does the council manage and improve vfm <ul style="list-style-type: none">- how does the council monitor and review vfm?- How well has the council improved vfm and achieved efficiency gains over the last 3 years?- Do procurement and other spending decisions take account of full long-term costs?

Progress on VFM Self Assessment

- 3.5 A small project team has been formed to progress this assessment. The team is

Shirlene Adam, Brendan Cleere, Paul Carter, Emily Collacot, Rob North, Stewart Rutledge, Nathan Johnson, Simon Lewis.

- 3.6 The team have met twice so far and have gathered a vast database of information and evidence to support this assessment. The next stage is to “write the story” around the KLOEs and ensure we have the evidence to back our answers to the specific questions. The self-assessment must be no more than 5000 words, so remaining focussed on key messages is essential.

4. REQUIREMENTS OF CPA2 (UOR SELF ASSESSMENT)

- 4.1 All Councils are required to carry out a self-assessment of their performance in relation to Use of Resources key lines of enquiry (KLOEs). Although no written return is required to the audit commission, Councils are expected to have reviewed their current position against the KLOEs and be prepared to present “their case”. Once again, the deadline for this is the end of September 2005, and TDBC will present “their case” to the audit commission relationship manager, Rob Hathaway on 5th October 2005 (after which the fieldwork will begin).

The KLOEs (UOR Self Assessment)

- 4.2 There are 5 main KLOE (with lots of supporting questions!) – as set out below.

Financial Reporting

Financial Management

Financial Standing

Internal Control

Value for Money (which overlaps with the VFM self-assessment!)

Progress on UOR Self Assessment

- 4.3 Once again, a dedicated project team has been formed to progress this assessment. The team is

Shirlene Adam, Paul Carter, Emily Collacot, Liz Watkin, Steve Murphy, Stewart Rutledge, Simon Lewis.

- 4.4 The team have met frequently over the last 3 months and have carried out several self-assessments against the KLOEs. There are several areas where “improvement plans” have been put in place to try and improve our performance.

5. Raising The Bar – UOR and VFM Self-Assessments

- 5.1 The Audit Commission have recognised that this round of financial management assessments are “tougher” than those in CPA1. This is deliberate, and an attempt to “raise the bar”. This means that, if an authority scored top marks (4 out of 4) for a particular KLOE, it is likely that, under the new assessments, they would only score 3 out of 4.

5.2 This will have an impact on the assessments at Taunton Deane, which may have a knock-on effect on the CPA2 Corporate Assessment (and the Excellent rating).

6. The Direction of Travel Assessment

6.1 The audit commission have recently advised the council that a Direction of Travel Assessment will be required by the end of October 2005. This report is intended to briefly set out:-

- progress made since the last Corporate CPA Assessment, and
- to help the audit commission come to a view on both how well the Council is performing, and whether or not it is continuing to improve.

6.2 Work is now underway on planning this important assessment, and more details will be shared with Members as soon as it is available. The audit commission guidance on this is expected to be published mid September.

7. Recommendation

7.1 The Executive is requested to

A/ note the immediate requirements of CPA2 and the work that is currently underway to deliver the self-assessments and Direction of Travel Report; and

B/ note the latest version of the self-assessment returns and authorise the Strategic Director and Chief Executive to submit the authorities final self-assessment prior to the appropriate deadline.

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Background Paper

Review Board 8th Sept 2005

Comprehensive Performance Assessment 2 (CPA2) – Value For Money & Use of Resources Self-Assessments