



REPORT TO: Audit, Governance, and Improvement Review Committee

DATE: 2nd August 2007

SUBJECT: CPA Use of Resources Self Assessments

REPORT OF: Director of Finance and IT

CONTACT OFFICER: David Smith 01942-827232

PURPOSE/SUMMARY: To advise and obtain contributions from members on the proposed self-assessment for the 2007 Use of Resources CPA Assessment.

ALTERNATIVE OPTIONS CONSIDERED AND REASON FOR SELECTING THE ONE RECOMMENDED: No alternatives. A thorough self-assessment assists in maintaining the standards required to achieve a high score within the Audit Commission CPA framework

RECOMMENDATION/DECISION:

- Provide contributions to the KLOE's in Appendix A and authorise the Director of Finance and IT to complete and submit the self assessment by the appropriate date
- Note the VFM self assessment detailed at Appendix B.

KEY DECISION This report does not involve a key decision.

RISK/IMPLICATIONS:

Financial: Improved financial management helps to ensure best use of financial resources and reduces the risks to the Council's finances.

Staffing: None

Policy: Assists in demonstrating performance and improvement.

Equal Opportunities - Has a Diversity Impact Assessment N/A

been conducted?
 Wards Affected: None
 Special Interest Members – None
 Which have been consulted

Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? **Yes/No**
 Has the Director of Finance and IT confirmed that any expenditure referred to within this report is consistent with the Council's budget? **Yes**
 Are any of the recommendations within this report contrary to the Policy Framework of the Council? **No**

For Cabinet reports only :

Categorisation of the report:	x		x
Discussion leading to a decision		Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council

List of Background Papers in accordance with Section 100D of the Local Government Act, 1972:

Document	Date	File Reference	Place of inspection

Proper Officer David Smith

Date 26th July 2007

1. Background

As part of the CPA framework, the Audit Commission undertake an annual *Use of Resources* assessment of each Council to determine how well the Councils manage and utilise their financial resources. The assessment covers five separate themes (financial reporting, financial management, financial standing, internal control, and value for money and is scored on a numerical basis from 1 - (inadequate performance) to 4 - (performing strongly).

The Audit Commission's report in respect of the 2006 review of Wigan Council was submitted to the Audit, Governance, and Improvement Review Committee on 7th December 2006. The report established that the Council had attained an overall score of 4, i.e. the highest level – “performing strongly” (scoring matrix included in Appendix A). On 11th January 2007 the Audit Commission published its composite annual assessment of the 150 single tier and county councils authorities' Use of Resources which established that **Wigan was one of only fifteen Councils who had achieved this highest level.**

Of particular note is the improvement in the scores for Internal Control where the establishment and operation of this Committee has been recognised as adding considerable value to the Council's governance arrangements. Only 8 of the 15 Councils who were awarded an overall level 4, attained a level 4 for this element and only 2 additional Councils from all 150 Councils attained this level.

2. Further Action

The Audit Commission report identified a number of “improvement opportunities” for the Council to further develop its performance against the Key Lines of Enquiry. An appropriate Action Plan was developed to cover the “improvement opportunities” and approved by this Committee on 1st February 2007, with an update provided on 28th June 2007 confirming that the actions have been completed.

These improvements have been incorporated into current practices and will be assessed by the Audit Commission within the 2007 Use of Resources Assessment.

3. 2007 Assessment

This report provides the details of the 2007 self assessment which will be reviewed by the Audit Commission as part of their Use of Resources work. :

Appendix A provides details of **Key Lines of Enquiry (KLOE's) 1 – 4** which review the Council's current arrangements for:

1. Financial Reporting
2. Financial Management
3. Financial Standing
4. Internal Control.

It provides details of how we comply with the requirements and provides reference links to supporting evidence

The deadline for submission of this document is 31st August 2007 so comments from Members are invited and can be incorporated.

Appendix B provides details of **Key Line of Enquiry (KLOE) 5** which is the Council's Value for Money (**VFM**) **self-assessment** which enables us to present a range of examples to our external auditors, to demonstrate that we consistently achieve this across all our services.

As one of our four priority themes is "Pursuing value for money in delivering services" - this summarises our activity on that theme and External Audit support the process of including challenge from those charged with governance, which is a component of their judgement on Use of Resources. This needed to be submitted by 31st July 2007 and was presented to Cabinet on 26th July 2007 for member review and input.

It was also considered by the Corporate Delivery team on 24th July 2007 to ensure the examples and analysis represent an accurate picture from the perspective of service managers.

Both self-assessments represent an ongoing improvement process so the shaded items are retained from previous year submissions to provide context where useful

3. Recommendations

Members are asked to:-

- Provide contributions to the KLOE's in Appendix A and authorise the Director of Finance and IT to complete and submit the self assessment by the appropriate date
- Note the VFM self assessment detailed at Appendix B.

David Smith
July 2007

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Use of Resources Key Lines of Enquiry

Currently there is no requirement for the Authority to complete a self assessment in respect of the Use of Resources. However, as with the previous Auditor Judgements, it is considered essential that such an annual self assessment is completed to ensure that the Authority adequately demonstrates its performance and its year on year improvements. The 2007 self assessment has been mapped onto the original 2005 self-assessment *updated to reflect KLOE changes) .Prior years (2005 and 2006) entries are shaded, though many parts of these entries are still relevant.

Areas agreed with the Audit Commission where improvements were required in 2006 are detailed below with summary remedial action, further details are contained within the self-assessment. An indicative internal score has been assessed and is detailed within the analysis on the following page.

2006 Agreed Areas for Improvement.

KLOE Ref.	Issue	Actions Taken
1.1	Standard of working papers need to be improved to achieve the exemplary standard	Final Accounts close down files have been re-ordered to match Audit Commission requirements and approach. Working papers have been re-formatted and structured to provide evidence of ownership, scope, completeness and validation. All working papers are subjected to a systematic review by a more senior officer – this is also an evidenced and accountable process. Gantt charts and critical path planning and a risk matrix have been introduced to help plan and manage the close down. All of these improvements and documents have been discussed and provided to External Audit during regular progress meetings. A structured and referenced set of working papers have been collected and bundled into an electronic format utilising a web based SharePoint site. Training on how to use SharePoint has been provided to the External Auditors. These improvements were introduced following the seeking and consideration of notable practice at other 4* local authorities. Best practice at those has been taken into account and developed into the Wigan approach and extras have been added.
1.2	Need to publish an annual report or similar document which includes the summary accounts.	A wide ranging review of the type and format of annual reports has been completed.. The findings are that practice, approach and content/format varies significantly. The best has been chosen and developed into the Wigan approach. This work is ongoing and evidence of progress to date and drafts will be available for scrutiny. The Annual Report will be based on the 2006/07 Statement of Accounts.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

1.2 (cont)		Work is substantially advanced on the published Summary of Accounts. The Council has worked with a Citizens Panel group to determine the format of publications. The improvements and changes year on year have been documented as has the best practice sources used as reference sites. A draft Summary of the Accounts for 2006/07 is available for scrutiny if required. The consultation process with stakeholders is currently being considered.
2.3	<p>Demonstrate that the results of performance measurement and benchmarking are communicated to stakeholders.</p> <p>Demonstrate that the Authority has developed an approach for the co-ordination of asset management information and its integration with relevant financial information.</p>	<p>Notable practices being assessed.</p> <p>Revised integrated planning approach approved at SMT on 13th March 2007 includes property assets as a key resource in the delivery of services.</p>
3.1	<p>Demonstrate that Members monitor key financial indicators and set challenging targets.</p> <p>Demonstrate that Members are aware of the opportunity cost of maintaining reserves.</p>	<p>Budget setting report contains a section which identifies KPIs linked to relevant departmental budgets.</p> <p>Budget setting report contains a full analysis on the reasoning for establishing the level of balances and debate on opportunity cost, etc.</p>
4.1	The Council needs to strengthen the internal control arrangements by separating the Head of Audit role from Payroll responsibilities.	<p>Temporary transfer of responsibilities actioned on 1st January 2007 pending implementation of SSR.</p> <p>Audit and risk management activities brought together.</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Use of Resources Key Lines of Enquiry

KLOE Elements	2005 Score	2006 Score	2007 FITD Opinion Score
1. Financial Reporting How good are the Council's financial accounting and reporting arrangements?	3	3	4
1.1. The Council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers.	3	3	4
1.2. The Council promotes external accountability.	2	3	4
2. Financial Management How well does the Council plan and manage its finances?	3	4	4
2.1. The Council's Medium Term Financial Strategy, budgets and Capital Programme are soundly based and designed to deliver its strategic priorities.	3	4	4
2.2. The Council manages performance against budgets.	3	4	4
2.3. The Council manages its asset base.	3	3	3
3. Financial Standing How well does the Council safeguard its financial standing?	3	3	3
3.1. The Council manages its spending within the available resources.	3	3	3
4. Internal Control How well does the Council's internal control environment enable it to manage its significant business risks?	3	4	4
4.1. The Council manages its significant business risks.	3	4	4
4.2. The Council has arrangements in place to maintain a sound system of internal control.	3	3	4
4.3. The Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	3	4	4
5. Value for Money	3	3	3
5.1. The Council currently achieves good value for money.	3	3	3
5.2. The Council manages and improves value for money.	2	3	3

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

1.1 The council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers		
Level 2	Level 3	Level 4
<p>* The council's accounts were prepared in accordance with statutory requirements, statutory/regulatory timetables, relevant accounting and reporting standards, and the council's agreed accounting policies.</p> <p>* The auditor received auditable accounts, including a complete set of financial statements, disclosures and notes, in accordance with the timetable agreed with the audited body.</p> <p>* The accounts submitted for audit presented fairly, but contained several non-trivial errors.</p> <p>* Comprehensive working papers supporting the accounts were provided at the start of the audit to the standard specified by the auditor.</p> <p>* Guidance made available to staff on final accounts closedown procedures, including relevant timetables agreed with the auditor and allocation of tasks to individual members of staff, were adhered to.</p> <p>* The council ensured that appropriate, knowledgeable and skilled staff were available to deal with external auditors' queries, to substantiate assertions, and to explain items of account.</p> <p>* The auditor gave an unqualified opinion.</p>	<p>* The accounts submitted for audit presented fairly and contained only a small number of non-trivial errors.</p> <p>All additional requests from the auditor were responded to promptly in accordance with any agreed deadlines.</p> <p>* The accounts submitted to the council/committee meeting at which they were approved were accompanied by an explanatory paper providing interpretation of the accounts and highlighting key issues for the benefit of members.</p> <p>* The accounts were subject to robust member scrutiny.</p>	<p>The accounts submitted for audit presented fairly and contained only errors considered "clearly trivial-"</p> <p>The quality of the working papers provided was exemplary.</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>The accounts are prepared in line with the statutory requirements as per the Local Government Act 2003 and the Accounts and Audit Regulations 2003 and the detailed requirements of the annual CIPFA SORP.</p> <p>The statutory deadline for approval of the accounts has again been met in 2005. The full set of 2004/5 statements of accounts and supporting documentation were provided to the Audit Commission on 29th July 2005 after being approved by the Council's Audit Committee on 28th July 2005.</p> <p><u>The 2005/06 Statement of Accounts were approved by the Audit, Governance and Improvement review Committee on the 28th June 2006 and by Cabinet on 29th June 2006.</u></p> <p>The 2006/2007 Statement of Accounts were approved by the Audit, Governance and Improvement Review Committee and Cabinet on 28th June 2007.</p> <p>The report to the Audit Committee on 28th July 2005 included a detailed supporting narrative explaining significant accounting issues and included year on year comparisons for key variations. The accounts were subject to Member scrutiny through the format of the Audit Committee which includes Cabinet and Performance Panel Members to ensure back bench scrutiny. This scrutiny is evidenced in the Minutes of the meeting.</p> <p>Future accounts deadlines and whole of Government Accounts issues are fully detailed within the 28th July 2005 Audit Committee meeting report.</p> <p>The Council's agreed accounting policies are set out in the Statement of Accounts. Compliance with these is reviewed by External Audit.</p> <p>Accounts were provided with an unqualified opinion by the Audit Commission in previous years. As to <u>2005/2006</u> accounts have yet to be subject to audit. Working Papers quality has never been raised as an issue by the Audit Commission therefore it is considered that they fully meet the exemplary standard required.</p>	<ul style="list-style-type: none"> ▪ <u>Closure of Accounts timetable.</u> See 2006/2007 timetable. ▪ <u>Report and Minutes of Audit Committee (28th July 2005)</u> ▪ <u>Report and Minutes of A,G,&IR Committee (28th June 2006) and Cabinet (29th June 2006)</u> ▪ <u>Report and Minutes of A,G,&IR Committee and Cabinet (28th June 2007)</u> <p>External Audit assessment of accounting practices has always been positive and supporting. This is reflected in the Annual Audit Letters, viz.:-</p> <p><u>December 2003</u></p> <p><i>"We gave an unqualified opinion in December 2003. Our review of the Council's arrangements to ensure that the financial statements are complete and accurate and reflect current accounting and reporting requirements found that the controls in place should minimise the risk of material errors in the financial statements. This conclusion was also supported by the findings from our audit of the Statement of Accounts. We reported to the Performance Panel under SAS 610 on 27th November 2003. No significant matters were reported."</i></p> <p><u>December 2004</u></p> <p><i>"We gave an unqualified audit opinion on your accounts in November 2004. Members approved the Council's accounts in August 2004. The director of Finance and IT and his staff are commended for closing down the 2003/2004 accounts a month earlier than previous years." We reported to Overview and Scrutiny Committee on 15th November 2004 stating that there were no significant issues to bring to their attention".</i></p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Particular effort has gone into ensuring a high standard and consistency of working papers prior to submission to the External Auditors. This is to be viewed as a continuous improvement agenda.

Annual Audit Letter (January 2006)

"Members approved the Council's annual accounts on 28th July 2005. We gave an unqualified opinion on the Council's financial accounts on 28th October 2005."

"I would like to thank the Director of Finance and IT's staff for their hard work to ensure that the 2004/2005 financial statements were prepared on time and that audit issues were addressed promptly. The Council's prompt closedown arrangements, the good standard of initial working papers provided for audit and the co-operation of the finance staff ensure that the audit was completed by the deadline of 31st October 2005."

Annual Audit Letter (February 2007)

The 2005/2006 report was presented to the Audit, Governance and Improvement Review Committee on the 22nd March 2007.

"Your appointed auditor has reported separately to the Audit, Governance, and Improvement Review committee on the issues arising from the 2005/2006 audit and have provided an unqualified opinion on your accounts"

Annual Governance Report (September 2006)

The 2005/2006 report was presented to the A,G,&IR committee on 25th September 2006.

"The audit has not identified any material weaknesses in systems of accounting and financial control"

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

The format of the final accounts working papers has been subject to detailed research to assess key examples of notable practice (reference sites provided by the Audit Commission). This assessment was undertaken to ensure that any revisions to Authority practices would actually improve the format and presentation of the working papers and add value to the process.

Working papers have been re-formatted and structured to provide evidence of ownership, scope, completeness and validation. All working papers are subjected to a systematic review by a more senior officer – this is also an evidenced and accountable process.

Gantt charts and critical path planning and a risk matrix have been introduced to help plan and manage the close down.

All of these improvements and documents have been discussed and provided to External Audit during regular progress meetings.

A structured and referenced set of working papers have been collected and bundled into an electronic format utilising a web based SharePoint site.

Training on how to use SharePoint has been provided to the External Auditors. These improvements were introduced following the seeking and consideration of notable practice at other 4* local authorities. Best practice at those has been taken into account and developed into the Wigan approach and extras have been added.

This issue was included in the 2006 Use of Resources Action Plan as a required improvement point to move the working papers to an exemplary standard.

Accordingly it is considered that the Authority's final accounts working papers in respect of 2006/2007 do reflect an "exemplary" standard.

A detailed closedown schedule was prepared by the Assistant Director of Finance (Financial Services) and distributed to appropriate personnel and the Audit Commission. The detailed schedule is supported by individual and evidenced checklists. See closure accounts timetable which acts as a checklist

- SharePoint website.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Key staff, including the Assistant Directors of Finance (Financial Services and Technical Services), within the Financial Services section liaise with the Audit Commission as and when required. Information requested is provided within the agreed timescales set by the Audit Commission.

The 2006/2007 Statement of Accounts was presented to the Audit, Governance, and Improvement Committee and Cabinet on 28th June 2007 by the Director of Finance and I T. Members were complimentary about the "very understandable" document and recognised the effort that went into the report's compilation. Detailed questions/discussions took place prior to formal approval.

- Report and Minutes from 28th June meetings. Supported by Committee Clerks draft minutes/notes and Assistant Director (Audit and Risk Managements) notes.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

1.2 The council promotes external accountability		
Level 2	Level 3	Level 4
<p>* The council publishes its accounts and publicises how local electors can exercise their rights, in accordance with the requirements of the Accounts & Audit Regulations 2003.</p> <p>* The agenda, reports and minutes for meetings of full council, committees and scrutiny panels are made available to the public (for example on the council's website) on a timely basis.</p>	<p>The Council can demonstrate that it is considering the views of a range of stakeholders in making its decision whether to publish an annual report.</p> <p>The council publishes summary financial information meets the needs of a range of stakeholders.</p> <p>The most recent published accounts, in either full or summary format, are available on the council's website.</p>	<p>The council publishes an annual report or similar document which includes summary accounts and an explanation of key financial information/technical terms designed to be understandable by members of the public.</p> <p>The annual report or similar document is available in a wide variety of formats to meet local user needs (for example different languages, large print, speaking version).</p>
Commentary		Evidence
<p>Formal Statement of Accounts booklet is published and is available to the public on request and is also issued to all Chief Officers and Members, key departmental officers, secondary schools and colleges of further education, Audit Commission, ODPM, CIPFA, Co-oP Bank, etc. In addition copies are available from all Libraries for public examination.</p> <p>The Statement of Accounts (from 2000/2001) are also publicised on the Council's website under the Financial Services section.</p> <p>The rights of local electors to examine the accounts are publicised in the local press.</p> <p>Minutes are published on the Council's website within 48 hours of the meetings in accordance within statutory deadlines.</p> <p>Reports and agendas are available on the Council's website within 7 days (maximum) of the agenda issue date. The Democratic Services Service Plan for 2005/2006 contains remedial action to improve this time period to 48 hours.</p>		<ul style="list-style-type: none"> ▪ Statement of Account Booklets ▪ <u>2005/2006 Statement of Accounts (subject to audit) available on website (June Committee agendas)</u> ▪ Distribution list for Statement of Accounts Booklets. ▪ Website (include link to Statement of Accounts). ▪ Wigan Reporter extract 4th August 2005 <u>(July 2006)</u> July 2007

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>Initial questionnaire are scheduled to be issued to stakeholders during early September 2005 to determine their requirements in respect of summary accounts and annual report format. Stakeholders included residents, staff, partners, key voluntary bodies, businesses, and local health authorities. Results will determine format of summary accounts, etc for publication later in year.</p> <p>Summary Accounts (draft at this stage) are published on the Council website and comments are requested about content and user requirements, etc. Additional direct consultation with partners, businesses, staff, and chargepayers, etc is ongoing to allow input prior to further publication of Summary of Accounts following statutory audit. <u>This consultation process included questionnaires, comment forms on the web, focus groups, and one to one discussions. Comments were taken on board and the draft summary accounts (2004/2005) revised accordingly.</u></p> <p>Consultation was again carried out for the 2005/6 summary of accounts. A readers panel and an employee panel took place in September and feedback was used to revise the summary as required. Feedback was also sought from Members and key partners.</p> <p>In addition further publication will be contained within Borough Life (Council publication issued to all residents) in November 2005. This is the earliest issue post accounts audit by the Audit Commission. Information published will include additional consultation as to future requirements, etc. <u>The November issue contained an article on the consultation process and a web link and contact point where hard copies could be obtained. This article also provided information on the Council's budget setting priorities. See Winter 2006</u></p> <p><u>In respect of 2005/2006 comments from stakeholders have been acknowledged and will be incorporated into the 2005/2006 summary of accounts. For 2005/2006 a feedback questionnaire has been posted on the internet attached to the 2005/2006 draft accounts.</u></p>	<ul style="list-style-type: none"> ▪ Circulation schedule. ▪ Summary of Accounts 2004/2005 ▪ <u>Summary of findings from consultation process and revisions to draft summary accounts (2004/2005).</u> ▪ <u>Draft Summary of Accounts 2005/2006.</u> ▪ <u>Winter 2005 Borough Life magazine. See printed version of Winter 2006 which contains a section on 'How your money is spent'</u> <ul style="list-style-type: none"> ▪ Website Link ▪ Copy of feedback from Readers Panel and Employees Panel. ▪ Copy of consultation letter and e-mail to Steve Clegg.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

As part of the 2006 CPA Action Plan it was agreed that additional summary financial information would be published with the summary Accounts to provide an Annual Report.

A wide ranging review of the type and format of annual reports has been completed.. The findings are that practice, approach and content/format varies significantly. The best has been chosen and developed into the Wigan approach. This work is ongoing and evidence of progress to date and drafts will be available for scrutiny. The Annual Report will be based on the 2006/07 Statement of Accounts.

- Evidence required?

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

1.2 The council promotes external accountability		
Level 2	Level 3	Level 4
* The council publishes the annual audit letter in accordance with the requirements of the Accounts & Audit Regulations 2003.	* The most recent published annual audit letter is available on the council's website.	
Commentary		Evidence
The Council publishes Annual Audit Letters within the Financial Services section of its website (internet) dating from 2001/2002. Additional formats are available by request.		<ul style="list-style-type: none"> ▪ Hard copy of relevant section of Financial Services web page including front sheet from each Annual Audit Letter. ▪ Website link.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

2.1 The council's medium-term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities		
Level 2	Level 3	Level 4
<p>* The council has put in place a medium-term (three year) financial strategy which is linked to its key strategic objectives, and takes account of both local improvement priorities and national priorities.</p> <p>* The medium term financial strategy models income and expenditure over a minimum of 3 years and is reviewed and updated at least annually.</p>	<p>* Business planning is integrated with financial planning.</p> <p>* The corporate business plan drives the medium-term financial strategy and internal resource allocation, with changes in allocations determined in accordance with policies and priorities.</p> <p>The corporate business plan projects forward at least three years and takes account of each of the following: stakeholder and partner consultation external drivers, including funding variations and requirements to improve efficiency capital investment plans and their revenue implications risk assessments and financial contingency planning sensitivity analysis expected developments in services.</p> <p>* The council's medium-term financial strategy is linked to other internal strategies/plans as appropriate, such as human resources, IT.</p> <p>The key messages from the council's medium-term financial strategy is communicated to staff and stakeholders.</p>	<p>The medium-term financial strategy describes in financial terms joint plans agreed with partners and other stakeholders.</p> <p>The medium-term financial strategy models balances and resource requirements over a minimum of 3 years.</p>
Commentary	Evidence	
<p>The Council's strategic objectives are documented in the annual Corporate Plan. This plan follows the "Golden Thread" process, linking the goals of the Community Plan to the objectives of the Council and through to objectives of individual departments.</p> <p>Corporate Plan is monitored on a quarterly basis through Cabinet. Issues Paper approved through Cabinet which then is delivered via the Corporate Plan.</p>	<ul style="list-style-type: none"> ▪ Corporate Plan 2005/2006 & 2006/2007, 2007/2008 ▪ Cabinet Reports 2nd September 2004, 25th August 2005, 15th December 2005, & 16th February 2006. ▪ Cabinet Reports monitoring progress of the Corporate Plan were approved on 10th August 2006, 16th November 2006, and 8th February 2007. An annual performance report was approved by Cabinet on 28th June 2007. 	

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Reports by the Director of Finance & IT to 2nd September 2004 (Financial Outlook), 11th August 2005 (Capital Strategy) and 25th August 2005 Cabinet (Financial Outlook), 15th December 2005 (Revenue Budget 2006/07 – Revised Forecast), and 16th February 2006 (Revised Budget Forecast & Financial Outlook 2005/06-2008/09) effectively demonstrates all the key linkages between the key policy documents. Earlier reports to COMT clearly demonstrate ownership of the processes followed leading to reports issued to and approved by members.

The Council's Medium Term Financial Plan includes the impact of the financial position of major partners such as Wigan Leisure and Culture Trust, Wigan and Leigh Housing, and Leigh Sports Village.

The forecast plan sets out the proposed use of available reserves over a 3 year period and the associated opportunity cost/benefits of holding reserves.

In respect of 2006/2007 key reports were presented as follows:-

- Budget Timetable and principles (Cabinet 24th August 2006)
- Medium Term Financial Plan (Cabinet 24th August 2006)
- Revenue Budget 2007/2009 and Medium Term Forecast to 2009/2010 (Cabinet 8th February 2007)
- Revenue Estimates, Collection Fund Estimates, CTax, and MTFP (Council 28th February 2007)

- The Issues Paper was approved by Council on 01/11/06. From this, emerging themes develop and this forms the basis for the corporate plan. Corporate Plan 2007/2008 was approved by Council on 11th July 2007 and is published on the Council website.

- Capital Strategy Report (28th July 2005 Cabinet, deferred to 11th August Cabinet meeting)

Cabinet report scheduled for 24th August 2006 – Medium Term Financial Plans 2007/8-2009/10 (Revenue and Capital)

- Budget Timetable and principles (Cabinet 24th August 2006)
- Medium Term Financial Plan (Cabinet 24th August 2006)
- Revenue Budget 2007/2009 and Medium Term Forecast to 2009/2010 (Cabinet 8th February 2007)
- Revenue Estimates, Collection Fund Estimates, CTax, and MTFP (Council 28th February 2007)

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>These strategic and departmental objectives drive resource allocation through the budget process. A key component of the growth bid criteria is “allocations, which are essential to meet Council objectives or initiatives”.</p> <p>The links between strategic objectives and resource allocation are shown clearly in the Corporate Plan, Capital Strategy, Financial Outlook reports, and Service Plans. These key documents clearly set out the Council’s key objectives and provide the essential linkages between aims/objectives, planned activities, and financial planning (revenue and capital).</p> <p>Forward planning in 2006/2007 determined that the links between Council objectives and resource allocation are clearly shown in the Medium Term Financial Plan. This takes the high level objectives set out in the Corporate Plan and considers their financial implications.</p> <p>External Audit have consistently reported that the Council’s financial position is sound and in line with the relevant medium term financial strategy.</p>	<ul style="list-style-type: none"> ▪ See previous section. ▪ Service Plans are available on request. Check confirmed that all service plans are on the intranet ▪ Annual Audit Letters (December 2003, 2004, & 2005, & 2006-see Audit, Governance and Improvement Review Committee 22nd March 2007). ▪ Cabinet Report (24th August 2006) Medium Term Financial Plan 2007-2010. <p><i>The Joint Area Review report (presented to Cabinet 14/12/06 stated that: “Overall, council resources for children and young people are used well. The council’s corporate approach to aligning priorities, budget setting and performance is sound.</i></p>
<p>The Council’s 3 year financial strategy (Medium Term Financial Plan-Council 28th February 2007) was presented to and approved by Council on 2nd March 2005 (revised 1st March 2006) and is also reproduced in the 2005/2006 (revised 2006/2007) Revenue Budget Book. The strategy consistently clearly models income and expenditure over a 3 year period, takes account of any known developments (including HR and IT), and is updated throughout the financial year. In addition the Council’s employee survey provides evidence that employees understand what the Council is trying to achieve.</p> <p>The Council ran a special engagement session with representatives of the Third Sector which included a briefing from the Director of Finance and IT on the Medium Term Outlook and a discussion of the contribution of the Third Sector to the Council’s plans.</p>	<ul style="list-style-type: none"> ▪ Council Report 2nd March 2005 (revised 1st March 2006) 28th February 2007 ▪ Revenue Budget Book 2005/2006 & 2006/2007 (website) 2007/2008 Budget Book (website) ▪ Financial Outlook Cabinet reports 2nd September 2004 and 25th August 2005 (also draft reports to COMT). Cabinet 24th August 2006-Medium Term Financial Plan. ▪ Revenue Budget 2006-2007 Revised Forecast Cabinet Report 15th December 2005. Financial Strategy reports (Cabinet and Overview & Scrutiny February 2006). Cabinet/Overview and Scrutiny minutes 22nd February 2007 – revenue budget for 2007/2008 and medium term forecast for 2007/2008 –20 09/2010. Also see Council minutes 28th February 2007.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

	<ul style="list-style-type: none"> ▪ COMT Minutes 16th August 2005 – Financial Outlook, SPT Report 15th August 2006. ▪ Third Sector meeting brief
<p>The Council's 3 year financial strategy is communicated to staff via publication within the Financial Services section of the website.</p>	<ul style="list-style-type: none"> ▪ Revenue Budget Book 2005/2006 and 2006/2007 (website) 2007/2008 Budget Book (website) ▪ Summary of plan shared with senior managers at briefing sessions
<p>The Council's Service Planning Framework clearly demonstrates the linkages of business planning, financial planning, risk management, service delivery, and Council objectives. The framework was updated for 2005-2006 to enhance the previous years arrangements.</p>	<ul style="list-style-type: none"> ▪ Departmental Plan Standards for 2005-2006 and 2006/2007.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

2.1 The council's medium-term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities		
Level 2	Level 3	Level 4
<p>* A comprehensive and balanced revenue budget has been set, based on realistic projections about pay, inflation, and known service and capital development plans.</p> <p>* The financing of expenditure is transparently explained in budget summaries and reports.</p> <p>* Budgets are revised annually in light of the reasons for and consequences of the previous year's outturn and are linked to the medium-term financial strategy.</p> <p>* An affordable capital programme has been agreed and the current and future funding of this is built into revenue planning.</p> <p>* Budget holders are involved in the budget setting process.</p> <p>* Budgets are subject to review by senior officers and members.</p> <p>* Each capital and revenue budget is assigned to the individual manager best able to use and control it. The council undertakes cash-flow monitoring which is used to inform short and long-term investment decisions.</p> <p>* The budget reported to members includes a positive assurance statement from the chief finance officer about the robustness of estimates made for the purposes of the budget calculations, in accordance with the requirements of section 25 of the LG Act 2003.</p>	<p>Budgets are linked to:</p> <ul style="list-style-type: none"> ▪ the medium-term financial strategy and high level budgets for future years within this ▪ business and activity plans ▪ risk assessments of material items of revenue and capital income and expenditure, incorporating lessons learned from previous years 	

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Level 2	Level 3	Level 4
Commentary	Evidence	
<p>The Council's budget strategy has continually built upon Government priorities, as expressed through the annual Comprehensive Spending Review and RSG settlement, but also responds to the concerns of residents expressed in consultation exercises.</p> <p><u>The budget strategy reflects the Council's own priorities. These priorities reflect national and local drivers and naturally flow from the needs and preferences expressed by residents, service users, and other stakeholders.</u></p> <p>In August 2006 the Council introduced a revised approach to the annual growth process to improve consistency and strengthen further the common rules on budget setting.</p> <p>The Council has established a 3 year budget planning cycle so that the consequences of budget decisions taken can be rolled forward and forecasts made of future years impact.</p> <p>The Council allows Chief Officers flexibility in the use of budget virement and delegated responsibilities in order to manage departmental budgets within overall cash limits and in compliance with the concepts of Best Value. Growth and retention bids are agreed via COMT to reflect the corporate priorities of the Council linked to the Vision, Mission and Purpose statement.</p> <p>The Council's budget framework is set annually in advance with guidance, a defined process and a comprehensive set of principles. There is a continuous and fully reported budget setting process for capital and revenue which ensures all potential growth areas and cost savings are fully identified in advance. The budget principles and proposed timetable for the 2005/2006 budget were reported to Cabinet and Overview and Scrutiny by the Director of Finance and IT on 2nd and 6th September 2004 respectively.</p> <p>Budget principles were enhanced via Cabinet report of 24th August 2006.</p>	<ul style="list-style-type: none"> ▪ Cabinet/Over view and Scrutiny report (Budget Timetable 2005/2006) 2nd September 2004 (<u>Budget Timetable 2006/2007 – 25th August 2005</u>). ▪ Cabinet Report (24th August 2006) – Budget Timetable and principles 2007/2008. ▪ Council report (Revenue Budget 2005/2006 and Council Tax) 2nd March 2005. ▪ Council report 1st March 2006 , 28th February 2007 (<u>Revenue Estimates, Collection Fund Estimates and Council Tax calculations 2006/07 (2007/2008). Medium Term financial plan 2006/07 (2007/08)-2008/09 (2009/2010</u> ▪ <u>Cabinet report scheduled for 24th August 2006 – Medium Term Financial Plans 2007/8-2009/10 (Revenue and Capital).</u> Report scheduled for Cabinet 23rd August 2007. ▪ <u>Corporate Plan 2007/08.</u> ▪ Cabinet Report (24th August 2006) – Budget Timetable and principles 2007/2008. 	

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

<p>On 2nd September 2004 the Director of Finance and IT reported to Cabinet (also Executive Briefing on 16th September 2004) an examination of “the financial prospects facing the Council in the light of the Chancellors spending review announcement and the spending pressures faced by the Council.”</p> <p>The report linked to the Council’s risk management policy statement and the service and policy planning framework and identified the Key issues from the 2004/2005 budget and the Council priorities for 2005/2006 linked to the Councils high level objective key priorities of governance, excellent services, people, communities, and places. This report was the forerunner to the detailed Revenue Budget report (including the medium term financial plan) presented to Council on 2nd March 2005. Additional information was published within the Budget Booklet on the website.</p>	<ul style="list-style-type: none"> ▪ Cabinet report (Financial Outlook 2005/2006 – 2007/2008) 2nd September 2004 ▪ Cabinet report (Financial Outlook 2005/06-2008/09) 25th August 2005. ▪ Cabinet Report 24th August 2006 – Medium Term Financial Plan 2007-2010. ▪ Council report (Revenue Budget 2005/2006 and Council Tax) 2nd March 2005 ▪ Council report 1st March 2006 ,(Revenue Estimates, Collection Fund Estimates and Council Tax calculations 2006/07. Medium Term financial plan 2006/07-2008/09). ▪ Council report 28th February 2007 ,(Revenue Estimates, Collection Fund Estimates and Council Tax calculations 2007/2008. Medium Term financial plan 2007/08-2009/10).
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WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Level 2	Level 3	Level 4
Commentary	Evidence	
<p>A further report updating the medium term financial plan to 2008/2009 was presented to COMT and Cabinet on 16th and 25th August 2005 respectively. The report presents an initial assessment of the financial projections for the next three years with specific focus on the budget and Council Tax prospects for 2006/2007. The report is structured to inform resource allocation and changes and is linked to the Council's key policy objectives and service improvement/delivery requirements. <u>This process is repeated on an annual basis to reflect the updated priorities and associated strategy.</u></p>	<ul style="list-style-type: none"> ▪ Cabinet Report (Financial Outlook 2005/2006 – 2008/2009). 25th August 2005. ▪ Cabinet Report 24th August 206 – Medium Term Financial Plan 2007-2010. ▪ <u>Cabinet & Overview & Scrutiny reports (Revised Budget Forecast and Financial Outlook 2005/-6 – 2008/09) 16th/20th February 2006.</u> ▪ Cabinet report 8th February 2007 – Revenue Budget for 2007/2008 and Medium Term Forecast for 2007/08 to 2009/10. ▪ <u>Cabinet report scheduled for 24th August 2006 – Medium Term Financial Plans 2007/8-2009/10 (Revenue and Capital) Report scheduled for Cabinet 23rd August 2007.</u> 	
<p>The Council's revenue budget was presented to and approved by Council on <u>2nd March 2005 (and 1st March 2006)</u> , and 28th February 2007 and is also reproduced in the <u>2005/2006 (and 2006/2007)</u> and 2007/2008 Revenue Budget Books. The covering reports detail pertinent issues of inflationary uplifts, superannuation, grant charges, growth and retention bids, capital investment, and savings, and an analysis of financing, etc..</p>	<ul style="list-style-type: none"> ▪ Council Reports <u>2nd March 2005 (and 1st March 2006)</u> , and 28th February 2007 ▪ Revenue Budget Book <u>2005/2006 and 2006/2007</u> and 2007/2008 (website) ▪ <u>Financial Outlook Cabinet reports 2nd September 2004, 25th August 2005 , 15th December 2005, and 16th February 2006 , 24th August 2006 and 8th February 2007</u> 	
<p>Quarterly reports are presented to Cabinet to identify issues that potentially impact on the Council's overall budget and also future years. These reports also include the appropriate Gershon Efficiency Statements.</p>	<ul style="list-style-type: none"> ▪ <u>Cabinet Reports (Revenue Budget Monitoring 2006/2006 – 1st Review) 30th June 2005, 2nd Review 22nd September 2005, 3rd Review 15th December 2005, 1st June 2006 (provisional outturn).</u> 10th August 2006, 16th November 2006, 8th February 2007, 31st May 2007 ▪ <u>Cabinet report scheduled 10th August 2006 (1st quarter 2006/7 Revenue and Capital monitoring)</u> 10th August 2006, 16th November 2006, 8th February 2007, 31st May 2007 	

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Level 2	Level 3	Level 4
<p>On 17th February 2005 (16th February 2006), 20th February 2007, the Director of Finance and IT reported the Capital Programme (2005/2006 – 2007/2008, 2006/2007 – 2008-2009), 2007-2008 – 2009-2010 to Cabinet. The reports set estimates of Capital Expenditure and Capital Financing for the 3 years from 2005/2006 (2006/2007). 2007/2008 estimated the relationship of Capital Financing Costs to Revenue Streams and established limits on external debts.</p> <p>On 11th August 2005 the Council's Capital Strategy was updated via Cabinet. The enhanced strategy, linked to the Council's strategic objectives provides a framework within which the Council's Capital Investment plans (investment and disposal) will be delivered over the next 10 years. The emphasis of the Strategy is the proactive management of the capital programme as opposed to simple monitoring. This necessitates <i>"attention to procurement and management of cost to budget through effective option appraisal and cost engineering."</i></p>	<ul style="list-style-type: none"> ▪ Cabinet Reports 17th February 2005 and 16th February 2006. ▪ Cabinet and Overview and Scrutiny Committee 22nd February 2007 (Capital Programme 2006/07 – 2008/09 and Prudential Borrowing) ▪ Capital Strategy Report (28th July 2005 Cabinet, deferred to 11th August Cabinet meeting). Also scheduled for 24th August 2006 Cabinet. 	

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

2.1 The council's medium-term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities		
Level 2	Level 3	Level 4
<p>* Prudential indicators are applied in assessing the affordability of capital projects.</p>	<p>The council regularly reviews financial management arrangements to ensure that they remain 'fit for purpose', and keeps the financial services function under review to consider capacity, resourcing and training needs.</p> <p>* There are project appraisals, business plans and affordability tests for new policy and capital developments.</p>	<p>The council identifies future developments that may impact on its financial management arrangements and proactively manages them.</p> <p>The council monitors and can demonstrate how its financial plans and strategies have contributed to the achievement of its corporate objectives.</p>
Commentary		Evidence
<p>The Council has consistently complied with the processes require under the prudential regime. The financing of the Council's Capital Programme is agreed and monitored by members and has proven to be affordable, sustainable, and prudent.</p>		<ul style="list-style-type: none"> ▪ Annual Audit Letters have consistently acknowledged the success of the Council's Capital spending programmes, etc.
<p>On 17th February 2005 (<u>16th February 2006</u>), 20th February 2007 the Director of Finance and IT reported the Capital Programme (2005/2006 – 2007/2008, <u>2006/2007 – 2008/2009</u>), 2007-2008 – 2009-2010 and the prudential indicators for 2005/2006 (<u>2006-2007</u>) 2007-2008 to Cabinet. The report :-</p> <ul style="list-style-type: none"> ▪ Set estimates of Capital Expenditure and Capital Financing for the 3 years from 2005/2006 (<u>2006/2007</u>) ▪ Estimated the relationship of Capital Financing Costs to Revenue Streams. ▪ Determined the impact on Council Tax and Housing Rents ▪ Set limits on external debts ▪ Set Prudential Indicators in respect of Treasury Management ▪ Supported the Revenue Budget reports. 		<ul style="list-style-type: none"> ▪ Cabinet Report 17th February 2005 (<u>16th February 2006</u>), 20th February 2007 ▪ Capital Programme <u>2004/2005 (2005/2006)</u> Outturn Report (Cabinet 30th June 2005, <u>1st June 2006</u>), 31st May 2007

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>On 11th August 2005 the Council's Capital Strategy was updated via Cabinet. The enhances strategy, linked to the Council's strategic objectives provides a framework within which the Council's Capital Investment plans (investment and disposal) will be delivered over the next 10 years.</p> <p>The Strategy is structured as follows:-</p> <ul style="list-style-type: none"> ▪ Aims and objectives ▪ Linkages with Council objectives ▪ Resourcing of capital investment ▪ Prioritisation of capital resources ▪ Appraisal of investments and disposals ▪ Linkages with Medium Term Financial Strategy ▪ Changing circumstances and Prudential Regime ▪ Procurement of Capital Projects methodology ▪ Performance measurement of Capital Strategy ▪ Capital Strategy Management Group ▪ Capital Programme Processes Organisation 	<ul style="list-style-type: none"> ▪ Capital Strategy Report (28th July 2005 Cabinet, deferred to 11th August Cabinet meeting). Also scheduled for 24th August 2006 Cabinet.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

2.2 The council manages performance against budgets		
Level 2	Level 3	Level 4
<p>*Budgets are input to the main accounting system on a timely basis, at an appropriate level of detail.</p> <p>* There is a formal scheme of budget delegation.</p> <p>* There is guidance available to budget holders which includes a description of their responsibilities, an outline of the budget process, and a budget process timetable.</p> <p>* Budgets are approved before the start of the year and monitored regularly throughout the year.</p> <p>* The budget shows the resources allocated to major spending activities and programmes, with user-friendly summaries, and separate identification of revenue and capital items to ensure focus on use of resources.</p>		
Commentary		Evidence
<p>Profiled budgets are input to the Agresso database as part of the budget preparation process. There are agreed procedures in place for in-year updates of the budget files which include the opportunity to re-profile the budget.</p>		<ul style="list-style-type: none"> ▪ Data Warehouse Philosophy document and also budget files, etc.
<p>The Council's Budget Manual details an outline of the budget process, a detailed timetable, and establishes the principles and detailed responsibilities of Budget Holders and "owners".</p>		<ul style="list-style-type: none"> ▪ Budget Manual (website).

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>A detailed budget preparation schedule is produced and approved annually via Cabinet culminating in the approval of Council Tax levels and the Authority Budget by Council in early March annually.</p> <p>The budget is prepared and input onto the accounting system in the following sections:</p> <ul style="list-style-type: none"> ▪ Original estimate (previous year) ▪ Inflation ▪ Committed Growth ▪ Variations ▪ Uncommitted Growth ▪ Budget reductions ▪ Estimate (current year) 	<ul style="list-style-type: none"> ▪ Budget Manual (website). ▪ Council Report 2nd March 2005 (1st March 2006). 28th February 2007
<p>The budget book contains user friendly summaries of resources allocated to each service area. To enhance the 2005/2006 information a detailed consultation process was undertaken with Finance and IT officers and Chief Officers. This has led to additional information being included on the functions of each Panel, key performance information, and key contacts. In addition the content of the detailed budget pages has been revised (differing degrees of detail) to make more user friendly. BVACOP principles and operational analyses used.</p>	<ul style="list-style-type: none"> ▪ 2004/2005 Budget book ▪ 2005/2006 Budget book ▪ 2006/2007 Budget Book ▪ 2007/2008 Budget Book ▪ Initiative Memos

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

2.2 The council manages performance against budgets		
Level 2	Level 3	Level 4
<p>* Action plans are developed when a material variance arises or a deficit is forecast.</p>	<p>* The council uses agreed processes to adjust and approve budgets in year if major programmes are varied by more than pre-set tolerances.</p> <p>The council's financial information systems have flexible reporting tools to enable specialist reports to be designed.</p> <p>The council produces accurate and meaningful profiled financial monitoring reports for all budget holders within ten working days of the month end.</p>	<p>There is a 'traffic light' system (or similar) in place to focus the Executive on key variances, and there is evidence that these are acted upon. (ref.4)</p>
Commentary		Evidence
<p>Detailed action plans are produced as part of the normal budget monitoring process where significant variances are projected to allow appropriate remedial action to be taken. This is clearly evidenced in relevant Panel and Cabinet reports with an Audit Trail between levels/categories of report.</p> <p>Examples of this process are:-</p> <ul style="list-style-type: none"> ▪ the Children in Public Care costs Action Plan Social Care Panel 11th May 2004 and Cabinet 13th May 2004, Implementation Plan 8th July 2004, Social Services Budget Monitoring 2005-06 Cabinet 2nd June 2005 ▪ Waste Management Strategy and Green Waste/Review of Wigan's Waste Management Strategy ▪ Reconfiguration of Day Services Cabinet 25th August 2005 ▪ Leigh Building Services Rescoping. <p>The above high risk key areas are referenced within the 1st Revenue Budget Monitoring report 2005.2006 (Cabinet 30th June).</p> <p><u>2005/2006 examples are :-</u></p> <ul style="list-style-type: none"> ▪ <u>Deloittes review of Adult Services and Action Plan (July 2006 SMT)</u> ▪ <u>Deloittes review of Childrens Services</u> ▪ <u>Review of Fair Access to Care Policy</u> 		<ul style="list-style-type: none"> ▪ Social Care Panel 11th May 2004 and Cabinet 13th May 2004, Implementation Plan Cabinet 8th July 2004. ▪ Social Services Budget Monitoring 2005-06 Cabinet 2nd June 2005. ▪ Cabinet/Environment Panel 20th/26th January, and 25th August/26th September 2005. ▪ Cabinet 25th August 2005 ▪ Cabinet 2nd June 2005 ▪ Cabinet 30th June 2005 ▪ <u>Deloittes reports</u> ▪ <u>July 2006 SMT report</u>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

2006/2007 examples are:-

- Continued implementation of Adult Services Action Plan
- Whole Systems Partnership Fair Access to Care Review
- Children's Social Care

Cabinet 29th June 2006, 29th March 2007
Cabinet 21st September 2006
Cabinet 21st September 2006, 29th March 2007

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

2.2 The council manages performance against budgets		
Level 2	Level 3	Level 4
<p>* The appropriate member committee receives budget monitoring information that is accurate, relevant, understandable and consistent with underlying records, and data is as up to date as possible when reported.</p>	<p>*Relevant non-financial and financial information, in addition to the budget, is reported to members and acted upon.</p> <p>* The council's budget monitoring is:</p> <ul style="list-style-type: none"> ▪ predictive rather than backward looking ▪ focused on large, high risk or volatile budgets ▪ related to operational activity indicators that are lead indicators of spend and ▪ informed by a risk assessment. 	<p>The Executive receives accrued financial monitoring reports at appropriate key points during the year including significant revenue account items and balances.</p> <p>The Executive has reviewed its effectiveness and the leadership it provides with regard to financial management, and is taking appropriate action to address areas of weakness.</p>
Commentary		Evidence
<p>The Council approves a budget monitoring and reporting timetable and has determined the form of reporting. This is part of the development of accountable budgets and requires Chief Officers to review all budgets classified as being under their control and report any exceptional variances together with proposals for corrective action.</p> <p>Each Chief Officer has identified a "Resource Controllers" within their department who are responsible for various elements of budgets on a day to day basis. These officers are responsible to their Chief Officer for monitoring income and expenditure in their particular area of activity, and will contribute to the budget monitoring reports, which are submitted to Cabinet at least every 12 weeks.</p> <p>The monitoring report for 2006/2007 has been revised so as to focus on high level areas, to build an audit trail to spending and income in the core financial system and to be predictive about possible outturn positions.</p>		<ul style="list-style-type: none"> ▪ Budget Manual (website). Not printed ▪ Specimen Panel reports. ▪ Budget Timetable Report 2006/2007 2007/2008 (Cabinet 25th August 2005) 24th August 2006 . ▪ <u>1st quarter budget monitoring report scheduled for Cabinet on 10th August 2006.</u>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>There is a well-documented and proven budget monitoring process in place. Members request action where appropriate. The response is proportionate rather than mechanistic. Finance and IT focus is on macro budget issues rather than micro management (dealt with at a departmental and service panel level). Reference is made to activity and volume where appropriate. Quarterly Revenue Budget Monitoring reports are submitted to Cabinet identifying macro issues that potentially impact of the overall Authority budget. Risk categorisations and Gershon linkages and performance are also considered within the reports.</p>	<ul style="list-style-type: none"> ▪ <u>Cabinet Reports (Revenue Budget Monitoring 2006/2006 – 1st Review) 30th June 2005, 2nd Review 22nd September 2005, 3rd Review 15th December 2005, 1st June 2006 (provisional outturn).</u> ▪ Cabinet Reports (Revenue Budget Monitoring 2006/2007 – 1st Review) 10th August 2006, 2nd Review 16th November 2006, 3rd Review 8th February 2007, 31st May 2007 (provisional outturn).
<p>Members receive appropriate monitoring information supported by associated non-financial and financial information. Activity/Performance data is included as required as part of the explanation of key variances.</p> <p><u>Statement of Accounts presented to Audit, Governance, and Improvement Review committee on 28th June 2006 supported by annual performance report.</u> The 2006/07 Statement of Accounts were approved by the Audit, Governance and Improvement review Committee on the 28th June 2007 and by Cabinet on 28th June 2007.</p> <p><u>Quarterly financial monitoring reports and performance reports aligned to the came Cabinet timetable in 2006/2007</u></p>	<ul style="list-style-type: none"> ▪ <u>Cabinet report scheduled 10th August 2006</u> ▪ <u>Audit, Governance & Improvement Review Committee report 28th June 2006</u> ▪ Audit, Governance & Improvement Review Committee and Cabinet report 28th June 2006 ▪ Cabinet Reports (Revenue Budget Monitoring 2006/2007 – 1st Review) 10th August 2006, 2nd Review 16th November 2006, 3rd Review 8th February 2007, 31st May 2007 (provisional outturn). ▪ Cabinet Reports monitoring progress of the Corporate Plan were approved on 10th August 2006, 16th November 2006, and 8th February 2007. An annual performance report was approved by Cabinet on 28th June 2007.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

2.2 The council manages performance against budgets		
Level 2	Level 3	Level 4
<p>* The council regularly tests its financial systems to ensure that their processes are secure.</p>		<p>The council ensures through regular testing of its financial systems that the report outputs are timely, accurate, reliable, clear, in a convenient format (hard copy and online, in summary and in detail, as appropriate) and readily understood by their recipients.</p>
Commentary		Evidence
<p>Procedures in place to verify financial systems include :-</p> <ul style="list-style-type: none"> ▪ Verification by Internal Audit on an annual basis, either by individual system reviews or quality assurance testing in conjunction with External Audit. ▪ Verification is performed within the Financial Services section on controls and data including a documented period end process covering trial balance, general ledger by category, customer balances, supplier balances, error transactions, accounts receivable/accounts payable reconciliation, and unbalanced transactions. to demonstrate system integrity and completeness. ▪ Production of performance indicator information for BVPP (<u>Corporate Plan</u>). ▪ Regular briefing meetings with departmental finance staff to inform of protocols and accounting requirements. ▪ Corrective action in respect of identified system weakness following audit examination and follow-up and individual transaction anomalies is taken when identified (evidence within IA review files, etc). <p>Internal Audit are involved at the development stage of all key systems and also authorise revisions to existing systems.</p>		<ul style="list-style-type: none"> ▪ <u>Period End Processing Procedural Note, etc.</u>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

2.2 The council manages performance against budgets		
Level 2	Level 3	Level 4
<p>The financial performance of significant partnerships is regularly reviewed, linked to outputs, and the results shared with partners and acted upon.</p>		
Commentary	Evidence	
<p>Quarterly monitoring reports are submitted to Members in respect of the Council's 3 main partners (Wigan and Leigh Housing Association, Wigan Leisure and Culture Trust, and Norfolk Property Services).</p>	<ul style="list-style-type: none"> ▪ Performance Report Wigan and Leigh Housing 2004/2005 Third Quarter (Community Protection Panel Report 14th March 2005). ▪ Performance Report Wigan and Leigh Housing 2004/2005 (Community Protection Panel Report 6th June 2005). ▪ Performance Report Wigan and Leigh Housing 2005/2006 Half Year (Community Protection Panel – 16th January 2006, Cabinet 19th January 2006) ▪ Performance Report Wigan and Leigh Housing 2006/2007 Half Year (Community Protection Panel – 22nd January 2007, Cabinet 25th January 2007) ▪ Wigan Leisure and Culture Trust Performance Monitoring (1st October – 31st December 2004) (Regeneration Panel 16th March 2005). ▪ Wigan Leisure and Culture Trust Performance Monitoring (April – June 2005) (Regeneration Panel 21st September March 2005). See above ▪ Wigan Leisure and Culture Trust Performance Monitoring (July-September 2006) (Regeneration Panel 15th November 2006). ▪ NPS Performance Management System 1st Year Review 05/05 (Community Protection Panel 6th June 2005/Cabinet 16th June 2005). 	

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

	<ul style="list-style-type: none">▪ NPS Performance Management System 4th Quarterly Review 05/06 (Community Protection Panel 5th June 2006/Cabinet 15th June 2006).▪ NPS Performance Management System 4th Quarterly Review 06/07 (Community Protection Panel 4th June 2007/Cabinet 14th June 2007).
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WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

2.2 The council manages performance against budgets		
Level 2	Level 3	Level 4
<p>* Where any significant departmental overspends have occurred they have been managed with no adverse impact on service delivery.</p>	<p>* Progress in achieving planned savings and efficiency gains is regularly reported to senior management with developed action plans.</p> <p>* No significant departmental overspends/underspends have occurred that were not identified as a risk which was taken into account in developing the council's reserves strategy, and the associated underlying budgetary pressures are being managed effectively over time.</p>	<p>Savings and efficiency gains are profiled over the year and there is monitoring throughout the period by members to ensure their achievement.</p>
Commentary		Evidence
<p>Detailed action plans are produced as part of the normal budget monitoring process where significant variances are projected to allow appropriate remedial action to be taken. This is clearly evidenced in relevant Panel and Cabinet reports with an Audit Trail between levels. A typical example is the "Fair Access to Care and Preventative Services" eligibility criteria changes estimated to generate financial savings of £1m per annum.</p> <p>The Authority has established an appropriate framework to identify, validate, and monitor savings under the Gershon Initiative via COMT and Cabinet reporting, etc.</p> <p><u>Gershon Annual Efficiency Statements progress through Corporate Delivery Team, Strategic Management Team, and Cabinet.</u></p>		<ul style="list-style-type: none"> ▪ Cabinet report 28th July 2005. ▪ Cabinet Reports (Revenue Budget Monitoring 2006/2007 – 1st Review) 10th August 2006, 2nd Review 16th November 2006, 3rd Review 8th February 2007, 31st May 2007 (provisional outturn). ▪ See section 2.2 evidence. <p>Gershon protocol and COMT/Cabinet reports. See CDT minutes: 17th October 2006, 6th March 2007 and 26th June 2007</p> <p>VFM self-assessment.</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

External Audit Annual Audit Letters support the validity of the Councils' budgetary control performance, viz.:-

December 2004

"The Council's financial position continues to be sound and in line with its medium term financial strategy.

The Council's overall financial position remains sound. The general fund balance at 31st March 2004 was £13.4m, a reduction of £0.3m on the previous year. This reduction was within £50k of the original budget for 2003/2004 and reflects on the effectiveness of the budgetary control process managed by the Council during the year."

Annual Audit Letter (January 2006)

"We found that the Council's arrangements are sound and both the General and Collection Funds are in a relatively healthy financial position. In 2004/2005 the net revenue expenditure was £388m, an increase of £26m (8%) compared with 2003/2004 spending. This is in line with the Council's revenue budget of £337m."

"The General Fund balance at 31st March 2005 was £13.3m, an increase of £1.1m from the previous year. The outturn position is an improvement on the estimated figures."

"Looking forward, the 2005/2006 revenue budget is currently on track but it is too early to make, with any certainty, any predictions on the overall position for the year. There are some risk areas and the budget is being carefully monitored."

In addition the Audit Commission Regularity Report dated February 2006 concluded that:-

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

	<p><u><i>“Our overall conclusion is that the budgetary control system appears to be working effectively and allows a reasonable amount of scrutiny by staff and elected members.”</i></u></p> <ul style="list-style-type: none">▪ <u>Forward Looking AES – Cabinet March 2006</u>▪ <u>Backward Looking AES – Cabinet 13th July 2006.</u> <p><u><i>Regularity Report (November 2006)</i></u></p> <p><i>“The Council has well established key controls that are operating effectively. No major issues arose from our review and testing of the material systems”</i></p> <p><i>“The audit did not identify any material weaknesses in systems of accounting and financial control”</i></p>
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WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

3.1 The council manages its spending within the available resources		
Level 2	Level 3	Level 4
<p>* The council sets a balanced budget that takes account of cost pressures and the impact on council tax and housing rents.</p> <p>* The council maintains its overall spending within budget.</p> <p>* The council monitors the budget and underlying assumptions throughout the year and takes appropriate action to deal with any deterioration in the financial position, in accordance with the requirements of section 28 of the LG Act 2003.</p>	<p>* The council consistently maintains its spending within its overall budget and without significant unexpected overspends or under-spends.</p>	<p>Members monitor key financial health indicators and set challenging targets, for example for income collection, levels of variances from budget, prudential framework indicators, capital programme management. The council has a good track record of achieving these targets.</p>
Commentary		Evidence
<p>The Council's revenue budget was presented to and approved by Council on 2nd March 2005 (1st March 2006) 28th February 2007 and is also reproduced in the 2005/2006 (2006/2007) 2007/2008 Revenue Budget Book. The covering report details pertinent issues of inflationary uplifts, superannuation, grant charges, growth and retention bids, capital investment, and savings, and an analysis of financing, etc..</p>		<ul style="list-style-type: none"> ▪ Council Report 2nd March 2005, 1st March 2006 28th February 2007 ▪ Revenue Budget Book 2005/2006, 2006/2007 (website) 2007/2008 (website) ▪ Financial Outlook Cabinet reports 2nd September 200-4 and 25th August 2005, 15th December 2005, & 16th February 2006 , 24th August 2006 and 8th February 2007 (also draft reports to COMT (CDT/SMT)).

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>The Council's budgetary control management and reporting procedures ensure that the Council maintains its overall spending within the approved budget. The Council has a proven track record on performing better than its budget over many years.</p> <p>In respect of 2003/2004 the Director of Finance and IT reported to the Audit Committee on 19th August 2004 that the Council's in year budget management had reduced the planned deficit from £0.352m to £0.304m to give a net benefit to balances of £0.048m.</p> <p>In respect of 2004/2005 the Director of Finance and IT reported to the Audit Committee on 28th July 2005 that a surplus of £1.188m had been achieved showing an improvement of balances of £1.626m when compared to the original estimate, and that there were no material changes between the provisional and actual position.</p> <p><u>In respect of 2005/2006 the Director of Finance & IT reported to the Audit, Governance and Improvement Review Committee on 28th June 2006 a final surplus for 2005/06 of £7.966m. As the Original Estimate was based on a balanced budget this also equates to the improvement in balances.</u></p> <p>In respect of 2006/2007 the Director of Finance and IT reported to the Audit, Governance and Improvement Review Committee on 28th June 2007 a small final surplus for 2006/07 of £0.161m. SORP 206 introduced a number of changes to the Statement of Accounts which impact on the levels of balances reported. One significant impact of the changes is to produce a deficit of £4.6 million on the newly created Income and Expenditure account.</p>	<ul style="list-style-type: none"> ▪ <u>Statement of Accounts Report (Audit Committee – 28th July 2005, Audit, Governance & Improvement Review Committee – 28th June 2006). Cabinet 29th June 2006, 28th June 2007.</u>
<p>There is a well-documented and proven budget monitoring process in place. Finance and IT focus is on macro budget issues rather than micro management (dealt with at a departmental and service panel level). Reference is made to activity and volume where appropriate. Quarterly Revenue Budget Monitoring reports are submitted to Cabinet identifying macro issues that potentially impact of the overall Authority budget. Risk categorisations and Gershon linkages and performance are also considered within the reports.</p>	<ul style="list-style-type: none"> ▪ <u>Cabinet Reports (Revenue Budget Monitoring 2006/2006 – 1st Review) 30th June 2005, 2nd Review 22nd September 2005, 3rd Review 15th December 2005, 1st June 2006 (provisional outturn), 29th June 2006 (final outturn).)</u> ▪ Cabinet Reports (Revenue Budget Monitoring 2006/2007 – 1st Review) 10th August 2006, 2nd Review 16th November 2006, 3rd Review 8th February 2007, 31st May 2007 (provisional outturn).

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

As part of the budgetary control process probable budgets are established, and approved during the financial year. This allows the Council to avoid significant over/under spends while accommodating in year developments.

The Probable process allows the Council to properly adjust its budget in year. This allows for investment in services and unforeseen growth to be identified and accommodated in the process. The process avoids any unseemly panic reductions having to be taken.

Underspendings do occur. There is an orderly and systematic process in place to bid for these in the context of competing priorities across the Council as a whole. This process has been in place for a number of years and is well documented.

The outturn report explicitly considered the challenges faced by the authority in considering the level of reserves, notably the Equal Pay/Single Status and plans for improvement in customer services.

The revenue budget report (Cabinet 8th February 2007) explicitly considered the level of reserves and the opportunity cost of maintaining a high level of services. The Treasurer considered that over the medium term the Council should aim for a level of balances which equates to about 5% of net expenditure subject to ongoing review.

The revenue budget report sets the outturn balances to March 2007 as £11.969 million, a reduction from opening balances of £21.328 million. The report sets out implications for financing Council improvement priorities within the high level objectives. Example:-

- Integration of CYPs
- Leigh Sports Village and Wigan Pier Quarter
- Major highways infrastructure projects
- Green waste initiatives
- Review of departmental and functional service delivery

- Cabinet Report- Revenue Budget 2007/8 and medium term forecast to 2009/2010 (8th February 2007)

The Audit Commission confirmed the validity of the Authority's budgetary control system in their December 2004 Final Accounts Memorandum, viz.:-

"We have gained assurance, from the work undertaken, that the net expenditure produced by the budgetary control system does not contain material misstatements and should support the statement of accounts. The basis of our opinion as to the effectiveness of Wigan's overall budgetary control system is :-

- *Wigan has a proven track record of controlling expenditure within budget.*

- *The budget setting procedures are well established and well communicated to accountants.*

Wigan has an effective approach to budget monitoring overall, particularly at a high level."

This opinion was reiterated by the Audit Commission in their February 2006 Regularity Report, viz.:-

"Our overall conclusion is that the Council's main accounting system works sufficiently well to offer a reasonable level of comfort that entries in the accounts will not be materially misstated."

"Our overall conclusion is that the budgetary control system appears to be working effectively and allows a reasonable amount of scrutiny by staff and elected members."

Again in their regularity report, the Audit Commission reported reliance on the Council's systems:

"Our overall conclusion is that there are adequate processes and controls in place to ensure that the financial statements are free from financial misstatement."

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

3.1 The council manages its spending within the available resources		
Level 2	Level 3	Level 4
<p>* The council has a policy on the level and nature of reserves and balances it needs that has been approved by members and reflected in the budget and medium-term financial strategy.</p> <p>* The council monitors and maintains its levels of reserves and balances within the range determined by its agreed policy.</p> <p>* The budget reported to members includes a positive assurance statement from the chief finance officer about the adequacy of the proposed financial reserves, in accordance with the requirements of section 25 of the LG Act 2003.</p> <p>* The council has a treasury management strategy that reflects the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services.</p>	<p>* The council policy for reserves and balances is based on a thorough understanding of its needs and risks, targets and is properly and clearly reported to members.</p>	<p>Where target levels for reserves and balances are exceeded, the council has identified and reported to members the opportunity costs of maintaining these levels and compared this to the benefits it accrues.</p>
Commentary		Evidence
<p>The Director of Finance and IT has established that a prudent level of balances is a minimum 5% of underlying operating costs. This calculation is the result of the Council's 3 year planning forecast. This policy is approved by Members and supported by a statement from the Director of Finance and It and a detailed calculation to confirm the levels.</p>		<ul style="list-style-type: none"> ▪ Revenue Budget 2005/2006, 2006/2007 Council Report (2nd March 2005, 1st March 2006, 28th February 2007) ▪ Statement of Accounts Report (Audit Committee – 28th July 2005, Audit, Governance and Improvement Review Committee 28th June 2006). ▪ Audit, Governance and Improvement Review Committee 28th June 2007 ▪ Cabinet 28th June 2007 – Final Accounts 2006/7 ▪ Budget books (website)

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>In respect of 2004/2005 the Director of Finance and IT reported to the Audit Committee on 28th July 2005 that a surplus of £1.188m had been achieved showing an improvement of balances of £1.626m when compared to the original estimate, and that there were no material changes between the provisional and actual position.</p> <p><u>In respect of 2005/2006 the Director of Finance & IT reported to the Audit, Governance and Improvement Review Committee on 28th June 2006 a final surplus for 2005/06 of £7.966m. As the Original Estimate was based on a balanced budget this also equates to the improvement in balances.</u></p> <p>In respect of 2006/2007 the Director of Finance and IT reported to the Audit, Governance and Improvement Review Committee on 28th June 2007 a small final surplus for 2006/07 of £0.161m. SORP 206 introduced a number of changes to the Statement of Accounts which impact on the levels of balances reported. One significant impact of the changes is to produce a deficit of £4.6 million on the newly created Income and Expenditure account</p>	<p>External Audit Annual Audit Letters support the validity of the level of the Council's balances, viz.:-</p> <p><u>December 2003</u></p> <p><i>"The Council's financial position continues to be sound and in line with its medium term financial strategy. The General Fund balance at 31st March 2003 was £14.6m, a reduction of £1.2m on the previous year. This reduction was less than half that originally budgeted for and reflects managed under-spends across services....."</i></p> <p><u>December 2004</u></p> <p><i>"The Council's financial position continues to be sound and in line with its medium term financial strategy. The Council's overall financial position remains sound. The general fund balance at 31st March 2004 was £13.4m, a reduction of £0.3m on the previous year. This reduction was within £50k of the original budget for 2003/2004 and reflects on the effectiveness of the budgetary control process managed by the Council during the year."</i></p> <p><u>December 2005</u></p> <p><i>"We found that the Council's arrangements are sound and both the General and Collection Funds are in a relatively healthy financial position. In 2004/2005 the net revenue expenditure was £388m, an increase of £26m (8%) compared with 2003/2004 spending. This is in line with the Council's revenue budget of £337m."</i></p> <p><i>"The General Fund balance at 31st March 2005 was £13.3m, an increase of £1.1m from the previous year. The outturn position is an improvement on the estimated figures."</i></p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

The Council has a treasury management strategy, which is approved annually by Council. This strategy includes the adoption of the CIPFA Code of Practice for Treasury Management in the Public Services.

- Treasury Management Policy Statement (Council 27th April 2005).
- Treasury Management Policy Statement (Cabinet 16th February 2006) within the Capital Programme and the Prudential Code for Capital Finance in Local Authorities report.
- Treasury Management Policy Statement (Cabinet and Overview and Scrutiny Committee 22nd February 2007) within Capital Programme 2006/07 – 2008/09 and Prudential Borrowing

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

3.1 The council manages its spending within the available resources		
Level 2	Level 3	Level 4
<p>The council sets and monitors targets for all material categories of income collection and recovery of arrears, based on age profile of debt.</p>	<p>* Monitoring information is available that evaluates the effectiveness of debt recovery actions, associated costs, and the cost of not recovering debt promptly for material categories of income.</p>	
Commentary		Evidence
<p>The key areas of income collection/arrears recovery within the Council are as follows:</p> <ul style="list-style-type: none"> ▪ Council Tax ▪ National Non Domestic Rates ▪ Sundry debtors (this is a central section within the Finance and IT department which carries out work for other departments) ▪ Rent ▪ Car Parking ▪ Social Services Care in the Community 		<ul style="list-style-type: none"> ▪ Analysis of debt recovery streams.
<p>Performance targets are based on BVPI's, Local PI's and/or benchmarking initiatives. Reporting is to Panels, within BVPP, and/or to senior management, etc.</p> <p><u>Performance reporting is undertaken quarterly to SMT, CDT, departmental management teams, policy panels, Committees and Cabinet.</u></p> <p>Examples of monitoring and reporting carried out have been provided in the evidence.</p> <p><u>Increased Social Care income collection (£400k over budget in 2005/2006) and reduction in bad debt provision.</u></p>		<ul style="list-style-type: none"> ▪ Departmental Performance Reports (Performance Panel or Audit, Governance and Improvement Review Committee 2nd December 2004, 9th June 2005, 4th August 2005, 24th November 2005, 26th January 2006, 8th June 2006) ▪ Corporate Plan Performance reported to the Strategic Management team on 18th August 2006, 7th November 2006 and 30th January 2007. Cabinet 10th August 2006, 16th November 2006, 8th February 2007 ▪ News Release re: Use of bankruptcy (1st February 2005) ▪ Social Services Debt write offs and arrears recovery policy (Cabinet 19th February 2004) This is in process of being reviewed and updated following recent audit. ▪ Internal Audit Note on Community Care arrears ▪ Community Care Arrears Monthly Monitoring Sheet/ Weekly Arrears Totals sheet

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

4.1 The council manages its significant business risks		
Level 2	Level 3	Level 4
<p>* The council has adopted a risk management strategy/policy that has been approved by members.</p> <p>* The risk management strategy/policy requires the council to:</p> <ul style="list-style-type: none"> • identify corporate and operational risks • assess the risks for likelihood and impact • identify mitigating controls • allocate responsibility for the mitigating controls. <p>* The council maintains and reviews a register of its corporate business risks linking them to strategic business objectives and assigning ownership for each risk.</p> <p>*Reports to support strategic policy decisions, and project initiation documents, include a risk assessment.</p>	<p>* The risk management process is reviewed and updated at least annually.</p> <p>* The risk management process specifically considers risks in relation to significant partnerships and provides for assurances to be obtained about the management of those risks.</p> <p>All appropriate staff are given relevant training and guidance to enable them to take responsibility for managing risk within their own working environment.</p>	<p>The council can demonstrate that it has embedded risk management in its corporate business processes, including:</p> <ul style="list-style-type: none"> • strategic planning • financial planning • policy making and review • performance management <p>The council considers positive risks (opportunities) as well as negative risks (threats).</p>
Commentary	Evidence	
<p>Authority Financial Procedure Rules specify that :-</p> <ul style="list-style-type: none"> ▪ <i>The Director of Finance and IT shall prepare and promote the Council's risk management policy statement and develop risk management controls in conjunction with other Chief Officers.</i> ▪ <i>Chief Officers shall be responsible for the identification, classification and control of all risks falling within their areas of responsibility. The risks identified shall be notified to the Director of Finance & IT for incorporating in the Risk Register, which shall be subject to periodic review at no more than annual intervals.</i> 	<ul style="list-style-type: none"> ▪ Risk Management Policy Report (Cabinet 22nd January 2004). The Policy was reviewed, updated and approved by the Audit, Governance and Improvement Review Committee on 25th September 2006. ▪ Constitution (Financial Procedure Rules – C1 Risk Management & Insurance). ▪ Service Planning Framework (April 2004, 2005, 2006, and 2007 guidance). Full Service Planning guidance is detailed on the internal web. This was supported by a workshop on 27th March 2007 “Integrated Workforce Planning” ▪ Specimen Service Plans (2004/2005, 2005/2006, 2006/2007, and 2007/2008). 	

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

<p>The current strategic risk register is incorporated into the annual Corporate Plan along with an analysis of key performance measures.</p>	<ul style="list-style-type: none">▪ Strategic Risk Register Report (COMT 1ST February 2005, Cabinet 17th March 2005).▪ <u>Updated and reformatted Strategic Risk Register (Strategic Planning Group February 2006 (8th March 2007), Strategic Partnership Group 20th June 2006, (SMT 13th March 2007) Audit, Governance & Improvement Review Committee 28th June 2006 (22nd March 2007).</u>▪ Corporate Plan is available on the web at (www.wigan.gov.uk/Services/Council Democracy/Performance Information/CorporatePlan)
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WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<ul style="list-style-type: none"> ▪ <i>Chief Officers shall take responsibility for risk management within their areas of responsibility, having regard to advice from the Director of Finance and IT and other specialist officers, and shall undertake regular reviews of risk within their own departments.</i> 	<ul style="list-style-type: none"> ▪ Internal Audit Activities and Audit Opinion Reports (Cabinet 25th November 2004, 16th June 2005, & 20th October 2005, Audit, Governance & Improvement Review Committee 8th June 2006). Audit Governance and Improvement Review Committee (7th December 2006, and 7th June 2007). ▪ <u>Annual Audit planning meetings with Chief Officers or Management representatives to discuss key risks and determine internal audit coverage for the forthcoming year.</u>
<p>The Authority's Risk Management statement and associated risk registers clearly categorises risks as strategic, corporate, or departmental (Service related). Assesses the likelihood, impact, and mitigating action, including residual risk impact of all risk items and clear assignment of responsibilities. All risk registers are formally updated on an annual basis.</p> <p>Risk Management implementation has developed as follows:-</p> <ul style="list-style-type: none"> ▪ Risk management policy statement approved by Cabinet (22nd January 2004), Council (4th February 2004). Updated 25th September 2006 via Audit, Governance, and Improvement Review committee) ▪ Service planning framework revised to include integration of risk management <u>by the identification and monitoring within the service planning framework of significant risks within individual Service Plans</u> (guidance issued April 2004, 2005, 2006, 2007). In addition the Strategic Risk Register is incorporated into the Corporate Plan. ▪ Updated departmental risk registers and service plans submitted to panels annually ▪ Strategic Risk Register approved at Strategic Planning Group meeting on 18th October 2004 prior to submission and approval by COMT on 1st February 2005, Cabinet/Performance Panel on 17th and 24th March 2005. Latest updates via Strategic Planning Group in February 2006 (8th March 2007), Strategic Partnership Team 20th June 2006 (SMT 13th March 2007), Audit, Governance & Improvement Review Committee 28th June 2006 (22nd March 2007). Scheduled for submission to July Cabinet <u>within updated Corporate Plan.</u> 	<ul style="list-style-type: none"> ▪ Statement on Internal Control (2003/2004, 2004/2005, <u>2005/2006, and 2006/2007</u>). ▪ Annual Audit Letters (2002/2003, 2003/2004, & <u>2005/2006</u>). ▪ Departmental and Strategic Risk Registers. ▪ Adult Services Panel 29th May 2007-Adults Services Risk Register 2007/8, ▪ Children and Young Peoples' Services 24th May 2007- CYPS Risk register ▪ Emails to/from Staff/Member Development Officer. Needs updating ▪ <u>Members Risk Management Seminar on 8th March 2006.</u> ▪ <u>Corporate Plan 2006 published 30th June 2006.</u> 2007/8 Corporate Plan

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

- Other risk management disciplines (Health and Safety, Emergency Planning, Insurance) are being incorporated into the overall risk management process. These issues are also reflected within the Authority's Service Planning and performance management framework.

- The format of the Strategic Risk register was revised in 2005/2006 to provide more focus on opportunities and positive risks. The register is also now also integrated within the Council's Corporate Plan (20th June 2006 Strategic Partnership Team, July 2006 Cabinet).

The Authority has a lead Member (Councillor Halliwell, formerly Councillor Anderson) to assist in maintaining member involvement in the risk management process. The Lead Member (from 8th June 2006) is now the chair of the Audit, Governance, & Improvement Review Committee (Councillor M.W.Winstanley).

The risk registers are utilised to drive the Internal Audit Plan and departmental service planning frameworks and can be clearly evidenced as such.

Key departmental officers and Members have received risk management awareness training prior to the compilation of the initial departmental risk registers.

- 13th March 2007 SMT report on Integrated Service Planning.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>Further developments to more fully embed risk management are planned for 2005/2006, as follows:</p> <ul style="list-style-type: none"> ▪ Review and update of Risk Management Policy. <u>This is scheduled for approval by the Audit, Governance, and Improvement Review Committee on 25th September 2006.</u> ▪ Publication of all risk registers on the Intranet. <u>This has been superseded by publication via Service Plans, the Corporate Plan and the scheduled purchase of an Audit Management/Risk Management system to provide automation and consistency, etc.</u> ▪ Formal training sessions for Members (scheduled for 8th March 2006 supported by the Audit Commission). <u>Training session held on 8th March 2006. Full supporting information issued to all Members of the Authority.</u> ▪ Formal risk management training sessions for officers will be provided in 2005/6. The Council's External Auditors have offered to support this process. <u>This was achieved via a RM/BCM seminar in June 2006.</u> ▪ Formal assessment of risk factors within Committee reports (referenced to Risk Registers). <u>Will be achieved in 2006/2007. Risks</u> are now assessed on report front sheets as appropriate. ▪ Development of claims performance indicator charts to monitor the success of risk management initiatives <p>These tasks are included in the Internal Audit and Risk Management 2005/2006 Service Delivery Plan and the 2004/2005 (2005/2006) Statement on Internal Control. In addition a report to Cabinet on 25th August 2005 establishes timescales to review the Risk Management Policy and schedules review reports to Cabinet.</p>	<ul style="list-style-type: none"> ▪ 25th August 2005 Cabinet report covering terms of reference and future reports/meetings. <p>External Audit have been fully involved in and supportive of the actions taken by the Authority and have supported the Internal Audit approach. This is reflected in the Annual Audit Letters, viz.:-</p> <p><u>December 2003</u></p> <p><i>"The Council has continued to strengthen its risk management arrangements. The Internal Audit team is continuing to extend the existing entries in the Council's risk register, and efforts are now being made to integrate the register into the performance framework."</i></p> <p><u>December 2004</u></p> <p><i>"The Council has continued to strengthen its risk management arrangements. Departmental risk registers have been updated and service plans submitted to panels and a strategic risk register is being prepared which will be agreed with the Strategic Planning Group and then submitted to Cabinet."</i></p> <p><i>The next stages are to further embed a risk management culture throughout the organisation particularly through the service planning, resource allocation and performance management processes. Risk management is now an integral part of the service planning process, which in turn, sets out the basis by which performance will be managed."</i></p> <p>Current External Assurance from the Audit Commission is as follows:-</p> <p><u>Annual Governance Report-September 2006</u></p> <p><i>"The body has put in place arrangements to manage its significant business risks".</i></p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

	<p><u>Use of Resources Auditors Judgements-November 2006</u></p> <p><i>“The Council actively promotes probity and propriety in the conduct of its business and can demonstrate a strong counter fraud culture and high ethical standards. Improvements in risk management have continued to be embedded throughout the organisation. These areas of strength have been submitted to the Audit Commission as notable practices.”</i></p>
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WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

4.1 The council manages its significant business risks		
Level 2	Level 3	Level 4
<p>* Member responsibility for corporate risk management is identified in the terms of reference of one or more committees as appropriate.</p>	<p>* The members with specific responsibility for risk management have received risk management awareness training.</p> <p>* Members with responsibility for corporate risk management receives reports on a regular basis and take appropriate action to ensure that corporate business risks are being actively managed, including reporting to full council as appropriate.</p>	<p>A senior officer and member jointly champion and take responsibility for embedding risk management throughout the council.</p> <p>All Members receive risk management awareness training.</p>
Commentary		Evidence
<p>Following the introduction of the Authority's Local Code of Corporate Governance in full compliance with the CIPFA/SOLACE Framework the Authority's risk management arrangements were enhanced and a detailed Risk Management Policy was approved by Cabinet/Council on 22nd January and 4th February 2004 respectively. The Risk Management Policy established reporting lines to Cabinet via the Strategic Planning Group bi-annually. Cabinet's terms of reference reflect an implied rather than specific responsibility for risk management.</p> <p>In order to remove any ambiguity a report is scheduled to Cabinet on 25th August 2005 to enhance Cabinet's terms of reference in respect of risk management responsibilities. Cabinet Members will undergo a short training session as a precursor to the detailed training for all Members scheduled for March 2006 at the Cabinet meeting on 22nd September 2005 when the Strategic Risk Register is updated.</p> <p>The Director of Finance & IT takes the lead on all risk management issues for the Council, the Member lead currently being Cllr. Halliwell.</p> <p>Reporting lines to be strengthened, current bi-annual reporting via Strategic Management Group and Cabinet increased in frequency to quarterly. Annual report to be submitted to full Council. Full details, including reporting lines etc included in 25th August Cabinet report.</p>		<ul style="list-style-type: none"> ▪ See previous section. ▪ Local Code of Corporate Governance. Final report issued 22nd May 2007 prior to production of SoIC.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Risk Management arrangements were further enhanced by the establishment of an “Audit Committee” based on CIPFA guidance. The Audit, Governance & Improvement Review Committee was established on 16th February 2006 (Cabinet) and includes within its terms of reference, viz.:-

- a) To review the adequacy of arrangements for identifying and managing the Council’s business risks-including the Council’s Risk Management policy and its implementation.
- b) To review the robustness of the Strategic Risk Register and the adequacy of the associated risk management arrangements.
- c) To receive and consider regular reports on the risk management environment and associated management action.

The Member lead was revised on 8th June 2006 to Cllr Winstanley to provide independence from Executive and Scrutiny responsibilities.

The Committee was further enhanced by the recruitment in February 2007 of three independent Members to provide additional expertise and independence. The Members attended their initial Committee meeting on 22nd March 2007.

Risk management is embedded into overall management arrangements and is reported to all member groups within service plan / corporate plan management reports along with any reports relating to specific issues

▪ Cabinet 16th February 2006.

▪ Audit, Governance and Improvement Review Committee 8th June 2006 & 28th June 2006.

▪ The Audit Commission endorsed the revision to the Council’s Internal Audit, risk management, and performance reporting within its Use of Resources judgement, viz.:-

“Other improvements since 2005 include the setting up of a new Audit, Governance, and Improvement Review committee which has been constituted in accordance with CIPFA guidelines”

▪ Minutes/attendance list of Audit, Governance, and Improvement Review committee of 22nd March 2007.

• Service Plan reports

• Reports to AGIR: eg 12th Dec 2007 and 1st Feb 2007 – Property Risk management issues

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

4.2 The council has arrangements in place to maintain a sound system of internal control		
Level 2	Level 3	Level 4
<p>* An appropriate member group has responsibility for review and approval of the SIC and considers it separately from the accounts.</p> <p>* The council has conducted an annual review of the effectiveness of the system of internal control and reported on this in the SIC.</p> <p>* The sources of assurance to support the SIC have been identified and are reviewed by senior officers and members.</p> <p>* There are action plans in place to address any significant internal control issues reported in the SIC.</p>	<p>* The council has put in place an assurance framework that maps the council's strategic objectives to risks, controls and assurances.</p> <p>* The assurance framework provides members with information to support the SIC.</p>	<p>The assurance framework is fully embedded in the council's business processes.</p> <p>The council can demonstrate corporate involvement in/ownership of the process for preparing the SIC.</p>
Commentary		Evidence
<p>Internal Audit facilitates the completion of the Statement on Internal Control. Council protocol is to produce a "Corporate Governance Annual Statement of Assurance" and submit to Cabinet (30th June 2005) for approval prior to certification by the Chief Executive and Leader on behalf of Members and Senior Officers of the Council. The accounts are submitted to a dedicated "Audit Committee" (28th July 2005) which is formed of Cabinet and Performance Panel Members.</p> <p>Annual Review conducted by Internal Audit and reported to Cabinet via Interim Activities report and Summary Activities report (25th November and 16th June respectively). The June report contains an assurance opinion on the Council's overall control environment.</p> <p>SIC maps out the Council's assurance framework in detail.</p>		<ul style="list-style-type: none"> ▪ Statement on Internal Control (2004/2005, 2005./2006, 2006/2007). ▪ Accounts approval report (2004/2005, 2005/2006, 2006/2007) ▪ Internal Audit Interim Report (Cabinet 25th November 2004, 20th October 2005, Audit, Governance & Improvement Review Committee 7th December 2006) ▪ Internal Audit Summary Activities Report (16th June 2005, 8th June 2006, 7th June 2007) ▪ COMT report and minutes 21st June 2005. SMT report and minutes 23rd May 2006. SMT report and Minutes 22nd May 2007 ▪ Internal Audit SIC and corporate governance files.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>SIC for 2004/2005 has been structured to :-</p> <ul style="list-style-type: none"> ▪ Satisfy the requirements of the Accounts and Audit Regulations 2003. ▪ Comply with the stipulations of the Code of Practice for Local Authority Accounting (SORO 2004). ▪ Incorporate current CIPFA (Finance Advisory Network) and Audit Commission guidance. ▪ Provide Members with proposed actions to continue to develop areas where additional improvements can be made. ▪ Build on the already successful disclosure arrangements. <p>SIC submitted to and approved by Chief Officers Management Team on 21st June 2005. Clear ownership of process is evidenced within Internal Audit files, etc.</p> <p>SIC contains ongoing actions to remedy issues identified.</p> <p><u>Council's assurance framework has been enhanced by the creation of a hierarchy of officer teams (Corporate Development Team, Strategic Management Team, Strategic Partnership Team) to replace the existing Chief Officers Management Team. The assurance framework requires ownership and approval of the SIC by the Strategic Management Team.</u></p> <p><u>Additionally internal control arrangements were further enhanced by the establishment of an "Audit Committee" based on CIPFA guidance. The Audit, Governance & Improvement Review Committee was established on 16th February. The Committee's terms of reference included:-</u></p> <p><u>To conduct a critical review of the draft Annual Statement on Internal Control, the procedures followed in its compilation and the appropriateness of supporting documentation in order to consider:-</u></p> <ul style="list-style-type: none"> ▪ <u>How meaningful the SIC is.</u> ▪ <u>The robustness of the evidence and assurances on which the SIC is based.</u> 	<ul style="list-style-type: none"> ▪ <u>CIPFA and FAN guidance.</u> ▪ <u>Cabinet Report 16th February, Audit Governance & Improvement Review reports 8th and 28th June 2006.</u> ▪ 2006/2007 SIC approved by SMT (22nd May 2007), Audit, Governance, and Improvement Review committee (7th June 2007), Cabinet (14th June 2007).

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

- Whether the SIC discloses adequately the Council's actions for addressing any significant internal control weaknesses disclosed within the statement.

SIC for 2005/2006 is structured per previous document.

- SIC for 2006/2007 has been revised to include the necessary assessment of Group Accounting companies assurance.
- Ownership of the assurance process can clearly be demonstrated along with appropriate approval lines, etc.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

4.2 The council has arrangements in place to maintain a sound system of internal control		
Level 2	Level 3	Level 4
<p>* The core functions of an audit committee as identified in the CIPFA guidance, are being undertaken by members.</p> <p>* The council has an internal audit function that operates in accordance with the CIPFA code of practice for internal audit in local government.</p>	<p>The council can demonstrate that it is effectively delivering the core functions of an audit committee, as identified in the CIPFA guidance: that it provides challenge to the Executive when required and provides for effective leadership on governance, financial reporting and audit issues.</p>	<p>An audit committee has been established that is independent of the executive function, with terms of reference that are consistent with CIPFA's guidance. It provides effective challenge across the council and independent assurance on the risk management framework and associated internal control environment to members and the public, and can demonstrate the impact of its work.</p>
Commentary		Evidence
<p>Following the introduction of the Council's Local Code of Corporate Governance the need to enhance the Internal Audit reporting lines was identified. Accordingly on 6th August 2003 Council approved revisions to the Authority's Internal Audit reporting arrangements and all subsequent reporting has been direct to Cabinet. This action fully accords with the current CIPFA Code of Practice for Internal Audit in Local Government where Internal Audit "must report to those charged with governance".</p> <p>Report presented to Cabinet on 25^h August 2005 (referenced to previous report) enhances the existing terms of reference to include specific reference to Internal Audit responsibilities.</p> <p>The current Internal Audit Cabinet reporting schedule covering Audit Plan, Audit Activities, Annual Report and Opinion, Statement on Internal Control, and Risk Management issues will be formally approved by the Treasurer and actioned accordingly.</p> <p>In early 2007 CIPFA updated its Code of Practice for Internal Audit. The Code contains a best practice compliance checklist containing 192 best practice statements. A report was presented to the Audit, Governance, and Improvement Review committee on 22nd March that determined that the Internal Audit section was 96% compliant with the Code and in fact was only non-compliant on one checklist item. The report outlined actions taken to ensure 100% code compliance.</p>		<ul style="list-style-type: none"> ▪ Terms of Reference – Internal Audit Function (Council 6th August 2003). ▪ The functions and responsibilities of Internal Audit are also replicated in each Strategic Internal Audit Plan. ▪ CIPFA Code of Practice for Internal Audit in Local Government and 2006 update. ▪ 25th August 2005 Cabinet report covering enhancement of terms of reference, etc. Reference to terms of reference is contained in all activities and planning reports. <p>22nd March Audit, Governance, and Improvement Review committee report and minutes</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

On 16th February 2006 Cabinet approved the establishment of an Audit, Governance & Improvement Review Committee to provide Executive and Scrutiny independence within the Council's Internal Control and assurance frameworks.

The agreed terms of reference are in full compliance with the current CIPFA guidance.

The initial meeting of the Committee was held on 8th June 2006 at which time a Chairman was selected. The chairman is not a member of the leading political party to provide even greater independence.

On 8th June the Committee received an assurance opinion from the Director of Finance and approved the Council's SiC.

At its meeting of 28th June 2006 a detailed meeting schedule to cover statutory, Internal and External Audit commitments was agreed, the Annual Accounts were approved and the updated Council Strategic Risk Register was also approved.

The minutes from the 28th June meeting clearly demonstrate that Members provide the required scrutiny and leadership (in respect of reports covering the Annual Accounts, Performance Management, and Risk Management envisaged by the CIPFA guidance.

During 2006/2007 the Committee was further enhanced by the recruitment of three independent (non-executive) Members to bring additional expertise and independence. These Members attended their initial Committee meeting on 22nd March 2007.

At its March 2007 meeting Members agreed a detailed reporting schedule for the following financial year including:-

- Internal Audit Activities and Annual Assurance Opinion
- Statement on Internal Control

- CIPFA guidance.

- Cabinet Report 16th February, 15th June, Audit Governance & Improvement Review reports 8th and 28th June 2006.

- Minutes from 26th June 2006 meeting and MK's detailed notes.

- 22nd March Audit, Governance, and Improvement Review committee report and minutes.

- The Audit Commission endorsed the revision to the Council's Internal Audit, risk management, and performance reporting within its Use of Resources judgement, viz.:-

"Other improvements since 2005 include the setting up of a new Audit, Governance, and Improvement Review committee which has been constituted in accordance with CIPFA guidelines"

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

- Statement of Accounts
- Use of Resources
- External Audit Accounts Opinion
- Internal and External Audit Plans
- Quarterly Performance Management
- Risk Management and Strategic Risk Register

It is considered that due to its wider governance and performance remit and its independent Members the committee is in a position of adding more value to the Authority than a traditionally structured Audit Committee.

Following consultation with the Audit Commission it was agreed to separate the role of the Head of Audit from the Payroll Services management role. Accordingly from 1st January 2007 the Payroll Management role was transferred to the Assistant Director of Finance (Technical Services) and was reported to Members within the UOR Action Plan update report.

- Audit, Governance, and Improvement Review Committee reports, 1st February 2007 and 28th June 2007.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>Financial Procedure Rules (revised July 2003) specify that the <i>“Internal Audit function will have due regard to the Auditing Practices Board guidelines as interpreted in the CIPFA Code of Practice for Internal Audit in Local Government in the UK.”</i></p> <p>The Internal Audit Section fully complies with all core CIPFA Standards as consistently evidenced by External Audit.</p> <p>The section has 6 CIPFA qualified accountants and 2 MIIA qualified auditors</p>	<p>External Audit complete an annual assessment of Internal Audit to ensure the “managed audit” methodology can be utilised and have commented as follows:-</p> <ul style="list-style-type: none"> ▪ External Audit review of Internal Audit (November 2002 report) assessed the section against CIPFA Standards as detailed in the revised Code of Practice for Internal Audit, viz.: - Objectives and Scope, Independence, Staffing and Training, Relationships, Due Care, Audit Planning, Audit Controlling, Recording of Evidence, Evaluation of Internal Controls, Quality of Evidence, Reporting and Follow-up Procedures. The review concluded that <i>“Internal Audit meet the required standard in each of the areas above.”</i> External Audit re-review of Internal Audit (July 2004 report) assessed the section against CIPFA Standards as detailed above and concluded that “Internal Audit met the required standard in each of the areas above, and accordingly we are satisfied that there is an adequate and effective Internal Audit service.” <p><u>Annual Audit Letters (December 2003 ,2004, & 2005)</u></p> <ul style="list-style-type: none"> ▪ The External Audit Management Letters in respect of 2002/2003 and 2003/2004 stated that <i>“Internal Audit continues to provide a good service to the Council and meets all required professional standards.”</i> <u>In 2004/2005 the opinion was that “IA has many strengths and delivers a good standard of service.”</u> ▪ Further External Audit review in December 2006 stated that :- <i>“IA delivers a generally good standard of service and many of the practices contained in the CIPFA code are in place at Wigan. IA provides assurance to the Director of Finance and I.T. that internal controls are maintained and wherever possible we rely on its work.</i> <ul style="list-style-type: none"> ▪ Strengths of IA's work include: ▪ effective risk based audit planning process;

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

	<ul style="list-style-type: none">▪ <i>good working relationships with senior managers in client departments;</i>▪ <i>the continuous training and development of its staff;</i>▪ <i>use of auditor briefs and matrix; and</i>▪ <i>file reviews as part of the quality assurance process”</i>
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WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

4.2 The council has arrangements in place to maintain a sound system of internal control		
Level 2	Level 3	Level 4
* There are procedure notes/manuals in place for key financial systems.	The procedure notes/manuals for key financial systems are reviewed and updated as appropriate.	
Commentary		Evidence
<p>Core systems have recently been classified to accord with the Audit Commissions material systems concept. Within this analysis the Director of Finance and IT has agreed a classification of Business Critical Systems.</p>		<ul style="list-style-type: none"> ▪ Material Systems Analysis ▪ <u>Internal Audit procedural notes (system reviews) and annual QA reviews</u> ▪ <u>Departmental procedural manuals, Budget Manual, Agresso Manual, etc.</u> <p><u>Audit Commission – Regularity Report 2006</u></p> <p><i>“The Council has well established key controls that are operating effectively. No major issues arose from our review and testing of the material systems.”</i></p> <p><i>“The audit did not identify any material weaknesses in systems of accounting and financial control.”</i></p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

4.2 The council has arrangements in place to maintain a sound system of internal control		
Level 2	Level 3	Level 4
<p>* There are standing orders, standing financial instructions and a scheme of delegation in place.</p> <p>* The council has arrangements in place to ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.</p> <p>* All reports to members have been formally considered for legal issues before presentation.</p> <p>The council has identified its significant partnerships and has appropriate governance arrangements in place for each of them</p> <p>The council has arrangements in place to ensure that it has a sound system of internal financial control, for example, carrying out regular reconciliations of major feeder systems.</p>	<p>The standing orders, standing financial instructions and scheme of delegation are reviewed and updated as appropriate.</p> <p>* Compliance with standing orders, standing financial instructions and the scheme of delegation is monitored by management, and any breaches identified and appropriate action taken.</p>	<p>The standing orders, standing financial instructions and scheme of delegation make specific reference to partnerships.</p> <p>Governance arrangements with respect to partnerships are subject to regular review and updating.</p>
Commentary		Evidence
<p>Standing Orders are now part of Council Constitution and have been revised periodically (as required) via Committee reports.</p> <p>Standing Financial Instructions are updated periodically, approved through Committee and issued via the Intranet (Financial Services Section also within Council Constitution). Last update 26th June 2003 Cabinet to incorporate revised Accounts and Audit Regulations issues.</p> <p>Scheme of Delegations are updated by Director Of Legal Services and approved annually by Council (May). Issued Authority wide. Now included in Council Constitution. The Scheme of Delegations was significantly revised in March 2004 for the re-organisation of departments.</p>		<ul style="list-style-type: none"> ▪ Council Constitution

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>The Council has a Monitoring Officer and Section 151 Officer. Both these officers are senior Chief Officers and members of the Chief Officers Management Team. The format of the COMT meetings is segregated to specific meetings covering Business, Strategy, Monitoring, Reflective, and Special issues.</p> <p>All Cabinet reports are issued in draft to the Monitoring Officer and Section 151 Officer for assessment to ensure compliance with Standing Orders, Financial Regulations, and Scheme of Delegations, etc.. In addition the Council has a Principal Solicitor (Constitution Issues) who assesses all Cabinet reports in detail in respect of all legality, lawfulness, and challenge issues). The Director of Legal and Property Services holds evidence of such assessment.</p> <p>All reports to Panel and Committee require a Statement of Financial, Staffing, and Policy implications to be included and a risk assessment to be considered.</p> <p><u>The Committee report standard format has recently been amended to require confirmation of the approval for legality, financial, and policy framework contents, viz.:-</u></p> <p><u>“Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the Council’s Constitution?”</u></p> <p><u>“Has the Director of Finance and IT confirmed that any expenditure referred to within this report is consistent with the Council’s budget?”</u></p> <p><u>“Are any of the recommendations within this report contrary to the Policy Framework of the Council”</u></p> <p>In addition the report template has now been revised to ensure that risks associated with the reported activity have been assessed.</p>	<p>Director of Legal and Property Services correspondence file (Cabinet Reports – Constitutional Issues).</p> <p>External Audit have been supportive of the actions taken by the Authority in respect of legality issues, as outlined in their Reports “Review of Core Processes and Corporate Governance – October 2003 and December 2004”, and Annual Audit Letter January 2006 viz.:-</p> <p><i>“The Council continues to have sound and systematic procedures in place for dealing with legal issues. All agendas are pre-inspected and this helps to ensure that all potential legal issues are dealt with in a timely and appropriate fashion.</i></p> <p><u>“On the basis of the work we have carried out, we have not identified any significant weaknesses in the framework established by the Council for ensuring the legality of its significant financial transactions.”</u></p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Limitations on powers and roles of other Chief Officers are included in the Constitution (Delegations, Financial Procedure Rules, Standing Orders, etc) as also is the requirement to consult with the DFIT and DLPS.

There are constraints within Delegations, Financial Regulations, and Standing Orders on the ability of Chief Officers to enter into contracts, incur expenditure, exercise virement, etc

Specialist advice is taken as required from law and accountancy firms wherever necessary. In addition regular meetings are held with external audit to discuss progress and matters of concern.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>There are partnership agreements in place in respect of the Council's significant partnerships (Wigan and Leigh Housing, Wigan Leisure and Culture Trust, and Norfolk Property Services).</p> <p>Performance of each significant partnership is monitored by key Council Officers and assigned to Council Panels, viz.:-</p> <ul style="list-style-type: none"> ▪ Wigan and Leigh Housing (Director of Community Protection - Community Protection Panel. ▪ Wigan Leisure and Culture Trust (Assistant Chief Executive - Regeneration Panel. ▪ Norfolk Property Services (Director of Community Protection - Community Protection Panel. <p>Reporting is at agreed intervals throughout the year with an annual report. In addition reports are passed through to Performance Panel and/or Cabinet as appropriate.</p> <p>The Council is currently reviewing its community leadership approach. A draft protocol on "<i>participation and engagement</i>" is being produced. This is based on the following core settings where the Council maintains a high profile community leadership role:-</p> <ul style="list-style-type: none"> ▪ <u>LSP (setting strategic level)</u> ▪ <u>Partnerships</u> ▪ <u>Townships</u> ▪ <u>Neighbourhoods</u> ▪ <u>Individuals</u> 	<ul style="list-style-type: none"> ▪ ALMO [Partnership Agreement ▪ Performance Report Wigan and Leigh Housing 2004/2005 Third Quarter (Community Protection Panel Report 14th March 2005). ▪ Performance Report Wigan and Leigh Housing 2004/2005 (Community Protection Panel Report 6th June 2005). ▪ <u>Performance Report Wigan and Leigh Housing 2005/2006 Half Year (Community Safety Panel – 16th January 2006, Cabinet 19th January 2006)</u> ▪ Performance report Wigan and Leigh Housing 3rd Quarter 2006/2007 – Community Protection Panel 12th March 2007. ▪ Wigan Leisure and Culture Trust Performance Monitoring (1st October – 31st December 2004) (Regeneration Panel 16th March 2005). ▪ <u>Wigan Leisure and Culture Trust Performance Monitoring (April – June 2005) (Regeneration Panel 21st September March 2005).</u> Performance Monitoring (April 2007-March 2007) Regeneration Panel 6th June 2007. ▪ NPS Performance Management System 1st Year Review 05/05 (Community Protection Panel 6th June 2005/Cabinet 16th June 2005). ▪ <u>NPS Performance Management System 4th Quarterly Review 05/06 (Community Protection Panel 5th June 2006/Cabinet 15th June 2006).</u> 4th quarterly review 2006/2007 (Community Protection Panel 4th June 2007/Cabinet 14th June 2007)

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

4.2 The council has arrangements in place to maintain a sound system of internal control		
Level 2	Level 3	Level 4
<p>The Council has a business continuity plan in place that is reviewed on a regular basis.</p>		
<p>Commentary</p>		<p>Evidence</p>
<p>The Civil Contingencies Act 2004 placed a statutory duty on the Council to introduce a business continuity plan to ensure that resources can be strategically directed to maintain essential services in the case of an emergency.</p> <p>Business Continuity Management (BCM) has been developed at the Council as management led process to identify and plan for risks that may impact on the delivery of the Council's objectives. As such BCM is an integral part of the Council's Risk Management and Service Planning frameworks.</p> <p>The Council's approach to BCM has been developed in consultation with representatives from all departments and key partners to provide a corporate and consistent approach to minimize disruption and ensure key services are restored as effectively as possible.</p> <p>The Council's BCM process is led by the Emergency Planning Unit with support from the Council's BCM Corporate Steering Group. This group is formed by senior officers from each Council department and strategic partner organisation.</p> <p>Full details on the Council process, etc are contained in the 2006 CPA Corporate Assessment self-assessment.</p> <p>Further enhancement to the BCM process is scheduled. A bespoke Management Information System is being built to sift, sort and prioritise functions within the BCM Plan to identify "spare" resources (ie non-critical functions) to assist with the prompt restoration of priority services in the event of a major interruption. The process will need to be rationalised to reflect the outcomes of the organisational restructuring.</p>		<ul style="list-style-type: none"> ▪ Wigan MBC 2006 CPA Corporate Assessment self-assessment (page 20). ▪ Emergency Response Plan. ▪ Business Continuity Management Programme. ▪ Departmental service plans Environmental Services Interim Service Plan 2007/8 (Community Protection Panel 4th June 2007 ▪ Strategic Risk Register. (2007 update) ▪ Departmental Risk Registers Adult Services Panel 29th May 2007- Adults Services Risk Register 2007/8, ▪ Children and Young Peoples' Services 24th May 2007- CYPS Risk register ▪ BCM Corporate Steering Group minutes ▪ BCM Corporate Steering Group Training Course details (June 2006)

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

4.3 The council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business		
Level 2	Level 3	Level 4
<p>* The council has formally adopted a code of conduct for members that includes the mandatory provisions of the statutory Model Code of Conduct.</p> <p>* All elected and co-opted members have signed up to the code of conduct.</p> <p>* The council has adopted a code of conduct for staff.</p> <p>* The council has put in place arrangements for monitoring compliance with standards of conduct across the council including:</p> <ul style="list-style-type: none"> ▪ Register of interests ▪ Register of gifts and hospitality ▪ Complaints procedure <p>* The standards committee's membership and functions are in accordance with the requirements of the Local Government Act 2000.</p>	<p>The council is proactive in raising the standards of ethical conduct amongst members and staff, including the provision of ethics training.</p> <p>* The council has undertaken an assessment of standards of conduct, including how effectively members are complying with the code of conduct, the number and types of complaints received, and takes action as appropriate.</p> <p>* Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and pecuniary interests. There is evidence that members and staff are making appropriate disclosures in the registers and that they are regularly reviewed.</p>	<p>The council can demonstrate that its members and staff exhibit high standards of personal conduct.</p>
Commentary		Evidence
<p>The Council has adopted the Model Code of Conduct (adopted by the Council 30th January 2002). This code is included in the Council's Constitution and held separately on the Intranet (under the policies section). All Members receive appropriate training on the requirements of the Code (on induction and on the instance of revisions, etc). All members have signed up to this code of conduct. The Director of Legal and Property Services holds records of this within the Register of Acceptance of Office.</p> <p>The Solicitors supporting each Panel during the September 2004 Committee cycle ran appropriate training sessions.</p>		<ul style="list-style-type: none"> ▪ Council Constitution (Codes and Protocols) <p>Director of Legal and Property Services Training Session documentation:-</p> <ul style="list-style-type: none"> Conduct Issues (Principles of Public Life) Roles, Rights and Duties of Members Registration of Interests Standards Board, etc <ul style="list-style-type: none"> ▪ Performance Panel Agenda (Member Training – Declaration of Interests at Meetings – 7th October 2004)

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

In May 2007 the Standards Board published a revised Code of Conduct for Members. On 16th May Council adopted this code to commence with the new municipal year. The code provided substantial differences from the predecessor code and contains a guidance preamble linked to the 10 principles of public life.

Standards Board guidance was to adopt the Model Code without amendment to provide consistency in application and standards.

An appropriate training day on the implications and detail of the revised Code was arranged for all Members on 25th May 2007. The training course organised by the Director of Legal and Property Services was presented by a local authority Chief Legal Services officer and a public sector consultant and was attended by 26 Members/Officers.

- Model Code, Cabinet/Standards Committee/Council report and Minutes (10th/16th May 2007)

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>The Council has adopted an Officers Code of Conduct. This covers all aspects of expected behaviour and sets standards of conduct for all employees. This code is included in the Council's Constitution and held separately on the Intranet (under the policies section). All Officers receive training on the requirements of the Code on induction, etc.</p> <p>In addition the Council also has a range of conduct related protocols, viz.:</p> <ul style="list-style-type: none"> ▪ Member/Officer Relations ▪ Members Planning Code of Good Practice ▪ Call-In Protocol ▪ Publicity and Local Elections Protocol ▪ Guidance for Elected Members in relation to Licensing Committee Hearings Under the Licensing Act 2003. <p>All these protocols are widely available, are circulated to all Members, are covered in Members Induction, and subject to specific Member training sessions.</p> <p>The Council has in place registers of interests and registers of gifts and hospitality for both members and officers. The need for disclosures in these registers is included in each code of conduct. The Director of Legal and Property Services maintains the registers for members. These were reviewed by External Audit in 2005 and found to be satisfactory. The registers for officers are maintained within each department.</p> <p>There is a corporate Complaints Procedure in place and available on the Council's website. The policy was reviewed in Autumn 2004 by the Policy And Performance Improvement Team.</p> <p>The Council has a Standards Committee, established and operating in line with the requirements of the Local Government Act 2000. The committee operates with an independent chairman. Every decision of the Standards Board is reported to the Standards Committee and subsequent guidance issued if considered necessary by the Standards Committee as advised by the Director of Legal and Property Services.</p>	<p>Constitution Extract and copy codes</p> <ul style="list-style-type: none"> ▪ Complaints Procedure ▪ Terms of reference and membership of the Standards Committee. <p>External Audit have been supportive of the actions taken by the Authority in respect of standards of financial conduct and the prevention and detection of Fraud and Corruption as evidenced in their December 2004 report and 2004 Annual Audit Letter, viz.:-</p> <p><u>Review of Core Processes and Corporate Governance (December 2004)</u></p> <p><i>"The Council has effective standards of conduct, overseen by an independent Standards Committee. There are also published codes of conduct for members and for employees which provide comprehensive guidance on standards expected."</i></p> <p><u>Annual Audit Letter (December 2004)</u></p> <p><i>"The Council has in place effective standards for preventing and detecting fraud and corruption. Policy documents covering such areas as anti-fraud and corruption, fraud prosecution, whistleblowing arrangements and a code of conduct for members and officers are reviewed annually and are well publicised, including being available on the Council's website."</i></p> <p><u>Annual Audit Letter (January 2006)</u></p> <p><i>"We have not identified any significant weaknesses in your arrangements to prevent and detect fraud and corruption....."</i></p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Article 15.01 of the Constitution requires the Monitoring Officer to monitor and review the operation of the Constitution to ensure that its aims and principles are given full effect.

This is a continuous process. A log of changes to the Constitution is maintained. The log shows that 90 to 100 changes have been made to the Constitution between August 2004 to the present date. The changes cover call-in, procedure at Council, responsibility and delegations to Cabinet and Committees, delegations to officers, changes to key decisions. Each change will have been supported by a report to Cabinet and to Council. One such report is enclosed as an example. The report went to Cabinet on 15th December 2005 and to Council on 4th January 2006.

The Constitution was an item on the Agenda of the Annual Meeting of the Council on 17th May 2006 to which the change log was appended thereby enabling Members to have an overview of the changes made over the preceding Municipal Year.

The Constitution was an item on the Agenda of the Annual Meeting of the Council on 16th May 2007 to which the change log was appended thereby enabling Members to have an overview of the 27 changes made over the preceding Municipal Year.

The Constitution contains

- Protocols on Member/Officer Relations
- Planning Code of Good Practice
- Publicity and Local Elections

All of the above have been supported and developed by the Standards Committee.

The Standards Committee has advised Council on the development policies for the use by Members of the Council's internet, e-mail and I.T. services

- Log of constitution changes maintained by the Principal Solicitor (Constitutional Issues).
- Cabinet/Council report (constitution change) 15th December 2005./4th January 2006.
- Annual Council meeting report 17th May 2006.
- Annual Council meeting report 16th May 2007.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

<p>The Standards Committee has promoted and supported the Independent Members Forum. This is a Forum for Independent Members to meet and to discuss issues relevant to their role as Independent Members on Standards Committees and ethical governance generally. The meetings have been serviced by Wigan Borough Council staff and the Independent Chairman of the Standards Committee has been the Chair of and leading promoter of the Forum. The Council and the Standards Committee have been enthusiastic to support this.</p>	
<p>The Standards Committee has commissioned Member training. An example of which was a Member Workshop on 23rd January 2006. The Workshop was prepared and presented in conjunction with the Audit Commission and its purpose was to give Members an opportunity to assess their own understanding and performance on ethical and governance issues. Computerised voting technology was used.</p> <p>At it's meting of 6th June 2006 the Standards Committee determined a range of training requirements for its and/or other Council Members, including:-</p> <ul style="list-style-type: none"> ▪ A special meeting to view a guidance DVD from the Standards Board "Going Local – Investigations and Hearings". ▪ Arrangements to hold a "mock hearing and trial". ▪ The determination by the Monitoring Officer of further guidance to Members of the Committee on likely changes to the Code of Conduct. ▪ The preparation by the Monitoring Officer of a résumé of decisions relating to Wigan since the Standards Board for England was established. ▪ The provision of training by LGA in Practice on local sifting of cases. ▪ The joint provision with the Audit Commission of an additional Member Workshop with particular relevance to Wigan. 	<ul style="list-style-type: none"> ▪ Member Ethical Governance Workshop 23rd January 2006 (presentation slides). ▪ Standards Committee minutes 6th June 2006. ▪ See e-mail from Brian Leigh confirming training

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

4.3 The council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business		
Level 2	Level 3	Level 4
<p>* There is a counter fraud and corruption policy applying to all aspects of the council's business which has been communicated throughout the council.</p>	<p>* A strong counter fraud culture is supported and promoted by members and senior officers.</p> <p>* The council undertakes proactive counter fraud and corruption work which is determined by a formal risk assessment.</p> <p>The council can demonstrate that counter fraud and corruption work is adequately resourced.</p>	<p>The council can demonstrate a strong counter fraud culture across all departments. Staff have clearly acknowledged and accepted their responsibility to prevent and detect fraud and corruption.</p> <p>The risk of fraud and corruption is specifically considered in the council's overall risk management process.</p> <p>The use of publicity in successful cases of proven fraud/corruption is considered to raise awareness.</p>
Commentary		Evidence
<p>The Council has an Anti Fraud and Corruption Policy statement and Strategy. This was last updated in October 2004. These documents are published on the Intranet (policies section).</p> <p>The Council's Whistleblowing policy and anti fraud and corruption strategy and supporting guidance were updated at the Audit, Governance and Improvement Review Committee on 3rd August 2006. In addition a Fraud Response Plan was introduced.</p> <p>A Council Fraud Prosecution Policy was also introduced in 2003 to support existing procedures (approved by Cabinet 24th July 2003 and Council 6th August 2003).</p> <p>Specific counter fraud and corruption work is carried out by:</p> <ul style="list-style-type: none"> ▪ Internal Audit section ▪ Housing benefits fraud team ▪ Community Protection team <p>Pro-active initiatives including NFI and HBMS datamatching are covered by risk assessments to determine coverage, etc. Trading Standards initiatives are based on high risk areas affecting the public in general.</p>		<ul style="list-style-type: none"> ▪ Anti Fraud and Corruption Policy statement and Strategy. ▪ Fraud Prosecution Policy <ul style="list-style-type: none"> ▪ Audit, Governance, and Improvement Review Committee report 4th August 2006. Policies were reviewed by Internal Audit and approved by the Audit, Governance and Improvement Committee on the 3rd August 2006.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Level 2	Level 3	Level 4
		<p>External Audit have been supportive of the actions taken by the Authority and have supported the approach. This is reflected in the Annual Audit Letters, viz.:-</p> <p><u>December 2003</u> <i>"The Council is continuing to take action to reinforce its standards of conduct and arrangements for preventing fraud. The Council has demonstrated its commitment to maintaining high standards of conduct and preventing fraud and corruption. In particular, we consider the Council's anti-fraud policy document to be appropriate and to have been well-publicised. This has been complemented by a Fraud Prosecution Policy which was adopted in July 2003. The council's Standards Committee has also been strengthened during the year, the chair of the committee is now independent of the Council membership and there are an appropriate number of independent members."</i></p> <p><u>December 2004</u> <i>"We have not identified any significant weaknesses in your arrangements for preventing and detecting fraud and corruption. The Council has in place effective standards of conduct and arrangements for preventing and detecting fraud and corruption. Policy documents covering such areas as anti fraud and corruption, fraud prosecution, whistleblowing arrangements and a code of conduct for members and officers are reviewed annually and are well publicised, including being available on the council's website."</i></p> <p><u>January 2006</u> <i>"We have not identified any significant weaknesses in your arrangements for preventing and detecting fraud and corruption..."</i></p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

4.3 The council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business		
Level 2	Level 3	Level 4
<p>* The council has arrangements in place to receive and investigate allegations of breaches of proper standards of financial conduct, and of fraud and corruption.</p> <p>* There is a whistleblowing policy which has been communicated to staff and those parties contracting with the council.</p>	<p>* Investigations into allegations of fraud and corruption are conducted in accordance with statutory requirements, e.g. Police and Criminal Evidence Act, Regulation of Investigatory Powers Act, Data Protection Act, by appropriately trained staff.</p> <p>* The whistleblowing policy is publicised within the council and demonstrates the council's commitment to providing support to whistleblowers.</p>	<p>The council has a track record for effective action in response to whistleblowing disclosures. There are periodic reviews of the effectiveness of the whistleblowing arrangements, and there are effective arrangements for receiving and acting upon disclosures from members of the public.</p>
Commentary		Evidence
<p>The arrangements for receipt and investigation of allegations of breaches of proper standards of financial conduct, and of fraud and corruption are set out in the Anti Fraud and Corruption Policy Statement and the Whistleblowing Policy.</p> <p>The Whistleblowing policy was last revised in September 2004 (updated August 2006) and is included on the Intranet (policies section). It is supported by a Whistleblowing-Guidance for Managers document, which is also included on the Intranet. This policy is included during the Corporate Employee Induction process available to all new employees.</p> <p>Copies of the Whistleblowing policy were e-mailed to all staff by Cllr. Derricutt of the AGIR cttee, following a payslip message advising that the Policy had been updated (March 2007).</p>		<p>Anti Fraud and Corruption Policy Statement</p> <p>Whistleblowing policy</p> <p>Whistleblowing-Guidance for managers</p> <ul style="list-style-type: none"> ▪ <u>Audit, Governance, and Improvement Review Committee repprt 4th August 2006.</u> The Whistleblowing policy was reviewed by Internal Audit and was approved by the Audit, Governance and Improvement Committee on the 3rd August 2006. ▪ <u>Corporate Induction Programme.</u> ▪ E-mail ▪ Payslip

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>The Council has a detailed procedural guide “for the use of covert surveillance and covert human intelligence sources” in compliance with the Regulation of Investigatory Powers Act 2000 and Human Right Act 1998.</p> <p>A schedule of officers in all departments delegated to authorise RIPA investigations has been approved by the Chief Executive.</p> <p>Approved RIPA forms are submitted to the Director of Legal Services.</p> <p>PACE is utilised within Housing Benefits and Trading Standards section and is fully covered by procedural guides. Appropriate officers have received detailed accredited training.</p> <p>Surveillance Commissioner reviews of the Authority have always had a positive outcome.</p>	<ul style="list-style-type: none"> ▪ RIPA Procedural Guide ▪ RIPA Authorisation Schedule ▪ Specimen RIPA forms. ▪ Central Register extracts. ▪ HB Fraud Manual. ▪ Surveillance Commissioner reports.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

4.3 The council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business		
Level 2	Level 3	Level 4
<p>* The council has provided the required data for the National Fraud Initiative (NFI), has notified data subjects of this use of data, and has established a process to follow-up NFI data matches.</p>	<p>The council has effectively identified the key NFI data matches for review from all levels of reports (high, medium and low).</p> <p>The council works with other bodies such as DWP when following-up data matches from NFI. Risks are followed-up promptly to prevent prolonged exposure.</p> <p>Weaknesses revealed by instances of proven fraud and corruption, including NFI data matches, are reviewed to ensure that appropriate action is taken to strengthen internal control arrangements</p>	<p>The council can demonstrate that effective action has been taken to maximise the potential savings available through NFI.</p>
Commentary		Evidence
<p>Wigan has participated in NFI since its commencement in 1996. As well as the compulsory data, the Council has provided data for the pilot schemes. For 2004, these were</p> <ul style="list-style-type: none"> ▪ Parking Permits for the Disabled ▪ Private Residential Care Homes ▪ Insurance Claimants. <p>All data subjects are notified of the use of their data, as required by the Audit Commission.</p> <p>The Council has an investigation protocol based on a risk assessment of the NFI reports. In order to maximise the potential savings, all matches which are classified as high or medium risk are investigated together with a high percentage of those classified as low risk.</p> <p>There are arrangements in place with the Housing Benefit Fraud Team for joint examination of benefit-related matches.</p> <p>Staff from Internal Audit and Housing Benefit have attended Audit Commission training on NFI.</p>		<ul style="list-style-type: none"> ▪ Table showing sources of consultation and specimen documentation. ▪ Investigation risk assessment 2004 and 2006. ▪ 2006 Training Sessions update (programme and notes).

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Commentary	Evidence
<p>The Council liaise with staff at the DWP to follow up data matches. Matches involving Income Support and Job Seekers Allowance are passed to DWP for investigation. Findings are then fed back to Internal Audit. As with the arrangements with Housing Benefits staff, matches are passed across promptly to allow timely investigation.</p> <p>Action is taken to address system weaknesses identified as required. An example is this is changes introduced to the system for disabled parking badges. The database has been changed to provide better information and action is now being taken to recover badges for deceased individuals.</p>	<ul style="list-style-type: none"> ▪ <u>DWP Referral Protocol.</u>
<p>Following NFI 2002 the Audit Commission conducted a review of each Authority to determine it's success in managing the Initiative. The Authority was commended by the Audit Commission in December 2003 on the standard of the assessment methodology applied and the quality of the control documentation utilised.</p>	<p><u>Annual Audit Letters (December 2003 and 2004)</u></p> <p><u>December 2003</u></p> <p><i>"The Council has adopted a proactive approach to the NFI and demonstrates sound planning, control, and prioritisation processes."</i></p> <p><u>December 2004</u></p> <p><i>"The Council took part in the NFI 2002/03. Total savings from the 2002/03 exercise exceeded £83m, of which £193k savings were identified by this authority with 333k in sanction rewards."</i></p> <p><u>January 2006</u></p> <p><i>"The Council has been an active participant in the NFI since it began in 1996 and has extended its involvement to include, as pilots data matching against deceased records to Disabled Parking Permit holders (blue badges) and Nursing Home Residents and the matching of insurance claims."</i></p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Key line of enquiry 2.3 The Council Manages its Asset Base?		
Criteria	Commentary	Evidence
<i>Level 2</i>		
<p>(2.1) The Council has an up to date capital strategy linked to its corporate objectives & medium term financial strategy</p>	<p>An updated Capital Strategy will be reported to Cabinet in August 2007. The current Capital Strategy is driven by Corporate Objectives and links to the Medium Term Financial Strategy (which directly links to the Council's Capital Programme).</p> <p>The Capital Strategy Management Group continues to play an active role in delivering improvements to our capital related processes.</p> <p>On a practical level the Capital Strategy has been made very accessible both to external stakeholders via the Council's internet site and to Council officers via the Intranet. All administrative processes associated with the Capital Strategy, the Capital Programme itself and the Capital Appraisal process are outlined in a user friendly fashion on the Capital Strategy intranet site. This helps ensure all involved are able to readily access the relevant resource when making decisions related to the Capital Strategy. This helps to ensure a unified approach across the Council.</p> <p>We have a fit for purpose Housing Strategy.</p>	<p>Capital Strategy.</p> <p>Medium Term Financial strategy</p> <p>Minutes of the CSMG.</p> <p>Intranet Site : http://boston/tres/fmis/capitalprogram/</p> <p>Housing Strategy</p>
<p>(2.2) The Council has an up to date AMP that details existing asset management arrangements & outcomes, & planned action to improve corporate asset use</p>	<p>Updated AMP to be reported to Cabinet (Sept-07). Draft AMP Action Plan 2007/08 to be reported to Corporate Property Group (1.8.07)</p> <p>We have a fit for purpose Housing Revenue Account Business Plan.</p>	<p>Updated AMP. Draft AMP Action Plan 2007/08</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

	<p>The Stock Investment Framework for housing stock was approved Feb 2005.</p>	<p>HRA Business Plan Stock Investment Framework</p>
<p>(2.3) The Council maintains an up to date asset register</p>	<p>The Asset Register was established and developed in the early 1990s in line with CIPFA guidance.</p> <p>The Asset Register is managed by Asset Management Services in compliance with the Director of Finance & IT's financial reporting requirements. The Register is held on the LAPDApps d.base.</p>	<p>See report to Policy & Resources (Land & Property) Sub Committee (8.6.93).</p> <p>Hard copy example pages have been taken from LAPDApps d.base.</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Criteria	Commentary	Evidence
<p>(2.4) The Council has a designated corporate property function</p>	<p>The designated corporate property function is provided by Asset Management Services. It was created in 2001/02 from a restructuring of the Land & Property Department and is now part of Legal and Property Services.</p> <p>Asset Management Services is headed by the Corporate Property Manager whose role was approved by Strategy (Resources) Sub Committee (16.10.00) and includes responsibility for producing the Corporate AMP and chairing the Corporate Property Group (formerly the Asset Management Team) to drive the asset management planning process across the Authority.</p> <p>Two of Legal & Property Services' objectives are "to develop and deliver the Council's Asset Management Plan to meet the requirements of the Corporate Property Strategy by the effective use of land and buildings ensuring fitness for purpose and maximum income," and "to maintain and keep statutory and non-statutory registers, records and other documents."</p>	<p>Report to Cabinet (23.8.01).</p> <p>See report to Strategy (Resources) Sub Committee (16.10.00).</p> <p>See extract from Legal & Property Services' Service Plan.</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Criteria	Commentary	Evidence
<p>(2.5) The Council's arrangements for reporting to Members are sufficient to ensure that they fulfil their responsibility in relation to the Council's land & buildings portfolio at both a strategic and service level.</p>	<p>Reports are considered by Members at both a strategic and service level. All significant property matters are reported to Cabinet and all reports identify whether a key decision is involved, the wards affected, and whether special interest members have been consulted.</p> <p>Ward members are consulted, for example:</p> <ul style="list-style-type: none"> • About potential land and property disposals within their wards, and their comments are reported to Cabinet. • About changes of use to housing shops within their wards. 	<p>See extract from Forward Plan of Key decisions See reports relating to eg: Leigh Sports Village LA Carbon Management Programme Car Parks Update Procurement of Rating Consultants</p> <p>See report on South Lancs Industrial estate</p> <p>See example letter.</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Criteria	Commentary	Evidence
<p>(2.6) The Council has an annual programme of planned maintenance based on a rolling programme of property surveys.</p>	<p>The annual programme of planned maintenance is set out within the Corporate Property Maintenance Fund (CPMF) annual spending plan. It is based on a rolling programme of condition surveys, and in consultation with occupying Services regarding suitability and sufficiency issues. The condition survey process, developed to meet DfES requirements for schools (and held as an example of good practice), has replaced the previous quinquennial survey programme.</p> <p>The Corporate Property Maintenance Fund (CPMF) was established in 1992. It is administered by Asset Management Services and allocated across all Council property. This includes Schools but not Council houses. The total CPMF for 2007/08 is c. £6.5M. 59% of which is for planned maintenance. The remaining 41% is for reactive/contingency repairs.</p> <p>Council housing stock undergoes external planned and cyclical maintenance and structural repairs on a rolling programme.</p>	<p>CPMF Spending Plan 2007/08 is held on LAPDApps d.base (see extract)</p> <p>Condition surveys are held on LAPDApps d.base (see example extract)</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Criteria	Commentary	Evidence
(2.7) The Council has assessed the level of backlog maintenance	<p>Maintenance backlog information is taken from the live condition survey d.base held on LAPDApps. The current maintenance backlog is c. £94.5M (incl. Schools). This information is reported annually within the Corporate AMP.</p> <p>Backlog of maintenance and decency failures in council housing stock, identified in 2001 stock condition survey, formed the basis of the ALMO bid and programme.</p>	<p>Extract from maintenance backlog report generated from LAPDApps. See example extract of condition survey summary taken from LAPDApps.</p> <p>ALMO bid. Stock Investment Framework</p>
2.8 The Council's capital programme gives priority to potential capital projects based on a formal, objective approval process.	<p>The Council has set out its priorities in line with its corporate objectives and the resources which it has at its disposal. A formal objective appraisal process is in place and is covered in the Capital Strategy, which also clearly lays down prioritisation criteria.</p>	<p>See Capital Strategy & Capital Appraisal form at Intranet Site : http://boston/tres/fmis/capitalprogram/</p> <p>The last 2 yearly cycles are available for inspection and the 3rd year process of appraisal for new starts 2008/09 has just started as per the Strategy timetable.</p>
<u>Level 3</u>		
3.1 A member has been allocated portfolio responsibility for the Council's asset management.	<p>The Leader of the Council has property matters within his remit. This is shown in our 2002 and 2005 Asset Management Plans.</p> <p>The Corporate Property Officer and Major Projects Facilitating Officer seek advice and guidance on key property issues from the Leader as appropriate.</p>	<p>See extracts from 2002 AMP, approved by Cabinet (25.7.02) and 2005 AMP, approved (11.8.05).</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Criteria	Commentary	Evidence
<p>3.2 Members are aware of the level of backlog maintenance & have approved a plan to address it as appropriate.</p>	<p>The Corporate Property Strategy report, approved by Cabinet (11.8.05), recognises that a twin approach is needed in order to reduce maintenance backlog, by seeking to replace old/worn buildings in addition to CPMF annual spending plans.</p> <p>The Corporate AMP, reported annually to Cabinet, identifies the level of maintenance backlog (as well as other property performance information).</p> <p>Ad hoc reports are submitted to Cabinet identifying maintenance backlog and funding issues as necessary</p> <p>For the housing stock ALMO resources are being deployed to eliminate maintenance backlog and achieve decency during 2008 (on target, and currently at 86%)</p>	<p>Corporate Property Strategy report approved by Cabinet (11.8.05)(see 2.5 above) CPMF annual spending plans (see 2.6 above)</p> <p>Stock Investment Framework</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Criteria	Commentary	Evidence
<p>3.3 The Council has developed a set of local performance measures in relation to assets that evaluate asset use in relation to corporate objectives.</p>	<p>We evaluate asset use against corporate objectives via 7 Corporate Property Objectives, each of which has relevant performance measures. Eg, we measure:</p> <p>CPO1- The suitability, sufficiency & condition of assets in meeting service delivery requirements (currently 52% of our operational buildings are assessed as satisfactory to meet service delivery requirements).</p> <p>CPO2 - Statutory/regulatory compliance, eg DDA compliance (currently 16%)</p> <p>CPO3 – Minimising property costs, eg energy saving initiatives are prioritised with regard to building performance and potential savings</p> <p>CPO4 – maximising the benefit of property ownership, eg £3.1M capital receipts raised 2006/07</p> <p>CPO5 – effective use of maintenance spending, eg £16.03/sq.m maintenance spend.</p> <p>CPO6 – capital projects monitoring, eg 22% of capital schemes completed on time, and 50% on cost in 2005/06</p> <p>CPO7 – effective property management measured by annual Asset Management Action Plan Outturn Report</p> <p>Further measures are being developed.</p> <p>A suite of property-related measures is reported quarterly to Audit, Improvement and Governance Committee. These measures are incorporated in the Legal & Property Services Departmental Plan.</p> <p>Housing performance measures cover decency, energy efficiency, popularity and full utilisation of stock</p>	<p>Report to CDT (13.12.05)</p> <p>See extract from Corporate AMP 2006/07. <i>and interactively via Performance Plus.</i></p> <p>See extract from Performance Plus</p> <p><i>See extract from energy survey programme</i></p> <p>See Land Disposal Programme Cumulative Receipts Statement</p> <p>See maintenance cost report for 2005/06</p> <p>See Summary report and extract from AMP</p> <p><i>See AM Action Plan 2006/07 Outturn Report (reported to CPG 1.8.07)</i></p> <p>See Quarterly report & suite of performance indicators, and extract from L&PS Departmental Plan.</p> <p>Performance reports from ALMO</p> <p>Stock Investment Framework links programmes with strategic objectives</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Criteria	Commentary	Evidence
<p>3.4 The Council makes investment & disposal decisions based on thorough option appraisal & whole life costing.</p>	<p>The Council meets this criteria in a number of ways:</p> <ul style="list-style-type: none"> • Whole life costing (WLC) is considered at the feasibility stage when following the DfES's "Finding the Right Solution" methodology for option appraisal, and consideration of sustainability issues has scored highly in a DfES pilot. • A capital appraisal cycle is set out in the Capital Strategy which involves the consideration of WLC as part of the appraisal of projects • The Council has considered WLC in a number of its significantly large projects. Eg, Wigan Joint Service Centre PFI bid (£37M), Performance Venue (£5.5M), and the £100M Access Wigan Highway. • The disposal of property is often used for regeneration, re-investment to improve existing facilities, or replacement of existing facilities with new. This is an objective of the Corporate Property Strategy. <p>Eg The sale of the underperforming Marus Bridge Wholesale Market is funding improvements to other markets in line with the Markets Action Plan; the Joint Service Centre PFI scheme envisages the disposal of 14 underperforming operational assets to be replaced with new; the Platt Bridge Project is resulting in new school, library and Childrens Services facilities funded by the disposal of existing assets; the Corporate Property Strategy requires review of the Council's property portfolios to identify options/opportunities to improve the overall suitability of portfolios, eg by the replacement and disposal of unsuitable property (currently seeking to develop an action plan from the Adult Services review).</p>	<p>See Woodfield example</p> <p>See Hindley J&I example.</p> <p>See Capital Appraisal form (2.8 above) & Executive Briefing report (12.1.06) which was reported to Cabinet (2.2.06). See also Capital Appraisal file & the current process for 2008/09 new starts. See extract from Joint Service Centre bid.</p> <p>See 3.2 above</p> <p>See Marus Bridge report</p> <p>See extract from JSC bid</p> <p>See extract from Adult Services review</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

<i>Criteria</i>	Commentary	Evidence
<i>Level 4</i>		
<p>4.1 Performance measures & benchmarking are being used to describe & evaluate how the Council's asset base contributes to the achievement of corporate & service objectives, including improvement priorities.</p>	<p>We have a clear and robust approach to performance measurement and benchmarking. Our annual property performance report identifies property performance against each of the 7 Corporate Property Objectives (CPOs), relating to:</p> <ul style="list-style-type: none"> CPO1 – Suitability & Sufficiency CPO2 – Statutory/Regulatory Compliance CPO3 – Reduced Property Costs CPO4 – Innovative Means of Provision CPO5 – Cost Effective Maintenance CPO6 – Capital Strategy CPO7 – Efficient Property Management <p>It also reports the national property PIs benchmarked against the AMP Network to measure the performance of the Council's assets against other Authorities and clearly identifies improvement actions.</p> <p>All of the CPOs link to the Council's Vision and high level objectives of high standards of governance, excellent services and using resources effectively.</p> <p>See Corporate Property Strategy report which sets out measures showing how our buildings are less than satisfactory in meeting service delivery objectives and the Joint Service Centre (JSC) report which identifies the less than suitable buildings set for closure to help fund the JSC scheme</p> <p><i>As a member of AGMES, the Council is active in identifying & considering property-related improvement opportunities.</i></p> <p>HRA capital estimates report identifies value for money on rightsizing and the benefits of partnering.</p>	<p>Report to CDT (13.12.05) (see 3.3 above)</p> <p>See AMP Network national PIs</p> <p>Corporate Property Strategy report to Cabinet (11.8.05)(see 2.5 above)</p> <p>See JSC report</p> <p><i>See minutes of AGMES meeting (11.1.06)</i></p> <p>HRA capital estimates report.</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

<u>Criteria</u>	Commentary	Evidence
<p>4.2 The results of performance measurement & benchmarking are communicated to stakeholders were relevant.</p>	<p>We communicate performance information in a number of ways.</p> <p>Members receive information on asset performance, eg through quarterly reports to Audit, Governance & Improvement Committee, and through annual reporting of performance information in the Corporate AMP.</p> <p>Service Departments receive information via reports to corporate groups, eg CDT & CPG, as well as being directly involved in providing suitability/sufficiency assessments</p> <p>Employees receive the results of the Employees Survey which includes measures of staff satisfaction with working environment and the steps being taken to improve their environment.</p> <p>A consultation exercise has been carried out with the Council's commercial tenants, market traders and shoppers, and car park customers seeking their views on the property management services provided by the Council. An action plan will be developed following analysis of the findings.</p> <p>The Council has acquired a licence under the EU Public Buildings Climate Campaign which will result in energy performance certificates being displayed in all our buildings</p> <p>A suite of property-related measures are reported corporately via Performance Plus</p> <p>Tenant newsletter reports on a range of indicators for housing stock, including satisfaction with repairs and improvement programmes.</p>	<p>See report to Audit, Governance & Improvement Committee</p> <p>See Corporate AMP</p> <p>See 3.3 above</p> <p>Survey results available from CEx. Also, Revealed newsletter.</p> <p>See commercial tenants' questionnaire</p> <p>See Campaign leaflet</p> <p>See Performance Plus measures</p> <p>Tenant newsletter available from WALH.</p>

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

Criteria	Commentary	Evidence
<p>4.3 The Council has developed an approach for the co-ordination of asset management information & its integration with relevant organisational financial information.</p>	<p>The Council's approach in this area is to utilise asset information to inform relevant processes such as the Land Disposal programme as part of the Capital Programme Strategy. Asset information – suitability, sufficiency and condition (see 'traffic light schedule') is used to inform the Corporate Property Strategy about those properties requiring investment/disinvestment, and this is used to allocate repair and improvement works via the Corporate Property Maintenance Fund. Examples of what we do, include:</p> <ul style="list-style-type: none"> • Our disposal programme for surplus assets (including investment properties) has been developed to support the cost of front line service delivery. • A number of disposals, via contributing Council land or the use of ringfencing, are identified to bring about regeneration or service improvements. Major recent or current schemes include the development of Robin Park Retail & Leisure Park (incl. the JJB Stadium in which the Council is a shareholder); Leigh Sports Village (Council land contributed), Wigan Grand Arcade Shopping Centre (Council land and deteriorating assets, eg car parks and housing offices, included); Wigan Pier Quarter (Council land and buildings included). Ringfencing has been used to improve service delivery by funding the replacement of deteriorating assets with new. Eg, the disposal of school sites to enable new schools to be built; the disposal of the underperforming Marus Bridge Wholesale Market to finance the Markets Improvement Plan; the use of capital receipts and revenue budgets from 14 existing buildings to part fund the JSC scheme; the use Council land at Platt Bridge to part fund Platt Bridge Community First, providing a school, library, housing office, adjoining a LIFT scheme; the 	<p>See schedule of assets</p> <ul style="list-style-type: none"> • Disposal programme of surplus assets has raised £98.6M since 1990/91.

WIGAN MBC USE OF RESOURCES KEY LINES OF ENQUIRY SELF ASSESSMENT 2007

	<p>recent consideration of a proposal to sell the Galleries Car Park to meet maintenance backlog requirements (subsequently rejected for longer term planning considerations for the town centre)</p> <ul style="list-style-type: none"> • Our non-operational land review programme has the objective of disposing of sites that cannot demonstrate a need to be retained to reduce liabilities and costs. • Underperforming assets within the Investment Estate are regularly disposed of. • The establishment of a centralised CPMF (1992/93), managed by LAPD/AMS, has allowed the maintenance budget to be directed towards overall corporate asset objectives, and for the need to increase the maintenance budget to be demonstrated. • The Asset Register was developed jointly by LAPD & DFIT and forms the basis for the asset management database 'LAPD Apps'. The Asset Registrar within AMS is commissioned by DFIT to ensure appropriate integration of information. <ul style="list-style-type: none"> • Energy performance and costs are used to prioritise the energy survey programme and the implementation of energy saving schemes. £250K has been allocated in Year 1 of our Carbon Management Programme to fund CO2 reduction initiatives following a full survey programme of our buildings. The target is for a 15% reduction in CO2 emissions over the next 5 years. During 2006/07 Trencherfield Mill was re-boilered (cost £170K) to provide more efficient boilers. 	<ul style="list-style-type: none"> • Non Operational Land report approved by Cabinet (31.3.05)(see 2.5 above). • • Annual CPMF spending plans (see 2.6 above) • £1M increase in CPMF from 2002/03 (see report to COMT (28.8.01). • LAPD Apps • Eg, (I) to comply with SORP guidance asset lives have recently been reviewed for depreciation purposes. (II) building-related costs, such as repair and maintenance, are charged to front line service delivery to identify true service costs. • See 3.3 above • CPMF spending plan (Fund 4) • See Carbon Management Programme
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Value for money Appendix B

Self-assessment proforma - 2007

Authority	Wigan MBC
Chief Executive	Joyce Redfearn
Key contacts	David Smith, Director of Finance and IT Martyn Kenyon, Assistant Director of Finance & IT
Date Completed	July 2007

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local services for the public. Our remit covers around 11,000 bodies in England, which between them spend more than £180 billion of public money each year. Our work covers local government, health, housing, community safety and fire and rescue services.

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Note to reviewer(s):

This self assessment is a build on previous years submissions as they provide some of the context and start points to show progress and improvements. **Prior years (2005 and 2006) entries are shaded.**

Specific Value for Money issues as detailed within 2005 Audit and Annual Inspection Letter (Performance) Letter

Issue	Actions Taken
<p>The approach for scrutinising costs is being further developed and there will be an enhanced framework in place to do this by April 2006</p>	<p>Led by the Deputy Chief Executive, the Council has established a Corporate Delivery Team (CDT) to give a strategic focus to value for money across the organisation and this is clearly identified in the Council's corporate plan, improvement plan, in the tasks CDT will focus on in 2006/7. Part of the role of CDT is to encourage, identify and collate ongoing efficiency savings in all areas for inclusion in the Council's formal efficiency statements. This ensures an ongoing awareness of VFM and has promoted a better understanding of our cost profile, particularly the relatively higher cost areas as identified in last year's profile</p> <p>Further details are included at section 5.1.</p>
<p>Progress on procurement is generally good, with some areas underdeveloped such as engaging and developing the voluntary and SME sectors.</p>	<p>The focus on working with the voluntary sector has been particularly prominent in Adult Services. We have developed initiatives such as "Fair Access to Care" and the Resource Allocation Model to help ensure care needs are met at all levels.</p> <p>To maintain support for lower priority groups, we have enhanced the arrangements with social and voluntary agencies such as Wigan link (with some £1m in care contracts), Age Concern, Eldercare (mobile wardens) and the Ethnic Minority Older Peoples Group.</p> <p>We recognise the added value that can arise from effective working with community, voluntary and social support organisations and so have developed an extensive network of agencies who are linked with the Council in providing community based services and we are therefore able to reach higher numbers of people who need support.</p> <p>Evidence at 5.2.2 provides financial details of grant support provided to the voluntary sector by the Council.</p>

<p>Greater consideration could be given towards including social services commissioning activity and LEA provided services within the procurement action plan</p>	<p>A range of Adult Services contracting arrangements have recently been reviewed including Spot purchasing, 24 hour support for people with Learning Disabilities, Community Meals, Workplace schemes, Drop in centres, Extra Care services and Assistive / emergency support arrangements, with a total contract value of over £2m pa.</p> <p>Strategic procurement arrangements are also to be reviewed with the support of the recently appointed Strategic Procurement Officer.</p> <p>Conscious of the potential for improved VFM we have commissioned a joint contract between transport provided within Children and Young People Services and transport in Adult Services and the combined provision is to shortly be put out to tender. The joint contract will be some £3.1m.</p> <p>In respect of Adult Services the Council has also commissioned advice from Deloitte Management Consultants who have drawn on the experience of other authorities and we have drawn up an action plan to assist in addressing budget pressures.</p> <p>In addition Deloitte Management Consultants have been commissioned to undertake a VFM assessment of non school expenditure.</p>
<p>More work is needed to systematically capture savings arising from procurement and review, where appropriate</p>	<p>Recent work has been completed by the Audit Commission covering Strategic Procurement Issues. In addition see above re: appointment of Strategic Procurement Manager and assignment of responsibilities to CDT.</p>

June 2007

2006 Issues: (reported to Audit, Governance & Improvement Review Committee June 2007)**Key Finding and Conclusion**

“Wigan Council achieves good value for money. It is a relatively low spending Council and delivers generally good outcomes. Higher spending is usually linked to corporate priorities, but where this is unintentional the Council are taking action. The Council has clear information on its costs and how these compare to others, and recognises where it needs to improve outcomes to provide VFM. Processes to review cost and performance information together have improved. Information is regularly reported to Officers/Members and challenged, and there is evidence of better outcomes as a result. Cost reductions are being secured whilst service performance is as least maintained. Efficiency review savings targets are being exceeded. Procurement has been strengthened, and the Council is bringing Social Services commissioning and LEA trading activities into the scope of procurement review. The Council is very self-aware of the areas which it needs to address and these are well-documented in its plans.”

KLOE Ref. 5.1

The Council currently achieves good value for money.

Audit Commission Comment : Where appropriate, report performance at a disaggregated level to highlight any inequalities across geographical areas or communities that could be hidden in averages.

▪ **Current position:** Detailed information is now available at individual township level covering relevant issues, viz.:-

- Households
- HRA stock
- Population
- Lone parents
- Community Safety

- CYPS
- Environmental Services
- Council Housing
- Health Indicators
- Child Tax Credits and Working tax Credits

The above information is also detailed at a sub category level.

- Fischer Family Trust statistical analysis has previously been used to map attainment across schools and geographical areas with a particular emphasis on deprivation. From 2006 onwards GIS software has also been used to map results across the Borough and to calculate average scores for each area. The results allow a further drill down into 200 super output areas within the Borough and also at each Township level.

Evidence -Mapping Attainment across Wigan 2006 (CYPS Panel 24th May 2007)

- In respect of health inequalities the Council is working closely with partners in the PCT to develop joint commissioning in a number of areas. The associated Integrated Service Plan has 7 change programmes for addressing health improvement and health inequalities. This provides opportunity to influence allocation of resources and service delivery across the PCT and the Council.

2006 issues (continued)

KLOE Ref.5.2 The Council manages and improves value for money.

Audit Commission Comment: Continue to identify areas of contestable social services spend and LEA activity and demonstrate best value from current arrangements.

Current Position:

- Following the Deloitte's review and Action Plan, the Adults Services "Commission Strategy for Health and Well Being" was submitted to the Adult Services Panel and Cabinet on 29th and 31st May respectively and is scheduled for approval by Council on 11th July 2007.

The Strategy describes how outcomes will be achieved in broad terms. Additional reports in respect of specific decisions will be brought to Cabinet as and when required.

- The Schools Network has been re-established – It is a high level working group of Chief Officers (or nominated senior officers) and Headteachers. The forum allows Headteachers to raise issues of concern by direct access to senior Council officers. In addition Council officers can inform Headteachers directly of proposed Council issues that may impact on schools.
- Schools have also been engaged in the Support Services Review which aims to improve the VFM for Finance, HR, Legal, Property and IT services across the Council

KLOE Ref. 5.2: The Council manages and improves value for money.

Audit Commission Comment In an increasingly challenging financial environment, strengthen the approach to impact assessment to ensure that impact on outcomes receives the same analysis and rigour as cost reductions.

Current position:

- The Improvement Programme has recognised the need to demonstrate links between performance management, people strategy, budgets and outcomes. A revised integrated approach to budget and planning processes was approved by SMT on 13th March 2007. This approach builds on the already successful financial and non-financial performance management framework to integrate additional key resource streams into the budget and planning process to provide an integrated planning process.

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Guidance

- 1 For 2007, no councils are required to submit a full self-assessment. We are asking you to provide an update only to previous self-assessments. This update should highlight any areas which have changed sufficiently for the auditor to re-assess the arrangements in place. This reflects that this is the third year of assessment and councils and auditors have a good knowledge of arrangements to achieve value for money. If you choose to submit a full self-assessment, the auditor will use it.
- 2 You should agree with your auditor the timing and the format of any submission you plan to make. When discussing timing, you will need to allow for sufficient time for auditors to complete the value for money assessment. Your submission will be reviewed along with any supporting evidence.
- 3 The self-assessment pro-forma is for you use to show how well your council manages its financial resources and achieves value for money. A high level cost analysis should support your self-assessment. The VFM profile tool is available to assist you in this. The updated Vfm Profile tool can be found at www.vfm.audit-commission.gov.uk and will be available by the end of April.
- 4 The pro-forma is designed to assist you in assessing current performance in achieving and delivering value for money by answering a series of questions and providing brief supporting details. If you are not completing a new self-assessment, you should concentrate on highlighting any areas which have changed sufficiently in your opinion for the auditor to re-assess the arrangements in place. Fieldwork on site will follow up on areas identified within the self-assessment.
- 5 Emphasis will be placed on evidence of outcomes and this should be reflected in your self-assessment. The pro-forma includes a series of audit focus questions that relate to the KLOE. Use column 2 to reference key supporting documentation or provide links to the documentation. Please do not provide hard copy documents – a reference to the document/information/electronic copy will be best. Hard copy documentation should only be provided where this is the only available source. Providing these references will assist auditors and should make the audit less onerous on the council.
- 6 The key lines of enquiry (KLOE), which are the basis of this assessment, along with *Guidance for Councils*, can be found www.audit-commission.gov.uk. The Guidance includes interpretation and expectations of good performance in relation to value for money. The KLOE include descriptors of typical performance equivalent to scores of 2, 3 and 4. You should read and understand these before you complete your self-assessment.
- 7 There is a final section for you to add any contextual or other information. You should append your backward looking annual efficiency statement for 2006/07.

- 8 Your self-assessment (excluding Efficiency Statement and references, but including contextual information) should not exceed 5,000 words. Please put the name of the person responsible for completing this self-assessment in the box provided on the front cover.
- 9 We want this to be your self-assessment. Your relationship manager and auditor will provide advice should you need help in understanding the assessment. They will not, be able to directly support you in contributing to the self-assessment, for example by reviewing content or acting as a critical friend.
- 10 Elements of the self-assessment may be relevant to the direction of travel assessment. If your submission for VFM covers some of the requirements for direction of travel, your auditor will carry it forward to the direction of travel assessment. It does not need to be re-submitted, but it would be helpful if you could indicate where you think it relates to both assessments.
- 11 We take this opportunity to thank you in advance for your assistance.

Value for money key lines of enquiry

<p>What has been achieved to date?</p> <p>5.1 The council currently achieves good value for money</p> <p>What is the purpose of this section of the self-assessment? This section provides the authority with an opportunity to demonstrate how it achieves good value for money including how current costs compare with others. Local fieldwork will focus on the extent to which the authority understands, compares and reviews its costs in relation to both performance and priority. This section will draw significantly on the evidence provided in the standardised VFM Profiles report.</p> <p>Completing the self-assessment Please provide short statements using the pro-forma which address the key line of enquiry and each of the audit focus questions:</p> <p>5.1 How well does the council currently achieve good value for money? 5.1.1 How well do the council's overall and service costs compare with others, allowing for external factors? 5.1.2 How do external factors affect costs and how do adjusted costs compare? (now included in 5.1.1) 5.1.3 To what extent are costs commensurate with service delivery, performance and the outcomes achieved? 5.1.4 To what extent do costs reflect policy decisions?</p> <p>How is value for money being delivered and improved?</p> <p>5.2 The council manages and improves value for money</p> <p>What is the purpose of this section of the self-assessment? This section provides the authority with an opportunity to demonstrate how it manages and improves value for money including its processes for monitoring and reviewing its costs. Local fieldwork will focus on the extent to which the authority identifies and pursues opportunities to reduce costs or improve quality within existing costs. Please provide evidence of outcomes achieved from any processes described.</p> <p>Completing the self-assessment Please provide short statements using the pro-forma to address the key line of enquiry and each of the key sub-questions:</p> <p>5.2 How well does the council manage and improve value for money? 5.2.1 How does the council monitor and review value for money? 5.2.2 How well has the council improved value for money and achieved efficiency gains (limited to the last three years)? 5.2.3 Do procurement and other spending decisions take account of full long term costs?</p>
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KLOE 5.1 How well does the council currently achieve good value for money?	Reference to evidence source
<p>2007: Please provide brief details and evidence to support your assessment with focus on the relationship between local taxation, overall expenditure and costs; and the level and performance of services provided, taking account of local priorities.</p>	
<p>Identification and addressing local priorities:</p>	
<p>2007/8: Wigan Council is committed to delivering value for money and using resources effectively. The priority themes are maintained for 2007/8, as reported through the Issues Paper and Corporate Plan:</p> <ul style="list-style-type: none"> • Focusing on borough wide priorities • Renewing our focus on customers and equality and diversity • Joining up services better to meet customer needs; and • Pursuing value for money in delivering our services. <p>Major organisational changes have taken place and are ongoing to ensure the organisation is better structured:</p> <ol style="list-style-type: none"> a) to directly achieve the above themes - development of the Joint Service Centre (JSC) and Customer Relationship Management (CRM)) along with the Environmental Services Review b) to streamline “back office” functions to enable resources to be directed towards front line services. Improved VFM is a major objective in the ongoing Support Services Review where restructuring and improved performance management of all support services will generate efficiencies through more effective working and through reduced costs - Initial savings of around £1m have been projected <p>The Medium Term Financial Planning process aligns the expected financial resources available with the Councils high level objectives to ensure priority services receive the appropriate levels of funding. The bids and growth process enables fine tuning to take place and emerging issues to be addressed</p>	<p>Vision, Purpose and Values</p> <p>Issues paper 2006 Corporate Plan 2007/8</p> <p>Environmental Services review</p> <p>Support services Review – final report</p>

<p>2007/8. The Service Planning and reporting arrangements have further improved with a higher level of emphasis on consistency in presentation (between different services), analysis and commentary on performance data and regular reporting to members. The clear links to the Councils Vision and priorities are retained.</p> <p>This process is underpinned by the EDR (employee development review) scheme which emphasises the role of individual employees in contributing to achieving the Vision through the links in the golden thread (“bottom up”)</p> <p>This is also mirrored in the Corporate Plan, which reports on higher level performance against objectives and examines performance across the whole range of services in line with the priorities of the Council. This links to alignment and availability of Financial Resources as described within the Medium Term Financial Plan.</p> <p>The intention is next to move to a 3 year planning horizon for the Corporate Plan and Service Plans which will align the Service Planning and monitoring processes with the Medium Term Financial Planning process</p>	<p>2007/8 budget booklet (web) 2007/8 budget report to Cabinet 2006/7 Final Accounts Service Planning guidelines 2007/8 Example service Plan</p> <p>Corporate Plan reports (Cabinet June 07) Medium Term Financial Plan</p>
<p>2006/7 Auditors and inspectors have consistently commented favourably on our robust processes for delivering value for money and the emphasis on vfm starting from the top of the council.</p> <p>2007/8: The main messages from the Annual Audit and Inspection letter presented in March 2007 were:</p> <ul style="list-style-type: none"> • “Wigan is a well run Council, performing strongly and generally improving well in priority areas” • “The Council shows a high degree of self-awareness and realism about both its successes and challenges, assisted by a strong performance and improvement culture” • “the management of finance and people is a strength, and the Council continues to deliver good value for money” 	<p>Annual Audit and Inspection Letter</p>
<p>The council’s overall planning framework sets out a range of activities that take place over the year to ensure that we are aware of key internal and external issues, including areas for improvement and plan to take action where necessary at both service and corporate level. Major improvement</p>	<p>Departmental Plan Standard for 2005-06 page 7 diagram CPA scorecards 2003</p>

<p>priorities have been incorporated in the BVPP and now the Corporate Plan. CPA 'Qualitative Assessments' on our progress have been positive <i>"Based on current plans the council is well placed to further improve the way it works and the services it provides to local people"</i> (CPA scorecard 2004)</p>	<p>CPA scorecards 2004, 2005, Corporate plan</p>
<p>Public perception and satisfaction are used to identify policy priorities and areas for improvement. Our main mechanisms for this are the 3-yearly Best Value Surveys, other statutory surveys and our Citizens Panel, though there is a very wide range of consultation and perception measurement taking place.</p>	<p>Citizens Panel Consultation database</p>
<p>Best Value Reviews Our excellent approach to best value has now been embedded into day to day service planning and delivery. Emphasis is now placed on supporting managers in interpreting BVPI definitions and reporting performance in an accurate and timely way, along with any actions to remedy problems highlighted. A more detailed Performance Management Framework (PMF) for support service has been introduced from 1st April 2007 to improve the efficiency and accountability of the "back office" functions.</p>	<p>Report to Performance Panel 23/3/06- Review of Continuous Improvement Service Plan quarterly report (example)</p>
<p>Scrutiny Reviews in Wigan are designed to identify and achieve improvements rather than just identify scope for them. Each review produces an improvement plan that is approved by O&S then Cabinet to ensure there is Executive buy-in. Progress is monitored at O&S.</p> <p>External Audit have looked at our Health Scrutiny arrangements and said that we <i>"have embraced the HS agenda proactively and are committed to making a success"</i>.</p>	<p>Scrutiny reviews Audit Letter 2004</p>
<p>Local Public Service Agreement 2 and Local Area Agreement - Linked to our strategic priorities 2007/8 We continue to make good progress in achieving our LPSA2 interim targets with reductions in the number of domestic burglaries, numbers of smoking quitters, boys performance at KS2 and increases in the number of new volunteers recruited. This has enabled a reward grant application of £645k. At the end of the second year of the LAA of the 21 targets we had data for, 15 were on or better than target.</p>	<p>Local Area Agreement Refreshed LAA Annual Report from GO NW</p>
<p>Our main work in the Innovations Forum is as one of the leading participants in the Older People's project which has attracted £1.8m in external funding to develop collaborative working to achieve efficiency savings This work has a broad impact on vfm in the public purse. By taking action to reduce unplanned bed</p>	<p>Reports on Innovations Forum 1 2 3</p>

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<p>days in hospital for older people through social care, and through developments in assistive technology, outcomes can be achieved at lower cost and less disruption for clients. This improves overall efficiency and value for money in the local health economy. Achievements are above target.</p>	<p>cabinet, 24th August</p>
<p>We have a good track record on responding to recommendations from external reviews. We can produce evidence of action on all areas raised in recent Audit Letters (though it must be emphasised that no serious or public issues have been raised and most issues had already been identified by us and highlighted within the Statement on Internal Control.)</p>	<p>Example – report to Performance Panel on Joint Review of Social Services progress</p>
<p>The Council has adopted new mechanisms for the delivery of services including Wigan Leisure and Cultural Trust and Wigan & Leigh Homes. These have brought additional resources to local services and helped a major re-alignment of service priorities.</p>	<p>Various Cabinet Reports</p>
<p>All of the above provide opportunities for both Members and Officers to challenge value for money as an issue in itself or as part of wider improvement work. Formal member challenge takes place through the Executive Cabinet, Audit, Governance and Improvement Review Committee and Overview and Scrutiny. Members also challenge informally as part of working groups and 'challenge teams'.</p> <p>2006 Led by the Deputy Chief Executive, the Council has established a Corporate Delivery Team (CDT) to give a strategic focus to value for money across the organisation and this is clearly identified in the Council's corporate plan, improvement plan the tasks CDT will focus on in 2006/7. Part of the role of CDT is to encourage, identify and collate ongoing efficiency savings in all areas for inclusion in the Council's formal efficiency statements. This ensures an ongoing awareness of VFM and has promoted a better understanding of our cost profile, particularly the relatively higher cost areas as identified in last year's profile.</p> <p>2007 This work is ongoing, and following the departure of the Deputy Chief Executive, the Director of Finance & IT has taken over as lead of the CDT to ensure the focus on VFM is maintained.</p>	<p>Example of Schools Meals</p> <p>CDT evidence link discussion paper 7th Feb 2006</p> <p>2006/7 Spend per Head Comparisons Report (CDT 1st May 2007)</p>

<p>The relationship between local taxation, overall expenditure and costs; and the level and performance of services provided, taking account of local priorities:.</p>	<p>SMT Minutes 4/7/06</p>
<p>Although Band D Council Tax has risen steadily in recent years it has remained relatively static in relation to other metropolitan councils and has been consistently below the median. 2004/5, 2005/6 and 2006/7 profiles</p>	<p>VFM profile page 41 2006 VFM profile page 13</p>
<p>Total Expenditure on Services spend per head is in the lowest quartile for metropolitan councils.</p> <p>This remains the case within the 2006/7 VFM profiles with bottom quartile spend per head on both Children's and Adults' Services, the Council's two largest areas of service.</p> <p>The figures shown in the profile for Central Services Costs have been lower quartile for the previous 2 years, with no significant changes in spend levels for the current year so the upper quartile levels indicated in the current profile are not relied upon for this assessment.</p>	<p>VFM profile page 6 VFM profile page 8</p>
<p>The 2006 Corporate Assessment acknowledged both the relatively low levels of spend and the overall high quality level of services: <i>"Wigan Council is performing strongly. It has a clear record of delivering cost effective services to local people. The borough has high levels of deprivation, including deep-seated pockets of inequalities, which set a challenging context for the agenda for change. The Council is addressing those challenges effectively"</i></p>	<p>Corporate Assessment 2006 CPA scorecard 2006</p>
<p>2006 Informed by this, and an analysis of comparative spend using both Audit Commission and CIPFA data, we have been taking action already on areas of relative high absolute or unit costs for example cemeteries and crematoria, which now has an action plan to address the disparities. Other areas include the Drugs and Alcohol service, waste disposal costs, Special Educational Needs, Aids and Adaptations, Looked after Children, Adult Mental Health.</p> <p>2007 schools "buyback" levels are again high which demonstrates the high levels of ongoing satisfaction with the services provided and is supported by the findings of the Audit Commission Survey of schools. The re-establishment of the Schools Network provides a further forum for schools to raise any concerns or problems within the "buyback" areas.</p> <p>One area of increasing popularity with schools is the centrally provided peripatetic bursar service</p>	<p>report re tendering for Drugs and Alcohol service Nicola Yates Schools forum mins 25th jan 2006</p> <p>2007/8 School Buyback responses</p>

<p>which provides a specialist, part-time, shared resource to assist (particularly) smaller schools to manage their finances and meet the requirements of the Financial Management Standards in Schools (FMSiS). Levels of participation are increasing year on year.</p> <p>2007: The VFM profiles place spending per head on "Social Services" in the lowest quartile. Despite this, a 2 star rating was achieved in 2006, although a number of external sources (Deloitte, Audit Commission) have identified the potential to achieve efficiencies, particularly in the purchase and commissioning of adult care services. The demand-led nature of many of these services makes it essential to ensure costs are well managed and reviewed on a regular basis. This is accepted and work has been ongoing on a number of initiatives to try to reduce or contain costs within budgets (see also previous years entry, below). Specific attention has been given to those workstreams highlighted within the Deloitte report viz:</p> <ol style="list-style-type: none"> 1. Residential Care and Nursing Home Fees 2. Transition for Young People with Complex Needs 3. Home Care 4. Direct Payments 5. Transport 6. Commissioning and Contracting 7. Human Resources 8. IT and Information Management <p>2006 - Other (Adult Services) contracting arrangements recently reviewed include Spot purchasing, 24 hour support for people with Learning Disabilities, Community Meals, Workplace schemes, Drop in centres, Extra Care services and Assistive / emergency support arrangements, with a total contract value of over £2m pa. Strategic procurement arrangements are also to be reviewed with the support of the recently appointed Strategic Procurement Officer</p>	<p>Audit Commission School Survey Analysis Report (2006)</p> <p>CSCI Record of performance assessment for Adult Social Care 2005/6</p> <p>Review of current position against Adult Services Improvement Plan</p> <p>Report to Cabinet 27/7/06 Adult Services Contracts</p>
<p>2007 – Environment - Spending levels as per the profiles indicates slightly higher than average</p>	<p>2007 vfm profiles</p>

<p>spending per head on Environment, Planning and Transport. In terms of £ spending, this difference is not material although the 2006 inspection results classed this area as scoring 3 – “performing well – consistently above minimum requirements”. This was based on analysis of performance indicators which contained 14 indicators (45%) scoring above the upper threshold, 15 indicators (49%) in the mid range and 2 indicators (6%) below the lower threshold.</p>	
<p>Environment (Planning) - deterioration in performance in 2003 has been reversed and we are now the best performing Metropolitan authority for planning applications, resulting in £714,000 Planning Delivery Grant in 2005-06</p> <p>2007 – high levels of performance are again indicated by the Audit Commissions vfm profiles.</p>	<p>Report to Planning on performance</p>
<p>Environment (Waste)</p> <p>2007 – The profiles indicate relatively high levels of costs for waste collection which was confirmed in the Best Value Review of the service which also identified low (and reducing) levels of customer satisfaction. The changes made since then (reported to Cabinet in May 2007) are estimated to produce savings of around £0.5m pa on labour costs, £0.2m pa in transport costs in addition to absorbing the costs of extending the green bin collection scheme to a further 16,000 properties. Customer satisfaction with the service has also increased from 76% in 2005/6 to 85% in 2006/7 and places the Council in 18th position out of 149 councils - a significant recovery from the previous position.</p>	<p>Waste Collection Best Value Review Update (Cabinet 10th May 2007)</p>
<p>Environment (Transport) –We have increased investment in highways and footways from 2005/6 to reduce long term maintenance costs and insurance claims.</p> <p>2007 - Numbers of personal accident claims are reducing whilst risk management arrangements continue to improve. The reduced levels of risk are reflected in the reductions in insurance premiums from the re-tendered insurance contracts (March 2006 and March 2007) where savings in premiums of over £300k have been achieved</p> <p>Work has been ongoing on the areas identified for improvement following our 2004 LTP1 score of 74%. Results of LTP2 are expected in December 2006</p> <p>To build on the successive annual reductions in accident casualties, (29.7% reduction from 1994/98 base – BVPI 99), 9 yellow buses have been introduced which has created a modal shift of 21% from car to bus patronage, with a particularly significant shift of 60% at Standish High, thereby reducing car journeys and contributing to reducing road accidents and their associated costs.</p>	<p>Letter to Chief Executives Report to Cabinet 20/1/05- Highway Maintenance Public Liability and Risk Management Review</p> <p>Comparison of insurance premiums</p>
<p>Housing – VFM profiles show relative spending per head on Housing to be below median but above lower quartile. The Audit Commission’s Housing Service Assessment gave the service an overall rating of 3 (“Performing well – consistently above minimum requirements”) in 2006. This was based primarily on performance data under the two main headings, Managing Council Housing</p>	<p>Audit Commission 2006 scorecard</p>

<p>and Housing the Community where overall performance showed 7 indicators (35%) scoring above the upper threshold, 11 indicators (55%) in the mid range and only 2 indicators (10%) below the lower threshold.</p> <p>Particularly pleasing within the “Managing” indicators were the high levels of tenant satisfaction in respect of “<i>participation</i>” and “<i>overall service of landlord</i>”.</p> <p>Highlights of the 2006/7 performance report included:</p> <ul style="list-style-type: none"> - Reductions in proportion of tenants in serious rent arrears. - Continued good performance on repairs. - Significant reduction in the time to relet housing (from 51 to 39 days). - Continued reduction in the proportion of empty homes. - Reduction in the use of bed and breakfast accommodation. - Continued outstanding customer satisfaction performance. <p>Performance within the ALMO is monitored regularly through the Board along with actions to address any problem areas being reviewed in detail through the Business and Performance Committee.</p> <p>Performance reports to the Council are considered by the Community Protection Panel and Cabinet.</p>	<p>Wigan and Leigh Housing Performance 2006/7 (Cabinet 26th July 2007)</p>
<p>2006/7 outturn showed an increased surplus on the Housing Revenue Account of £926k. Included in this figure was a saving of £400k on the ALMO management fee, achieved through reduced costs of employees, along with further savings in equipment and IT costs.</p>	<p>Report to Cabinet, 28th June 2007- HRA Outturn</p>
<p>Libraries & Leisure – services have been transferred to Wigan Leisure & Culture Trust with the council retaining a client role. This has opened up new funding sources for cultural services and also acted as a catalyst, alongside the Community Plan, for a systematic re-visioning of cultural services</p>	<p>Corporate Plan</p>
<p>Part of the re-visioning has been to close some old, high cost facilities and reinvest in services and facilities better suited to modern lifestyles. This is most evident at the moment in Libraries where the 2004 residents survey identified low levels of satisfaction with the service, Following the launch of the ‘Explore’ brand which is being rolled out across the Borough and refurbishment of 2 libraries with 2 new libraries being progressed, assessment of the library service has improved from poor and poor, to good (national strategy) and fair (national standards) in one year and with improved performance from achieving 14/26 Public library Standards at March 2004 to 23/26 at March 2006. During this period, visits have increased by 11% and book issues increased last year by 2%,</p>	<p>Press notice 71/2005 (28 February 2005)</p> <p>Press notice 176/2005 (16 May 2005)</p> <p>Ashton re-opening</p>

<p>contrary to the national trend. Books are purchased at a discount via an AGMA consortium</p> <p>2007: The profiles show slightly above median levels of satisfaction with libraries but with low quartile levels of usage. We have two major schemes to improve the facilities in Platt Bridge and Orrell by combining the libraries within the PFI School-build schemes to create a community “hub” and raise the profile of the service. 2006/7 actuals showed a 2.5% increase in usage from 2005/6.</p> <p>Plans have been approved to encourage further use of parks and open spaces, including a £2.7m bid for heritage lottery funding, to develop the popular Mesnes Park, and add to our resources.</p> <p>Another innovative outcome of the re-visioning has been ‘Freestyle’ – free swimming for under 16s paid for by some of the resources freed up from closing older facilities. This has resulted in an increase in junior swimming of 45% from 2004/5. The 2006/7 budget extended this initiative to cover over 60s. Swimming numbers have seen a reduction for 2006/7, due in part to the temporary closure of 2 pools for refurbishment work.</p> <p>Adult participants in exercise have increased, assisted by the “getting Wigan active” campaign.</p> <p>The opening of the facilities at Leigh Sports Village will provide additional high quality facilities for the South of the Borough, whilst the refurbishment of the International Pool will provide improved facilities in Wigan town centre.</p>	<p>Note on Leisure Trust: CPA Initial Response to Feedback-Effectiveness of Strategy and in delivering priorities</p> <p>Press notice 143/2005 (22 April 2005) Press notice : http://www.wlct.org/trustnews/news/tn_3906.htm</p> <p>Performance Monitoring review of Wigan Leisure and Culture Trust (April 2006 – March 2007) (Regeneration Panel 6th June 2007)</p>

5.1.1 How well do the council’s overall and service costs compare with others allowing for external factors ?	Reference to evidence source
<p>Please provide brief details and evidence to support your assessment – Key areas of focus:</p> <ul style="list-style-type: none"> • current level of overall costs and costs for key services; • planned spending in relation to others; and • level of overheads and how they are accounted for. <p>These issues considered in subsection 5.1.1.a below:</p> <ul style="list-style-type: none"> • External contextual factors that influence costs (such as deprivation, geography, demography): and • Demand and supply levels 	
<p><i>Current level of overall costs and costs for key services</i></p>	
<p>Please see section 5.1. 3</p>	
<p>Planned spending in relation to others</p>	
<p>Please see section see section 5.1.3 Information on spending plans is regularly shared through the Greater Manchester Association of Metropolitan Treasurers.</p>	<p>Group minutes</p>
<p>Level of overheads and how they are accounted for</p>	
<p>Overheads are allocated in accordance with BVACOP. The Council has been pro-active in adopting best accounting practice</p>	

5.1.1a How do external factors affect costs and how do adjusted costs compare?	Reference to evidence source
<p>Please provide brief details and evidence to support your assessment:</p> <ul style="list-style-type: none"> external local contextual factors that influence costs (such as deprivation, geography, demography); and demand and supply levels. 	
<p>The Council is part of the Greater Manchester Region for the calculation of the Area Cost Adjustment for Formula Spending Share. The adjustment factor implies that local authority labour costs in the Greater Manchester conurbation are 1.8% above the national average.</p>	<p>RSG Settlement 2006/7 – Table 1 for Wigan http://www.local.odpm.gov.uk/finance/0607/table1067s/t1_r343.htm</p>
<p>Wigan is one of the largest metropolitan boroughs by area – the largest in Greater Manchester. It faces major challenges associated with poor health, higher than average mortality rates, low incomes and an inadequate skills base – a persistent legacy of our industrial past.</p> <p>These issues are incorporated into major planning documents, including the Children and Young People’s Plan which seeks to raise expectations amongst young people, using the themes of :</p> <ul style="list-style-type: none"> Be Healthy Stay Safe Enjoy and Achieve Make a Positive Contribution Achieve Economic Wellbeing <p>Outcomes against these themes are monitored with remedial action taken where results are below expected targets. The results were incorporated into the JAR Assessment of the CYPs service where an overall score of 3 was achieved. This recognised the external factors, the low funding levels and the above average levels of achievement.</p>	<p>CYPP</p>

<p>The Borough was created by merging 14 other councils of differing sizes. This still affects the way we configure services and community engagement with 10 'Townships'.</p>	
<p>A legacy still remains of many old buildings in poor condition, which our relatively low funding makes difficult to resolve. We estimate that less than half our buildings are suitable, sufficient and in good condition. This affects both service delivery and employee motivation. Different funding approaches, like relocation to Progress / Unity House , LIFT projects and a town centre PFI bid are being used to address this. The recently appointed Property Manager is developing a buildings strategy to consider how we can reduce our overall accommodation requirements, linking with other themes such as home and flexible working, carbon management, reduced property risks and reductions in travelling requirements.</p>	
<p>The Council has made extensive use of local demographic information and commissioned specific external research to help establish our comparative position and determine our policy focus. This information is shared openly with all our partners.</p>	<p>Local Futures Audit 2006 Report on Index of Deprivation</p>
<p>Latest examples of how all that information is used are the revised Council Vision, Community Plan and the pilot Local Area Agreement. The 2003/4 Audit Letter commented on <i>“good use of baseline data and evidence base in the development of policies and strategies and to support decision making.”</i></p>	<p>Corporate Plan Community Plan 2005-2010 Local Area Agreement Audit Letter 2003/4</p> <p>Refreshed LAA</p>
<p>2007/8 We are currently participating in a pilot with GONW and DCLG looking at the interchange of data between local government, our partners and central government departments. We are working to develop a data repository to make this interchange of data more efficient and effective. We are also exploring with DCLG how we can improve our local data management from collection, analysis and presentation to improve intelligence led decision making.</p>	<p>Data Sharing for Neighbourhood Renewal – Lessons from the North West</p>
<p>Demographic data such as predicted changes in pupil numbers and growth in the elderly population are reflected in budget decisions. They then form the basis for longer term strategies such as provision of school places, review of Special Educational Needs and the school building programme which includes the development of the concept of “Extended Schools” for Community use.</p>	<p>Budget Report</p> <p>Wigan’s Strategy for School places & Buildings</p>

<p>2006/7 -The standard measure of overall deprivation (Average of Super Output Area Scores) puts Wigan as the 53rd (out of 354) most deprived local authority in the country with an inequality score higher than the North West and Greater Manchester averages</p> <p>Wigan's major inequalities are in hotspots around the Borough, concentrated in some, but not all, of our council housing estates.</p>	<p>Local Futures Audit 2005 -</p>
<p>That deprivation profile qualifies us as one of 88 Neighbourhood Renewal areas that receive small levels of additional grants to help reduce inequalities. Our Neighbourhood Renewal Strategy is currently being updated. Government Office North West validates our self-assessment against the Neighbourhood Renewal Unit's Performance Management Framework with particular emphasis on progress towards Neighbourhood Renewal Floor Targets. The detailed self-assessment shows how NRF issues are 'mainstreamed' in the Council and LSP. Our self-assessment of overall 'green' this year has just been validated by GONW. We have now merged the NRF and LAA commissioning activity,</p>	<p>LSP self-assessment</p>
<p>The Audit Commission's current consultation on CPA Service Blocks recognises the effect that deprivation has on several Pis. Because of our high deprivation, this effectively means that our performance on the 7 Pis affected is better than the raw performance suggests.</p>	<p>CPA service block consultation analysis</p>
<p>Demand and supply levels</p>	
<p>2005/6 Rising demand is evident in many areas and In many cases these increases have been absorbed within existing resources with no reduction in quality. For example:</p> <ul style="list-style-type: none"> • Planning applications increased but turnaround has improved with quality (as shown by appeals) maintained. <p>But the main area where rising demand results in rising cost is in social care where we have now revised threshold criteria to help manage budgets and children in need and looked after where a significant rise in both numbers and costs imposes severe budget pressures.</p> <p>2006/7 - Care Home Fees</p> <p>The level of fees paid to care homes for residential care in Wigan is low in relation to comparable fees in North West authorities. This is so even after adjusting for additional star rating premiums</p>	<p>Planning & Regeneration Departmental Plan</p> <p>Community Protection Departmental plan</p> <p>Cabinet reports on FACS and Children Looked After (1 / 2 / 3)</p>

<p>which are paid to care homes on the basis of quality of provision. The payments made represent good value to the Council in the context of increasing costs borne by care homes through the impact of successive years minimum wage increases and increasing energy and insurance costs.</p> <p>However, successive years of relatively low fee level increases have resulted in reductions in care home market capacity which means that any further restrictions in fee levels could result in capacity shortages. This could lead to the need for out of borough provision to be sought to deal with future demand which would be likely to be at a higher cost.</p> <p>Looked after children. Costs of out of borough placements for children are typically difficult to manage but the savings achievable through maintaining internal placements can be significant. Three additional in house places have been created with work ongoing to create a further three which could realise total savings of over £800k pa. Recruitment and retention of foster carers remains a high priority with additional emphasis on support of carers to maintain placement stability.</p> <p>A new Strategy Manager for commissioning has been recruited to assist with managing this area as we move to Childrens Trust status in 2008.</p> <p>We have also commissioned work from Deloittes to advise us on this and other areas of high costs in Children and Young Peoples services. Following the presentation of their findings in March 2007, a Working Group has been established to review the range of suggestions and develop an action plan for those areas that are considered to be viable.</p> <p>Schools Places – reducing schools rolls and shifting demographics within the Borough mean that the overall provision of school places needs to be kept under constant review. Strategy for investment in maintenance and new builds is being driven and influenced by the issues contained within the Children and Young Peoples Plan. (see 5.1.1a in this document)</p>	<p>Deloittes report and note of the Southern Cross meeting? Fairhurst report on care home sector In Wigan</p> <p>Note on Fostering Service- Action in respect of placement stability indicator.</p> <p>Deloittes CYPS Efficiency review (March 2007)</p>
<p>2007/8 We have made good progress in developing the Customer Relationship Strategy into our Public Service Transformation programme linked to the delivery of the JSC. Project teams and Project Initiation documents are in place</p>	<p>Draft Customer Relationship Strategy. Outline Business case for Joint Service Centre</p>

<p>Due to the success of encouraging electronic payments, included in the IEG agenda, one area of reducing demand is for cash payments and personal visits to District Offices. These reduced considerably after the BV Review of Access to Services that broadened access to Post Offices. So District Offices have been cut back appropriately and employees redeployed.</p>	
<p>A growing area of demand is for local focusing of services through Township Plans. This aligns with the agenda for community engagement and, to ensure VFM is maintained, will need to balance meeting requests for local shaping of services against economies of scale from standardisation.</p>	<p>Reports on township plans</p>

5.1.3 To what extent are costs commensurate with service delivery, performance and the outcomes achieved?	Reference to evidence source
<p>Please provide brief details and evidence to support your assessment in relation to the key areas of focus – please refer to the VFM Profiles tool for evidence:</p> <ul style="list-style-type: none"> • quality and standards achieved, including targeted investment to improve poorer services and quality of life; • results of service inspections; and • range of discretionary services provided. 	
<p>Whilst total expenditure on services remains in the lowest quartile for metropolitan councils the Council has been rated Excellent overall in CPA from 2002-05 – one of few from 150 upper tier councils to be so.</p> <p>71% of our PI's in the VFM profile pack have improved since 2004/05 compared to the single tier average of 67%. 40% of the PI's are in the best quartile compared to the single tier average of 28%.</p>	<p>VFM profile page 6 For 2005 and 2006 Page 8 for 2007 Audit Commission website. CPA scorecards (1 / 2)/3</p>
<p>Education has been top rated by DfES in CPA 2002-04 2007/8: JAR score of 3 was achieved in 2006, which acknowledged the high standards of achievement along with the sociological problems faced by the Borough. The profiles again show Upper quartile scores in levels of attainment at key stage 3 and GCSE (level 5 and above) for English, maths, science and ICT.</p>	<p>JAR report 2007 profiles</p>

Benchmarking data presented to the Schools Forum in October 2006 further confirmed the main themes of :

- Relatively low levels of funding
- High percentages of funding passported to schools
- Centrally retained SEN funding is low
- high recurring pensions costs

We have historic relatively high costs for **teachers pensions** compared with the Mets average. We changed our policy to address this in 1999 and further changes were made in 2005. Numbers and costs of teachers early retirements have consistently reduced since 2004/5.

2007/8 - The revised approach remains in place but will take a number of years before the "legacy" of the previous years practices is no longer apparent.

We recognise that our funding of the Youth Service is relatively low, this was a conscious decision to focus on core funding for schools. Nevertheless, our achievement of Government targets is more than proportionate to our spend.

VFM profile (page 15) showing high LEA Behavioural Support spending conflicts with DFES figures presented to Cabinet on 20/10/05, showing lower than median spend. Despite this, outcomes include reduction in permanent exclusions from 63 in 2004/5 to 17 in 2005/6 and improvement in tuition hours provided for excluded pupils through initiatives such as "*Notschool.net*" and *ACE*.

Following extensive consultation, reported to Cabinet in April 2006, the review of EBSD provision has resulted in Council approval to close High Lea and Kingshill schools and establish a single EBSD special school for 80 pupils, operational from September 2008.

The Young Friends Together Service for young people with social care needs was established in July 2005 to assist school leavers go through the transitional period. Full year savings estimated of £260k over previous arrangements with more effective outcomes due to the increased emphasis on support from peer group.

LA Education Benchmarking Tables 2006/7 (Schools Forum 10th October 2006)

Report to Cabinet 3rd Feb 2005 detailing scheme changes. Updated position statement.
Teachers Early Retirement Figures - e-mail from D.Brownlee 27/7/06

e-mail from D.Brownlee 31/7/06
Report to Cabinet 20/10/05

Review of provision for pupils with emotional, behavioural and social difficulties (Cabinet 21st September 2006)

<p>The profile indicates healthy levels of school balances, supported by the Audit Commission tool which shows average balances for Wigan schools at 5.98%, against the indicator threshold of 5% with high levels of stability between financial years. Only 1% (2 schools) of our schools are in deficit compared to Mets average of 10% (15 schools) and we have formal support procedures in place to assist recovery. -</p> <p>Balances have remained high in individual schools and this is being addressed on a school by school basis, both through central monitoring and support from the LEA along with direct input from Internal Audit in developing the Financial Management Standards in Schools (FMSiS). Schools Forum voted a direct payment of £50k for this service which represents a significant saving compared to the accreditation costs of up to £1500 per school as charged by external providers.</p> <p>We have a high proportion of Statemented pupils which has reduced following a review of the criteria applied along with the strategy to close 6 special schools, replace with 3 new special schools and increase mainstreaming of SEN children where practicable.</p> <p>2007/8 Whilst still upper quartile compared to similar authorities, numbers have reduced by 20% over the past 5 years, with year on year reductions being evident. Overall specialist provision is reducing with low needs children being integrated, where possible into mainstream schools, with the savings then being targeted at higher needs children.</p>	<p>www.audit-commission.gov.uk/schoolbalances/</p> <p>Note on SEN.</p> <p>Trend and Numbers of Statements</p> <p>Note of Trends and Number of Statements</p>
<p>2007 - We have slightly above average numbers of children looked after, which is acknowledged as having a direct link with levels of deprivation. Our costs per child/week at £605, are below the average of £707 for Unitary Councils. This is assisted by our above average numbers of children placed with LA foster carers, a success of the recruitment work undertaken previously. However, placement stability is slightly below average so further work is ongoing to remedy this position.</p>	<p>Cipfa “children looked after” benchmarks (based on 2006/7 estimates)</p>
<p>2007 profiles show spending levels on Older People and Adults is still below median on all areas except Mental Health, which is slightly above median. Spend per head on older people (65+) is significantly lower quartile.</p> <p>The overall CSCI rating in CPA has been 3 in 2002-05.</p> <p>Methodology changed in 2006 and a 2 star rating was awarded, (the equivalent of a score of 3 for CPA purposes)</p>	<p>VFM profile page 44</p> <p>Note on Adult Services Performance Measures 2006</p> <p>CPA scorecards (1 / 2 /3)</p>

<p>Environment spending is 24th of 36 metropolitan councils (2004/5 and 2005/6) and remains below median in 2006/7.</p> <p>CPA 3 in 2002 reduced to 2 in 2003 and 2004. In 2003 this was primarily due to the LTP rating (a sub-regional issue) and in 2004 to reduced planning performance - now recovered and a score of 3 awarded in 2005, and 2006 as described previously</p>	<p>2006 VFM profile page 45</p> <p>CPA scorecards (1 / 2 / 3)</p>
<p>2007 profiles show high levels of spending per head on waste collection. Reductions in customer satisfaction have also been identified.</p> <p>In line with the Council's Pay and Grading Review, the bonus scheme has been phased out (from April 2007) with a subsequent significant reduction in pay costs (approx £0.5m pa) . Constructive discussions with the workforce have helped to smooth the transition and improvements in customer satisfaction have also been recorded.</p>	<p>Waste Collection Best Value Review Update (Cabinet 10th May 2007)</p>
<p>2007 performance on Planning is top quartile whilst costs are just short of upper quartile.</p>	<p>Vfm profile</p>
<p>Community Housing spend was 22nd of 36 metropolitan councils (2004/5 and 2005/6)</p> <p>CPA rating 4 in 2002-04. 2005 ALMO inspection was Good Service with Uncertain Prospects for Improvement.</p> <p>2006 score was 3 .</p>	<p>2006 VFM profile page 46</p> <p>CPA scorecards (1 / 2 / 3)</p>
<p>Culture spend was 22nd of 36 metropolitan councils for 2004/5 and 21st of 36 for 2005/6.</p> <p>CPA rating 2 2004-2004. Library Standards increased from Poor/Poor (strategy/standards) to Good/Fair in 2005 (see also p13)</p>	<p>2006 VFM profile page 47</p>
<p>Benefits and Council Tax was lowest spend of 36 metropolitan councils in 2004/5, 35 of 36 in 2005/6, and 34 of 36 in 2006/7</p> <p>Council tax collection rates are upper quartile at 97% and CPA Benefits rating has been consistently high, scoring 4 in 2002-04, and CPA to a "harder test " in 2005 was 3 out of 4, remaining consistent in 2006/7</p> <p>2007 – spending levels remain low, but an assessment of 3 was again achieved in 2006 and subsequent improvements in performance will mean an improved overall assessment for 2007, although the score is expected to be marginally short of a 4.</p>	<p>2006 VFM profile page 48</p> <p>CPA scorecards (1 / 2 / 3)</p>
<p>Home Office Services spend is lowest quartile but this is a very small proportion of spend and is essentially made up from shares of costs determined by other agencies.</p>	<p>2006 VFM profile page 53</p>

<p>“Central Services and Other” was again lowest quartile spending.</p> <p>CPA Corporate Assessment 4 in 2002. Corporate Health rating 4 in 2002-04</p>	<p>2006 VFM profile page 54</p> <p>CPA scorecards (1 / 2)</p>
<p>Despite that very positive picture, the profile also identifies some areas for further investigation. To do this, all Directors and key resource management personnel were provided with copies of the profile; departmental nominees discussed issues emerging with the Deputy Chief Executive, and Director of Finance & IT supported by Policy & Performance and Internal Audit. The resulting update has been discussed through CDT, SMT and finally approved by Cabinet. Most of the areas highlighted were ones where action is already underway as a result of the processes described in 5.1.</p>	
<ul style="list-style-type: none"> • 	
<p>Results of service inspections;</p>	
<p>As an Excellent Council, we have had an ‘inspection holiday’ since April 2003 and reduced inspections before then. But major inspections in the last three years have still included:</p> <p><i>The 2005 evaluation by the CSCI which stated :“The Council serves all people well in relation to cost and efficiency. Commissioning for services is based on sound analysis of local population needs, including minority groups, and is successful in balancing cost and quality requirements. Spend on adult social care services are now more in line with the IPF average. The Council has a strong track record of delivering year on year efficiencies for social care services in terms of investing in quality, choice and coverage of services, while maintaining comparatively lower unit costs. Good progress on needs assessment, service commissioning and in reducing sickness absence. The Council has a track record of probity and efficiency across social care services and there is a higher level of engagement already in Health Act Flexibilities, with joint commissioning, some integrated teams and pooled budgets both in place and developing.”</i></p> <p>Inspection of Wigan & Leigh Housing ALMO published June 2005 – Good service with uncertain prospects for improvement but with some criticism of vfm approaches in the ALMO. However, good vfm was achieved with inbuilt inflation factors in partnering contracts and</p>	<p>Social Services Joint review report February 2004</p> <p>CSCI Annual Letter 2005</p> <p>Wigan & Leigh Housing Inspection Report 2005</p>

<p>good outcomes achieved with the £250m refurbishment programme, including reduced maintenance costs and high levels of tenant satisfaction, as evidenced by high levels of RTB and supported by tenant satisfaction survey which recorded 86% of household were “fairly satisfied” or “very satisfied” with their accommodation.</p>	<p>Wigan & Leigh Housing Tenant Satisfaction Survey 2003</p>
<p>Range of discretionary services provided.</p>	
<p>As a council we are concentrating more and more on achieving outcomes that deliver the Community Plan and Council Vision. Those outcomes are more important to us than whether a service is mandatory or discretionary. But we recognise our legal duties; our values include <i>“Everything we do is legal and ethical.”</i> And priorities in the Corporate Plan state <i>“We shall always meet legal obligations but will do so bearing in mind that we must be flexible to respond to more urgent local needs.”</i></p>	<p>Vision, Purpose and Values Corporate Plan</p> <p>Budget principles</p>

5.1.4 To what extent do costs reflect policy decisions?	Reference to evidence source
<p>Please provide brief details and evidence to support your assessment in relation to the key areas of focus:</p> <ul style="list-style-type: none"> • how costs are assessed when decisions are made; • the extent to which higher spending is in line with stated priorities; and • the extent of long term cost considerations with major investments or partnerships. 	
<p>How costs are assessed when decisions are made</p>	
<p>Proposals for service growth are subject to Member and Officer challenge – initially through a Peer Group Review / Star Chamber supported by finance staff. Growth proposals are aligned to Council priorities. Criteria are set out for investment decisions.</p>	<p>Copy of Growth Report and principles used Medium Term Strategy Capital Strategy</p>
<p>Reductions are similarly assessed by central finance staff and subject to a challenge process. One off savings are identified. Comments are made on the viability of the savings proposals. Proposals are linked through to the Gershon process. Progress on achieving savings is monitored and reported through to Cabinet.</p> <p>All reports to members require prior referral to the Director of Finance to validate the financial implications contained in the report</p>	<p>Copy of reductions list</p>
<p>Major projects include whole life costing approaches including Net Present Value and Discounted Cash Flow where appropriate.</p>	<p>Waste Recycling Group contract Platt Bridge, Westfield extended schools ALMO contracts</p>

<p>A reducing school-age population has been one of the driving forces behind the reviews of primary and secondary education provision.</p> <p>Asset reviews of school premises are continually ongoing, seeking opportunities to reduce numbers of low-usage / high maintenance cost buildings and create more efficient use of available places at other schools. Particular attention is paid to minimising the staffing (redundancy etc.) costs where staffing levels are also reduced as a result of school closures.</p> <p>Similar principles have applied in the review of SEN provision</p> <p>In the absence of specific approval for growth, these decisions are funded from within existing budgets.</p> <p>However, Wigan has been successful in being one of only 23 LAs in the country to be chosen as a pilot for primary capital programme. A large part of this success was due to robustness of AMP information and our strategic vision. This has brought in an additional £6.5 million to the Borough.</p>	<p>Reports on Primary and Secondary reviews (1 / 2)</p> <p>Asset Management Priorities for Schools and the Primary School Decision Making Model (Cabinet 21st September 2006)</p> <p>School Closures and Reorganisation 2006- Example VFM Case</p>
<p>The extent to which higher spending is in line with stated priorities</p>	
<p>The Audit Commission VFM profile reinforces that there are very few areas of high spend in Wigan relative to other metropolitan councils. Where there is a higher spend this can be explained or we can demonstrate that action is being taken (see paras 5.1.1 and 5.1.3 above for specific examples)</p>	<p>VFM profile</p>
<p>Overall spending across services as summarised on page 6 of the 2006 VFM profile is in line with Council priorities as expressed in our Vision, Purpose and Values and in the statement of priorities in the Corporate Plan.</p>	<p>VFM profile</p> <p>Vision, Purpose and Values in the Corporate Plan</p>

<p>The 'growth then cuts' budget process serves to redistribute resources to priority front line services.</p>	
<p>The extent of long term cost considerations with major investments or partnerships.</p>	
<p>Major investment decisions are subject to appraisal with outside assistance if appropriate – recent examples are the Leigh Sports Village appraisal of running costs and potential PFI schemes for Route A5225 and the Joint Service Centre.</p>	<p>Draft business plan for Leigh Sports Village PFI working papers</p>
<p>There is a process in place to ensure that all key decisions are highlighted and can be subject to referral to the Overview and Scrutiny Committee.</p>	

How is value for money being delivered and improved?**5.2 The council manages and improves value for money****What is the purpose of this section of the self-assessment?**

This section provides the authority with an opportunity to demonstrate how it manages and improves value for money including its processes for monitoring and reviewing its costs. Local fieldwork will focus on the extent to which the authority identifies and pursues opportunities to reduce costs or improve quality within existing costs. Please provide evidence of outcomes achieved from any processes described.

Completing the self-assessment

Please provide short statements using the pro-forma to address the key line of enquiry and each of the key sub-questions:

- 5.2 How well does the council manage and improve value for money?
- 5.2.1 How does the council monitor and review value for money?
- 5.2.2 How well has the council improved value for money and achieved efficiency gains (limited to the last three years)?
- 5.2.3 Do procurement and other spending decisions take account of full long term costs?

KLOE 5.2 How well does the council manage and improve value for money?	Reference to evidence source
<p>Please provide brief details and evidence to support your assessment focusing on:</p> <ul style="list-style-type: none"> • how the council manages its costs, while maintaining the quality of services and responding to local needs. 	

5.2.1 How does the council monitor and review value for money?	Reference to evidence source
<p>Please provide brief details and evidence to support your assessment:</p> <ul style="list-style-type: none"> • current processes for monitoring and reviewing costs, including: <ul style="list-style-type: none"> - consideration of value for money in the annual budget process; - internal reviews (including Best Value reviews); and - cost indicators. 	

Value for money in the annual budget process

We have a track record of delivering budget savings over the last three years and longer term

[Budget savings spreadsheet](#)

The budget process is based on explicit budget principles. Criteria for budget growth, cuts and carry forwards focus on delivering council objectives, invest to save etc.

DFIT memo re
[Budget principles](#)

Internal reviews

The major organisational remodelling reviews have already been described.

The ongoing reporting of performance against plans and budget monitoring ensure that costs, quality and effectiveness of services are constantly managed.

The development of the **Corporate Delivery Team (CDT)** agenda to have a specific focus on VFM means that individual projects are constantly challenged and reviewed. An ongoing analysis of VFM profiles at CDT means that variations from target or norms can be identified sooner, reported appropriately with remedial action being initiated more promptly. Specialist resources are available to services undertaking reviews to help understand and improve value for money where necessary.

Sample CDT agenda and specific VFM items

Collaboration with other local authorities:

The Council is exploring a number of opportunities for improving value for money and/or achieving cost savings through working in collaboration with other authorities, both within the Greater Manchester conurbation and across the North West region:

- **North West Centre of Excellence (NWCE)** – based at Tameside MBC, the NWCE provides a focal point for shared initiatives, particularly to take advantage of the combined purchasing power of the public bodies in the region.
- **AGMA shared services.** Wigan are active participants in the GM working group exploring the feasibility of shared services. In addition to helping set up and making use of the Specialist Computer Audit facility based at Salford Council, Wigan is involved in the working groups relating to provision of Revenues and Benefits Services.

Note to Finance DMT 2nd
March 2007- AGMA –
Revenues + Benefit
Collaboration

Note to Chief Executives
Strategy Group April 2007

AGMA Revenues & Benefits
Shared Working Project

<ul style="list-style-type: none"> • Greater Manchester VFM Group. Wigan have supported the establishment of this working group with a specific focus on and sharing knowledge, ideas and purchasing power to research, fund and pursue VFM opportunities • Equal Pay. Wigan have participated in a Greater Manchester working group to align strategies, timing and approx. values of payments, to minimise risks and costs in relation to equal pay claims. Whilst accepting that some compensation costs are inevitable, this was agreed as being preferable to losing a court battle with the resultant legal costs and potentially higher settlements. Sharing of costs of obtaining legal opinions enabled participating authorities to reduce overall legal costs and ensured consistency in advice and approach. Further work to calculate a composite tax rate in relation to compensation payments, rather than accepting the HMRC “offer” of a baseline 30% rate, has achieved a composite rate of around 20% (awaiting confirmation from HMRC), which represents a saving of some £700k on overall compensation settlements of around £7m. 	<p>Minutes of AGMA Value For Money Projects Group (18th June 2007)</p> <p>Pay and Grading Review (Council 1st November 2006)</p>
<p>Transport Reviews</p> <p>Conscious of the potential for improved VFM we have commissioned a joint contract between transport provided within Children and Young People Services and transport in Adult Services and the combined provision is to shortly be put out to tender. The joint contract will be some £3.1m.</p> <p>A Best Value Review of the Transport DSO has resulted in a review of staffing levels to reduce our relative unit costs. More significantly, to ensure benefits arise from collaborative procurement, Wigan is leading the AGMA Vehicle Procurement Group to secure the benefits of combined purchasing power, standardisation and maintenance of vehicles.</p> <p>The vehicle replacement programme seeks to maximise value for money both through the quality of the vehicles purchased and in minimising the financing costs, which represent a significant proportion of the annual spend of the Transport DSO.</p> <p>Arrears</p> <p>Work on the collection of arrears, through the Arrears Recovery Team in Adult Services, is continuing to generate benefits. The amount of income from Charging Policy in 2005-06 was some £400k in excess of budget due to a combination of increases in the level of fees and charges,</p>	<p>Report to Cabinet 30th March 2006</p> <p>Acceptance of tenders for fifteen welfare vehicles from the 2006/2007 vehicle replacement programme (Cabinet 22nd February 2007)</p>

though also better recovery arrangements. Improvements in arrears recovery have resulted in an increase in the percentage of debt collected in 2005-06 of 0.8% to 96.75%. The improved arrears recovery has also enabled a successive reduction in the Provision for Bad and Doubtful Debts of around £346k over the past two years. Income collection performance and targets are regularly reported to the Audit, Governance and Improvement Review Committee.

The implementation of eligibility changes under **Fair Access to Care** during 2005-06, together with other associated changes to packages, delivered savings of around £440k in 2005-06. In February 2006 we also recruited external consultants after the initial phase of implementation with a view to generating more ambitious savings and an Action Plan is about to be reported to Cabinet.

Agency Staff

A collaborative approach with other North West Councils is designed to standardise rates paid to staffing agencies to provide overall savings in temporary staffing costs.

Prior to implementation, a Preferred Supplier List (PSL) was arranged, effective from April 2006 to reduce the variances and levels of rates being paid for agency staff. This achieved savings of around £33k pa. The formal contract becomes operational in July 2007 with Commensura appointed as Managing Agents. With spending on Agency staff amounting to some £2.2 m per annum, savings of around £700k over a 3 year period can potentially be achieved. This will be further supplemented by efficiencies in the back office processes, initially estimated at some £1.4m although this will be difficult to demonstrate as the processes are already being re-engineered through the Support Services Review

Capital projects, in 2005 we refreshed our internal review processes and established a senior Capital Strategy Management Group that reports direct to Management Team. We have implemented a clear appraisal process and increased the number of PRINCE 2 trained project managers, which we are adapting to develop a corporate standard.

Management of the Capital programme remains an ongoing priority to ensure projects are delivered on time and within budgets, as the opportunity cost of slippage and overspends is recognised as a significant risk.

The **Capital Strategy** is currently being refreshed to ensure that capital projects and spending are

Departmental Performance
(AGIR Committee 7th June
2007)

Agency Staff Procurement
Project (Cabinet 14th
December 2006)

[CSMG terms of reference
report.](#)

<p>totally aligned with the updated Vision and Objectives of the Council.</p>	
<p>Cost indicators</p>	
<p>The Annual Performance Assessment Dataset for Childrens Services, our biggest area of spending, includes several absolute and unit cost measures.</p> <p>Cost issues emerging are mainly about cost of children in need and looked after, surplus school places and low provision for Youth Services.</p> <p>The APA dataset has been used to inform the first APA self-assessment and is now being used to develop the new Children’s Services Plan.</p>	<p>Wigan Council Children’s APA dataset (DfES)</p>
<p>The Social Services Performance Assessment Framework contains four unit cost indicators. Three of these relate to adult services, and one relates to children’s services. In the latest CSCI ratings for 2004/05, the three adult unit costs were all rated as ‘●●● good’, and the children’s unit cost was rated as ‘●● ask questions’.</p> <p>These indicators are used as part of the ongoing Performance Assessment Framework dialogue on performance in social care for adult services with CSCI, and jointly with OfSTED for children’s services.</p>	<p>Social Services Performance assessment Framework Indicators (November 2005) National Statistics</p> <p>Report on Children Looked After</p>
<p>The number of BVPI cost and unit cost indicators has reduced considerably in recent years as part of a conscious policy within ODPM.</p>	<p>ODPM consultation on BVPIs in 2005-06</p>

<p>But as a council, we have recognised the importance of measuring and monitoring cost when national measures are moving away from this, so our core management standard for performance measures (agreed in November 2004) covers measures of total cost and unit cost appropriate for comparison over time within the council and with other organisations. This has been implemented from April 2006 for all services. In many cases these will be developments of existing cost measures used as part of benchmarking clubs like CIPFA benchmarking, AGMA groups and so on. The support services review recognises that some areas have been excluded from formal cost and performance measurement & management so a framework has been developed to address this position.</p>	<p>Wigan Council Standards for Performance Measures and Service Planning</p>
<p>This information informs the prioritisation and planning processes explained earlier.</p>	
<p>The council's overall targets for improving cost-effectiveness were embodied in our Local Public Service Agreement 2002-2005 that included a target to improve cost-effectiveness by 7.5% over the three years. In fact, we achieved 14.48% over the three years.</p> <p>We have nevertheless made a commitment to continue seeking value for money and efficiency in our Corporate Plan 2005-06 and incorporated a target of £6.7million efficiency gains for each of the next three years.</p>	<p>LPSA1 Cost effectiveness spreadsheet.</p> <p>Corporate Plan</p>
<p>Overall the LPSA1 achieved 7 of the 12 targets in full and 1 in part. But there were improvements in every area.</p>	<p>Corporate Plan</p>
<p>Our budget process operates by first considering growth and then cuts. Growth is only allowed according to agreed criteria including 'invest to save' and contribution to achieving council priorities. In this way we are able to redirect resources as priorities change and in response to external demands without simply spending more money.</p> <p>£700k of the budget cuts for 2005-06 qualify as efficiency gains.</p>	<p>Criteria for growth (DFIT memo)</p> <p>Budget reports</p> <p>Spreadsheet summarising budget savings</p>
<p>2006/7 Following 2 years of deficits, revision of operational practices and management structures has helped deliver a £333,000 Surplus for Leigh Building Services for 2005/6.</p>	

<p>A surplus of £232k was also achieved for 2006/7.</p>	
<p>Procurement of electricity for street lighting via YPO has produced savings of £400k compared to standard industry prices. Schools have benefited from corporate contracts and assistance in managing energy costs.</p> <p>Recent rises in energy prices have prompted a focus on managing and reducing long term energy costs which will have both financial and environmental benefits. – Projected cost increases to over £22m pa by 2011 from current level of £6.8m pa. A range of potential energy saving projects have been presented to Cabinet (Feb 07), some of which will require initial investment but the longer term savings will help to sustain the Carbon Management Programme. Installations of “Powerperfector” units for high consumption premises (eg Wigan Market Hall, schools and sports centres) are being explored which will reduce costs and complement the Councils Carbon management agenda.</p>	<p>Proposals for the Reduction of Carbon Emissions and Energy Consumption within the Borough (Cabinet 22nd February 2007)</p> <p>Local Authority Carbon Management Programme- Strategy and Implementation Plan</p>

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<p>5.2.2 How well has the council improved value for money and achieved efficiency gains over the last three years?</p>	<p>Reference to evidence source</p>
<p>Please provide brief details and evidence to support your assessment. Please append your backward looking Efficiency Statement covering 2005/06:</p> <ul style="list-style-type: none"> • council targets for value for money and efficiency gains; and • the achievement of efficiency gains. 	

<p>Our Revised Backward looking Efficiency Statement for 2004-05 has identified £5.6 million efficiencies not including all qualitative efficiency gains, for which we await further guidance on calculation.</p> <p>Backward Look for 2005/06 identified cumulative gains (2004/05 & 2005/06) of £14.4 million of which £12.8 million are deemed to be cashable and £13.5 million are ongoing . Initial feedback from DCLG has required minimal additional information on quality cross checks to support the Statement.</p>	<p>Backward Looking Efficiency Statement 2004-05</p> <p>Backward looking statement 2005/6</p>
<p>2005/6 One of the major budget issues in recent years has been a continuous increase in demand for social care that has put severe pressure on budgets. Part of our response has been to increase thresholds for care, which had previously been lower than many other councils. The effect is to concentrate on fewer clients with higher levels of need and therefore higher costs. This results in what appear to be lower levels of efficiency.</p> <p>2006/7 In making these changes, we have developed initiatives such as “Fair Access to Care” and the Resource Allocation Model to help ensure care needs are met at all levels.</p> <p>To maintain support for lower priority groups, we have enhanced the arrangements with social and voluntary agencies such as Wigan link (with some £1m in care contracts), Age Concern, Eldercare (mobile wardens) and .the Ethnic Minority Older Peoples Group.</p> <p>We recognise the added value that can arise from effective working with community, voluntary and social support organisations and so have developed an extensive network of agencies who are linked with the Council in providing community based services and we are therefore able to reach higher numbers of people who need support.</p> <p>2007 – there is however a tension between the principles of the Direct Payments scheme and the ability to achieve cost effective care and support.</p> <p>Service Users’ choices are not always based on a “best use of overall budgets”, so as numbers of Direct Payments increase, collective purchasing power, probity and monitoring of standards all become more difficult to ensure and all impact on the ability to achieve best vfm. This has been included in the risk register for Adult Services and will be discussed at National forums to ensure the risks are managed as effectively as possible.</p> <p>We have commissioned advice from Deloitte Management Consultants who have drawn on the experience of other authorities and we have drawn up an action plan to assist in addressing budget pressures. We focussed attention on the Aids and Adaptations budget and have contained</p>	<p>Deloitte's final report</p> <p>Deloitte's Action Plan</p>

<p>expenditure within the target whilst directing resources to priority needs. A further review of potential efficiency savings was commissioned from Deloitte in respect of CYPS. The report, produced in March 2007, identified a range of opportunities that are currently being prioritised for further investigation.(outlined previously in this document)</p>	<p>Deloitte CYPS Efficiency Review (March 2007)</p>

5.2.3 Do procurement and other spending decisions take account of full long-term costs?	Reference to evidence source
<p>Please provide brief details and evidence to support your assessment:</p> <ul style="list-style-type: none"> • how value for money is built into the council's procurement practice; • the extent to which a 'whole life' approach is taken to spending and procurement decisions; • identifiable savings achieved through procurement; and • use of external funding to deliver council priorities. 	
<p>How value for money is built into the council's procurement practice</p>	
<p>The Council has adopted a procurement strategy aimed at delivering the National Procurement Strategy for Local Government by December 2006.</p> <p>We have worked with the Audit Commission to conduct a health check on procurement and identify areas for improvement. This produced some positive outcomes and will inform future direction.</p> <p>Procurement arrangements now have a more strategic perspective with some (Spikes Cavell) detailed analysis of spending patterns which have identified, for example that our top 50 suppliers account for 80% of spending. Further analysis is ongoing to audit those contracts with annual spend valued between £50k to £150k.</p> <p>This will enable the Procurement Strategy to be updated, taking into account issues such as aggregation of spend across different services, ethical procurement , collaboration with other bodies, along with streamlining our business processes to reduce numbers and costs of transactions</p>	<p>Wigan Council Procurement Strategy</p> <p>Annual Procurement Report 2006/7 (CDT 29th May 2007)</p>

	MT report
2006 We participate in the Regional Centre of Excellence and currently lead the Vehicle Procurement workstream (part of collaborative services).	Working papers (available on request)
<p>We have audited capital spend over £150k and established that in general:</p> <ul style="list-style-type: none"> • Contracts were let according to Standing Orders and Financial Regulations • We complied with OJEU • Contracts were monitored and managed • We use Gateway peer reviews and have trained a number of peer assessors. • Contracts were re-let to time scales 	Report to Management Team
The extent to which a 'whole life' approach is taken to spending and procurement decisions;	

<p><i>The waste disposal contract with WRG Ltd was costed over the full length of the contract.</i></p>	<p>Working papers on contract award (available on request)</p>
<p><i>We have developed a different approach to procuring major vehicles involving prudential borrowing and leasing that takes whole life costs into account.</i></p>	<p>Cabinet report (1 / 2)</p>
	<p>Information Strategy</p>
<p><i>On major capital projects we have used Egan principles and whole life costings on the new extended schools, Westfield and Platt Bridge. Capital projects use NPV and DCF principles to evaluate where appropriate.</i></p>	
<p><i>Landgate School for autistic spectrum disorder (ASD) children was costed over whole life where the business case included savings on transport and out of borough placements.</i></p> <p>Due to the numbers of children within the borough with ASD, and the increased costs of education for 16 – 19 year olds, a further business case has been developed to use Prudential Borrowing to extend the building and increase the provision at Landgate School to:</p> <ul style="list-style-type: none"> • extend the age range to cater for pupils up until the age of 19 years; • increase the approved number to 70. 	<p>Proposed extension of Landgate School (Cabinet, 15th March 07)</p>
<p><i>Carbon management initiatives – acknowledge that “invest to save” is usually required so our approach requires a robust business case to be provided to demonstrate the payback for the up-front investment.</i></p>	

<p><i>Our Joint Service Centre PFI bid and work on potential Route A5225 PFI are, of course, working on whole-life costs.</i></p>	
<p><i>Identifiable savings achieved through procurement</i></p>	
<p><i>Examples of savings include:</i> YPO dividend - £427k in 2004-05, £435k in 2005/6 Restructure of cash offices £300k per annum YPO price uplift only 1% (less than inflation) - £30k per year YPO contract for feminine hygiene services - £30k per year. OGC Vodafone contract</p>	<p>Report to Cabinet 30/9/2004</p>

<p>We have conducted research with the Regional Centre of Excellence and Spikes Cavell on both local and regional spend analysis to identify areas of high individual and collective spend, and number of suppliers and invoices. These are currently being addressed through the procurement strategy, supported by initiatives such as electronic purchasing and purchase cards, aligning with the objectives of the Support Services review ,designed to streamline “back office” functions</p>	
<p>We have adopted an OGC contract for mobile phones and have implemented an OGC contract for licensing MS Office software under an enterprise agreement rather than purchasing licences on an ongoing basis. This is expected to save around £286k over the 5 years period</p> <p>Making use of NWeG collaboration in purchasing, a level of disaster recovery cover has been arranged (Sunguard) which incorporates a mobile suite of Servers to enable IT operations to be restored, even if premises are destroyed. The joint arrangement has been taken up by a number of neighbouring authorities and enabled savings of up to 80% of list price.</p> <p>IT equipment is purchased from suppliers negotiated by YPO, but still involves an element of competition on a regular basis due to the dynamic nature of the market for IT products.</p> <p>Part of our Information Strategy is to use ‘thin client’ technology for basic applications, thus reducing maintenance and software costs and extending the effective life of hardware.</p>	<p>Cabinet report IT Strategy June 2006</p> <p>Licence Costings</p>
<p>We have worked with our Audit Commission performance team to improve management and direction of procurement activities and ensure we are spending our resources wisely.</p>	
<p>The Backward Looking Efficiency Statement for 2006/7 is currently showing potential in-year efficiency savings of £5.681m of which £4.571m are deemed to be cashable. Further amounts of £2.423m have also been identified for possible inclusion in the AES.</p>	<p>Backward Looking Statement 2006-07 (appended)</p>
<p><i>Use of external funding to deliver council priorities</i></p>	

<p>The Borough's demographic profile puts us in a position where we are able to apply for additional funds to increase investment without raising local tax levels. More and more this is also requiring that the applicant demonstrate sound processes and track record of achievement. The 2003 Audit Letter commented favourably on funding gained via the ALMO, WLCT and LIFT.</p> <p>We are currently running or supporting a number of projects which attract EU funding, with over £18m of external funding being attracted into the borough since 2002 to support it's regeneration.</p>	<p>Audit Letter 2003</p> <p>Funding Monitoring Figures</p>
<p>Care is taken to establish exit strategies to safeguard against risk from expiring grant monies. Our medium term financial plan takes account of services funded by external grant where we make a conscious decision to mainstream them.</p>	<p>Examples in medium term financial plan</p>

Context

Please provide any other information you feel is relevant.	
Comments	Reference to evidence source
<p>The Borough has high levels of morbidity relative to other parts of the country, and within the Borough there are marked health inequalities and evidence of poor lifestyle choices. This, combined with relatively low levels of skills, has the potential for making Wigan a “depressed” Borough.</p> <p>External assessments have confirmed that the reality is far different, although the strains placed particularly on the people-based services are recognised.</p> <p>All of the Council’s Strategies reflect the reality of the situation and provide a vision for helping to improve the lives of the residents, whilst ensuring maximum value is obtained from every £ spent.</p>	<p>Local Futures Audit / Local Area Agreement / Borough Health Survey</p>