

BRISTOL CITY COUNCIL

Audit Committee

8 April 2011

Report of: Peter Robinson, Service Director - Finance

Title: Responding to recommendations of Grant Thornton Annual Audit Letter

Ward: Citywide

Officer Presenting Report: Denise Hunt

Contact Telephone Number: 0117 903 7847

RECOMMENDATION

1. Members are asked to note the progress being made in response to the recommendations in the Grant Thornton Audit Letter 2009-10
2. The Committee's views are invited.

Summary

This report provides an update on progress being made towards addressing the performance management and value for money issues raised in the Grant Thornton Annual Audit Letter 2009/10.

The significant issues in the report are:

Progress in 2010/11 includes:

- a revised Performance Management Strategy was approved by SLT in August 2010;
- quarterly budget reports including Directorate scorecards have been reported to Senior Leadership Team (SLT), Cabinet and Resources Scrutiny Commission;
- revised VFM strategy is due to be approved in April 2011 including strengthened ownership and responsibility of VFM at all levels of the Council, agreed VFM priorities for 2011/12, requirement for VFM measures and strengthened governance and reporting arrangements;
- new approach to VFM benchmarking using CIPFA statistical data;
- targeted improvement work being undertaken in Health & Social Care

Policy

1. The content of this report relates to the Council's Performance Management Strategy (approved August 2010) and the draft Value for Money Strategy.

Consultation

2. Internal

Not applicable

3. External

Not applicable

Introduction

4. This report provides an update on the work that the Corporate Performance & Improvement Team (CP&IT) is undertaking, with a particular focus on the issues raised in the Grant Thornton Annual Audit Letter 2009/10 presented to this Committee on 12 November 2010.

Performance management arrangements

5. The Annual Audit Letter identified the following as one of the 2 key areas where action should be taken by the Council to further improve its arrangements during 2010/11:

"The Council should develop its corporate performance management arrangements, to ensure both the Strategic Leaders and Cabinet fully understand how the Council is performing and delivering its strategic objectives across the Council"

6. During 2010/11:

- quarterly budget reports including Directorate scorecards have been reported to Senior Leadership Team (SLT), Cabinet and Resources Scrutiny Commission;
- a revised Performance Management Strategy was approved by SLT in August 2010;
- a monthly performance management related item has been introduced on the SLT agenda. This has a rolling programme of reports: month 1 – Directorate Scorecards and Bristol Partnership Report Cards; month 2 – progress against external inspection reports action plans and; month 3 – other performance items e.g. VFM strategy review.
- progress reports, in the form of Central Project Reporting summaries,

for key programmes and projects are taken monthly to the Strategic Options Delivery Board.

Value for money

7. The VFM conclusion, summarised in the Annual Audit Letter identified 3 main areas where further action is required by the Council, of which 2 areas are relevant to the work of the Corporate Performance & Improvement Team and are therefore covered in the table below.

Further action is required	Action taken during 2010/11
<p><i>“demonstrating clear outcomes, such as savings and improved performance as a result of its corporate VFM and commissioning strategies. The Council should be able to demonstrate that its key services such as Adult Social Care are value for money”</i></p>	<p>1. Revised and refreshed VFM strategy went to SLT on 8 March 2011</p> <p>Key changes include:</p> <ul style="list-style-type: none"> • Strengthened ownership and responsibility, whereby VFM must be a central focus and be the responsibility of every budget holder and employee in the council • VFM priorities for 2011/12, based on benchmarking evidence, to be agreed by each Directorate as a focus for VFM work • VFM measures to include at least one economy* (cost) measure listed on SPAR.net and one efficiency or one effectiveness measure (*only 7% of services currently have an economy measure on SPAR.net) • Strengthened governance and reporting including quarterly and annual reports to SLT, Service Directors and Cabinet <p>The CP&IT will undertake focused improvement work to deliver improvements in the agreed VFM priority areas.</p> <p>2. The CP&IT have already started</p>

Further action is required	Action taken during 2010/11
	<p>focused improvement work supporting Health & Social Care in a key VFM priority area.</p> <p>4. The CP&IT have implemented a new approach to VFM benchmarking using CIPFA statistical data as a starting point. This integrates performance and financial information and ensures that the impact of either type of data on the other can be monitored and understood by managers and members.</p>
<p><i>“the introduction of corporate performance monitoring arrangements, which integrate both financial and performance information. During 2009-10 the Council did not have processes in place to enable strategic performance management, to monitor performance across the whole Council. Performance management has been focused at under performance at Directorate level. This is currently being addressed through the introduction of Corporate Performance Scorecards”</i></p>	<p>See section 6</p> <p>Financial and performance monitoring has been brought together to provide a clearer picture of outcomes. The development of Directorate scorecards is at an early stage and the exact detail of information is being reviewed to ensure that they can provide a useful evidence base on which to make decisions rather than be just a monitoring document.</p>

Other Options Considered

8. Not applicable

Risk Assessment

9. Not as a result of this report

Equalities Impact Assessment

10. There are no issues arising from this report

Legal and Resource Implications

None arising from this report

Appendices:

None

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
Background Papers:**

Grant Thornton's Annual Audit Letter 2009-10