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13 July 2009

S U M M O N S

MEETING: Standards and Governance Committee
DATE: 21 July 2009
TIME: 6.00 p.m.
PLACE: Committee Room 1, Town Hall, Gosport
Democratic Services contact: Chris Wrein

LINDA EDWARDS
BOROUGH SOLICITOR

MEMBERS OF THE COMMITTEE

Mr R V Perry
(Independent Member)

Mr G A Lidgley
(Independent Member)

Councillor Burgess
Councillor Cully
Councillor Forder

Councillor Gill
Councillor Kimber
Councillor Wright

FIRE PRECAUTIONS

(To be read from the Chair if members of the public are present)

In the event of the fire alarm (single continuous sound) being activated, please leave the room immediately.

Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

IMPORTANT NOTICE:

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

NOTE:

- i. Members are requested to note that if any member wishes to speak at the meeting then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off for the duration of the meeting.

AGENDA

RECOMMENDED
MINUTE
FORMAT

PART A ITEMS

1. APOLOGIES FOR NON-ATTENDANCE
2. ELECTION OF CHAIRMAN FOR THE MUNICIPAL YEAR 2009/10
3. ELECTION OF VICE-CHAIRMAN FOR THE MUNICIPAL YEAR 2009/10
4. DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter, any personal or personal and prejudicial interest in any item(s) being considered at this meeting.

5. MINUTES

To approve as a correct record the Minutes of the Committee meeting held on 23 April 2009 (copy attached)

6. DEPUTATIONS – STANDING ORDER 3.5

(NOTE: The Committee is required to receive a deputation(s) on a matter which is before the meeting of the Committee provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Friday, 17 July 2009. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

7. PUBLIC QUESTIONS – STANDING ORDER 3.6

(NOTE: The Committee is required to allow a total of 15 minutes for questions from Members of the public on matters within the terms of reference of the Committee provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Friday, 17 July 2009).

8. LOCAL GOVERNMENT OMBUDSMAN: ANNUAL REVIEW 2008/09

Part II

To advise the Committee of the Annual Review 2008/09 received from the Local Government Ombudsman.

Contact Officer:
Linda Edwards
Ext 5400

9. INTERNAL AUDIT – PROGRESS REPORT FROM 1ST APRIL – 30TH JUNE 2009

Part II

*To table the performance of the Internal Audit Section in the first four months of 2009/10 (1st April 2009 – 30th June 2009) against the agreed audit plan to the Members with responsibility for governance.
To provide Members with an update on other key internal audit business within that same period.*

Contact Officer:
Chris Davis
Ext 5306

Standards and Governance Committee
21 July 2009

10. USE OF RESOURCES - UPDATE

Part II

To inform the Committee of changes to the Use of Resources (UoR) test and recommend an appropriate response.

Contact Officer:
Peter Wilson
Ext 5301

11. STANDARDS AND GOVERNANCE COMMITTEE WORKPLAN

Part II

Workplan attached.

Contact Officer:
Linda Edwards
Ext 5400

12. ANY OTHER ITEMS

-which by reason of special circumstances the Chairman considers should be considered as a matter of urgency

Agenda item no. 8

Board/Committee:	Standards and Governance Committee
Date of meeting:	21 July 2009
Title:	Local Government Ombudsman: Annual Review 2008/09
Author:	Borough Solicitor
Status:	For noting

Purpose

To advise the Committee of the Annual Review 2008/09 received from the Local Government Ombudsman.

Recommendation

That the Committee note the report.

1.0 Background

- 1.1 The Local Government Ombudsman writes to all local authorities on an annual basis summarising the complaints about the authority which have been dealt with by the Ombudsman during the previous year ending 31 March.
- 1.2 The Ombudsman's Annual Review 2008/09 is attached to this report as Appendix A.

2.0 Report

- 2.1 The Ombudsman's Advice Team received 28 complaints and enquiries during 2008/09. Of these, six were about Housing issues, seven about benefits administration, five were in the public finance and local taxation category and ten concerned a variety of other issues.
- 2.2 Of those complaints and enquiries, 18 were treated as premature and in a further six cases advice was given (usually to make a complaint direct to the Council).
- 2.3 The Ombudsman decided four complaints against the Council during the year. In one case no evidence of maladministration was found. The Ombudsman's discretion was used not to investigate a further complaint as there was no significant injustice to the complainant. In another case the Ombudsman took the view that the matters were outside his jurisdiction. One case resulted in a local settlement.

- 2.4 The timetable for responses to the Ombudsman is monitored by officers and action taken where necessary. In 2008/09 the average number of days taken send a substantive response to first enquiries was 26 working days compared to 30 days and 37 days in 2007/08 and 2006/07 respectively.

3.0 Risk assessment

- 3.1 It is important that the Council has an effective and robust Customer Complaints Procedure in place in order to minimise the instances of compensation being paid.

4.0 Conclusion

It is intended that this review be included on the Council's website.

Financial implications:	The Council may agree, where it feels justified, to make compensation payments to complainants. The Ombudsman may make recommendations regarding compensation
Legal implications:	None
Service Improvement Plan implications:	None
Corporate Plan:	The information provided by the Ombudsman assists the Council in more effectively managing its performance and enhancing customer service
Risk Assessment:	It is important that the Council has an effective and robust Customer Complaints Procedure in place in order to minimise the instances of compensation being paid
Background papers:	Local Government Ombudsman Complaint Statistics
Appendices/Enclosures:	Appendix A – Local Government Ombudsman's Annual Review 2008/09
Report Author/Lead Officer:	Linda Edwards

16 June 2009

Mr I Lycett
Chief Executive
Gosport Borough Council
DX 136567
Gosport 2

Our ref: JRW/VAJ/RJD
(Please quote our reference when contacting us)

**If telephoning contact: Ms Vereena Jones on 02476 820043
or e-mail: v.jones@lgo.org.uk**

Dear Mr Lycett

Annual Review 2008/09

I am writing to give you a summary of the complaints about your Council that my office has dealt with over the past year, set out in the annual review attached. We have changed the name from annual letter to annual review to better describe the updated document format. I hope you find the review a useful addition to other information you have on how people experience or perceive your services.

The review is split into two sections. The first concerns complaints about your Council and the second section provides a general update on LGO developments. This includes our proposal to introduce 'statements of reasons' for Ombudsmen decisions. I would welcome your views on this and any comments you may have on the form and content of the review.

We will publish all the annual reviews on our website (www.lgo.org.uk) and share them with the Audit Commission. We will wait for four weeks after this letter before doing so, to give you an opportunity to consider the review first. If any material factual inaccuracy is found we will reissue it. We will also publish on our website a summary of statistics relating to the complaints we have received and dealt with against all authorities.

I would again be happy to consider requests for me or a senior colleague to visit the Council to present and discuss the letter with councillors or staff. We will do our best to meet the requests within the limits of the resources available to us.

I am also arranging for a copy of this letter and the review to be sent to you electronically so that you can distribute it easily internally and put the annual review on your Council's website. You do not need to include this covering letter on your website.

/...

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DX:DX 702110 Coventry 6
W: www.lgo.org.uk
Advice Team: 0845 602 1983

Jerry White
Local Government Ombudsman
Neville Jones
Deputy Ombudsman

Page 2
Mr Lycett

This is the last Annual Review that I will have the honour of presenting to your authority. I retire from my position as Local Government Ombudsman on 30 September 2009, after more than fourteen years in post in order to become Professor in London History at Birkbeck, University of London. I would like to take this opportunity to thank you for the unfailing courtesy I have received from officers and Members of the Council during my period in office; and I offer the Council warmest wishes for the future.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'J R White'.

J R White
Local Government Ombudsman

**The Local Government Ombudsman's
Annual Review**

Gosport Borough Council
for the year ended
31 March 2009

The Local Government Ombudsman (LGO) provides a free, independent and impartial service. We consider complaints about the administrative actions of councils and some other authorities. We cannot question what a council has done simply because someone does not agree with it. If we find something has gone wrong, such as poor service, service failure, delay or bad advice, and that a person has suffered as a result, the Ombudsmen aim to get it put right by recommending a suitable remedy. The LGO also uses the findings from investigation work to help authorities provide better public services through initiatives such as special reports, training and annual reviews.

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Section 1: Complaints about Gosport Borough Council 2008/09

Introduction

This annual review provides a summary of the complaints we have dealt with about Gosport Borough Council. We have included comments on the authority's performance and complaint-handling arrangements, where possible, so they can assist with your service improvement.

I hope that the review will be a useful addition to other information your authority holds on how people experience or perceive your services.

Two appendices form an integral part of this review: statistical data for 2008/09 and a note to help the interpretation of the statistics.

Changes to our way of working and statistics

A change in the way we operate means that the statistics about complaints received in 2008/09 are not directly comparable with those from 2007/08. Since 1 April 2008 the new LGO Advice Team has been the single point of contact for all enquiries and new complaints. The number of calls to our service has increased significantly since then. It handles more than 3,000 calls a month, together with written and emailed complaints. Our advisers now provide comprehensive information and advice to callers at the outset with a full explanation of the process and possible outcomes. It enables callers to make a more informed decision about whether putting their complaint to us is an appropriate course of action. Some decide to pursue their complaint direct with the council first.

It means that direct comparisons with some of the previous year's statistics are difficult and could be misleading. So this annual review focuses mainly on the 2008/09 statistics without drawing those comparisons.

Enquiries and complaints received

Our Advice Team received 28 complaints and enquiries during the year. Of these six were about housing issues, seven about benefits administration, five were in the public finance and local taxation category, and ten concerned a variety of other issues, including just one about planning-related matters.

We treated 18 of those complaints and enquiries as premature and in a further six cases advice was given (usually to make a complaint direct to the Council). The remaining four complaints were forwarded to the investigative team either as new complaints or as premature complaints that had been resubmitted.

Complaint outcomes

I decided four complaints against the Council during the year. In one of those cases I found no evidence of maladministration. I used my discretion not to investigate a further complaint, because, as is sometimes the case, there was no significant injustice to the complainant, and no need for me, therefore, to consider whether or not there was fault by the Council. In another case I took the view that the matters complained about were outside my jurisdiction and so they were not investigated.

Local settlements

A 'local settlement' is a complaint where, during the course of our investigation, a council takes or agrees to take some action that we consider to be a satisfactory response to the complaint. In 2008/09, 27.4% of all complaints the Ombudsmen decided and which were within our jurisdiction were local settlements. Of the complaints we decided against your authority, one resulted in a local settlement. In that case the complainants alleged that your Council had failed to investigate and consider the relevant circumstances before applying a penalty to their housing register application on the grounds of rent arrears in a non-Council tenancy, and that its threshold for doing so was too low and therefore unfair. As part of my investigation an advocate put forward new information on the complainants' behalf that the Council had not previously seen. My staff asked your Council to consider the information, and as a result it lifted the penalty and agreed to review procedures to see if any lessons could be learnt. I am grateful to it for doing so.

Liaison with the Local Government Ombudsman

Formal enquiries were made on only one complaint during the year. Your Council's response time of 26 days is slightly shorter than last year's time of 30 days and now falls inside the 28 days requested. This improvement is commendable, and I am very grateful for the Council's efforts here.

My officers continue to appreciate the readiness of your staff to consider taking early action to resolve complaints.

Training in complaint handling

Part of our role is to provide advice and guidance about good administrative practice. We offer training courses for all levels of local authority staff in complaints handling and investigation. All courses are presented by experienced investigators. They give participants the opportunity to practise the skills needed to deal with complaints positively and efficiently. We can also provide customised courses to help authorities to deal with particular issues and occasional open courses for individuals from different authorities.

I have enclosed some information on the full range of courses available together with contact details for enquiries and bookings.

Conclusions

I welcome this opportunity to give you my reflections about the complaints my office has dealt with over the past year. I hope that you find the information and assessment provided useful when seeking improvements to your Council's services.

J R White
Local Government Ombudsman
The Oaks No 2
Westwood Way
Westwood Business Park
Coventry
CV4 8JB

June 2009

Section 2: LGO developments

Introduction

This annual review also provides an opportunity to bring councils up to date on developments – current and proposed – in the LGO and to seek feedback. It includes our proposal to introduce a ‘statement of reasons’ for Ombudsmen decisions.

Council First

From 1 April 2009, the LGO has considered complaints only where the council’s own complaints procedure has been completed. Local authorities have been informed of these new arrangements, including some notable exceptions. We will carefully monitor the impact of this change during the course of the year.

Statement of reasons: consultation

The Local Government and Public Involvement in Health Act 2007 made provision for the LGO to publish statements of reasons relating to the individual decisions of an Ombudsman following the investigation of a complaint. The Ombudsmen are now consulting local government on their proposal to use statements of reasons. The proposal is that these will comprise a short summary (about one page of A4) of the complaint, the investigation, the findings and the recommended remedy. The statement, naming the council but not the complainant, would usually be published on our website.

We plan to consult local authorities on the detail of these statements with a view to implementing them from October 2009.

Making Experiences Count (MEC)

The new formal, one stage complaint handling arrangement for adult social care was also introduced from 1 April 2009. The LGO is looking to ensure that this formal stage is observed by complainants before the Ombudsmen will consider any such complaint, although some may be treated as exceptions under the Council First approach. The LGO also recognises that during the transition from the existing scheme to the new scheme there is going to be a mixed approach to considering complaints as some may have originated before 1 April 2009. The LGO will endeavour to provide support, as necessary, through dedicated events for complaints-handling staff in adult social care departments.

Training in complaint handling

Effective Complaint Handling in Adult Social Care is the latest addition to our range of training courses for local authority staff. This adds to the generic Good Complaint Handling (identifying and processing complaints) and Effective Complaint Handling (investigation and resolution), and courses for social care staff at both of these levels. Demand for our training in complaint handling remains high. A total of 129 courses were delivered in 2008/09. Feedback from participants shows that they find it stimulating, challenging and beneficial in their work in dealing with complaints.

Adult Social Care Self-funding

The Health Bill 2009 proposes for the LGO to extend its jurisdiction to cover an independent complaints-handling role in respect of self-funded adult social care. The new service will commence in 2010.

Internal schools management

The Apprenticeship, Skills, Children and Learning Bill (ASCL) 2009 proposes making the LGO the host for a new independent complaints-handling function for schools. In essence, we would consider the complaint after the governing body of the school had considered it. Subject to legislation, the new service would be introduced, in pilot form, probably in September 2010.

Further developments

I hope this information gives you an insight into the major changes happening within the LGO, many of which will have a direct impact on your local authority. We will keep you up to date through LGO Link as each development progresses but if there is anything you wish to discuss in the meantime please let me know.

J R White
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June 2009

Appendix 1: Notes to assist interpretation of the statistics 2008/09

Introduction

This year, the annual review only shows 2008/09 figures for enquiries and complaints received, and for decisions taken. This is because the change in the way we operate (explained in the introduction to the review) means that these statistics are not directly comparable with statistics from previous years.

Table 1. LGO Advice Team: Enquiries and complaints received

This information shows the number of enquiries and complaints received by the LGO, broken down by service area and in total. It also shows how these were dealt with, as follows.

Formal/informal prematures: The LGO does not normally consider a complaint unless a council has first had an opportunity to deal with that complaint itself. So if someone complains to the LGO without having taken the matter up with a council, the LGO will usually refer it back to the council as a 'premature complaint' to see if the council can itself resolve the matter. These are 'formal premature complaints'. We now also include 'informal' premature complaints here, where advice is given to the complainant making an enquiry that their complaint is premature. The total of premature complaints shown in this line *does not include* the number of resubmitted premature complaints (see below).

Advice given: These are enquiries where the LGO Advice Team has given advice on why the Ombudsman would not be able to consider the complaint, other than the complaint being premature. For example, the complaint may clearly be outside the Ombudsman's jurisdiction. It also includes cases where the complainant has not given enough information for clear advice to be given, but they have, in any case, decided not to pursue the complaint.

Forwarded to the investigative team (resubmitted prematures): These are cases where there was either a formal premature decision, or the complainant was given informal advice that their case was premature, and the complainant has resubmitted their complaint to the Ombudsman after it has been put to the council. *These figures need to be added to the numbers for formal/informal premature complaints (see above) to get the full total number of premature complaints. They also needed to be added to the 'forwarded to the investigative team (new)' to get the total number of forwarded complaints.*

Forwarded to the investigative team (new): These are the complaints that have been forwarded from the LGO Advice Team to the Investigative Team for further consideration. The figures may include some complaints that the Investigative Team has received but where we have not yet contacted the council.

Table 2. Investigative Team: Decisions

This information records the number of decisions made by the LGO Investigative Team, broken down by outcome, within the period given. **This number will not be the same as the number of complaints forwarded from the LGO Advice Team** because some complaints decided in 2008/09 will already have been in hand at the beginning of the year, and some forwarded to the Investigative Team during 2008/09 will still be in hand at the end of the year. Below we set out a key explaining the outcome categories.

MI reps: where the LGO has concluded an investigation and issued a formal report finding maladministration causing injustice.

LS (local settlements): decisions by letter discontinuing our investigation because action has been agreed by the authority and accepted by the Ombudsman as a satisfactory outcome for the complainant.

M reps: where the LGO has concluded an investigation and issued a formal report finding maladministration but causing no injustice to the complainant.

NM reps: where the LGO has concluded an investigation and issued a formal report finding no maladministration by the council.

No mal: decisions by letter discontinuing an investigation because we have found no, or insufficient, evidence of maladministration.

Omb disc: decisions by letter discontinuing an investigation in which we have exercised the Ombudsman's general discretion not to pursue the complaint. This can be for a variety of reasons, but the most common is that we have found no or insufficient injustice to warrant pursuing the matter further.

Outside jurisdiction: these are cases which were outside the Ombudsman's jurisdiction.

Table 3. Response times

These figures record the average time the council takes to respond to our first enquiries on a complaint. We measure this in calendar days from the date we send our letter/fax/email to the date that we receive a substantive response from the council. The council's figures may differ somewhat, since they are likely to be recorded from the date the council receives our letter until the despatch of its response.

Table 4. Average local authority response times 2008/09

This table gives comparative figures for average response times by authorities in England, by type of authority, within three time bands.

LGO Advice Team

Enquiries and complaints received	Housing	Benefits	Public Finance inc. Local Taxation	Planning and building control	Other	Total
Formal/informal premature complaints	3	6	3	0	6	18
Advice given	3	0	1	0	2	6
Forwarded to investigative team (resubmitted prematures)	0	0	0	1	0	1
Forwarded to investigative team (new)	0	1	1	0	1	3
Total	6	7	5	1	9	28

Investigative Team

Decisions	MI reps	LS	M reps	NM reps	No mal	Omb disc	Outside jurisdiction	Total
01/04/2008 / 31/03/2009	0	1	0	0	1	1	1	4

Response times	FIRST ENQUIRIES	
	No. of First Enquiries	Avg no. of days to respond
1/04/2008 / 31/03/2009	1	26.0
2007 / 2008	1	30.0
2006 / 2007	2	37.0

Average local authority response times 01/04/2008 to 31/03/2009

Types of authority	<= 28 days %	29 - 35 days %	> = 36 days %
District councils	60	20	20
Unitary authorities	56	35	9
Metropolitan authorities	67	19	14
County councils	62	32	6
London boroughs	58	27	15
National park authorities	100	0	0

AGENDA ITEM NO. 9

Board/Committee:	Standards & Governance Committee
Date of Meeting:	21 July 2009
Title:	Internal Audit – Progress Report from 1st April 2009 to 30th June 2009
Author:	Head of Internal Audit & Risk Assurance
Status:	For Decision

Purpose

To table the performance of the Internal Audit Section in the first three months of 2009/10 (1st April 2009 – 30th June 2009) against the agreed audit plan to the Members with responsibility for governance.

Secondly, to provide Members with an update on other key internal audit business within that same period.

Recommendation

That the Committee note the strong performance of the Internal Audit Section in the first three months of 2009/10 to the 30th June 2009.

That the Committee note the update and current status of the internal audit partnership with Eastleigh Borough Council.

1 Background

- 1.1 To enhance the Council's corporate governance arrangements, in line with the Audit Commission's Use of Resources test, the report outlines the performance of the Internal Audit Section against its overall agreed annual plan for 2009/10.
- 1.2 In addition, the early work performed in 2009/10 by the Internal Audit section allows an early indication on the Council's overall internal control environment that supports the annual governance statement.

2 Report

2.1 Position after three months

2.1.1 The current position of internal audit workload is on target against its projected plan as at the 30th June 2009. All fundamental work had been completed within the previous year for inspection by our External Auditors (early April 2009). Some minor work did slip into April 2009 but all this has now been fully reviewed and duly signed off by senior management. This work was covered using an element of the contingency factored into the 2009/10 audit plan (45 days). Additional work on service review has also meant that the section has only 24 days of contingency available for the remaining nine months of the year.

2.1.2 The interim audit for 2008/09 completed by External Audit, stated that ***“There were no points arising from the review of internal audit reports - all the work was carried out to a very high standard”***.

In the first three months the section has delivered 225 productive days for Gosport and 28 auditor and 31½ audit management days supporting Eastleigh Borough Council in our partnership. No more auditor days are planned for Eastleigh for the remaining year. Future workloads for the remaining year have been planned for Gosport with some minor amendments necessary to fit with the auditee's requirements. All planned fundamental reviews have been allocated and the team are beginning preliminary planning work in advance of the audit fieldwork beginning later in the year.

I propose to bring a detailed half year position statement to the Committee later in October 2009. The sections early status against the annual plan (as at 30th June 2009) places some degree of assurance that the agreed audit plan will be delivered in 2009/10.

2.2 Section Improvements

2.2.1 The section had an away day in May and a number of improvements in processes and deliverables (report style) are being piloted with management. Further work, being developed on the Isle of Wight through the Hampshire wide Audit Alliance, on a full electronic working paper audit process is ongoing. It is anticipated the final product will be available some time next year. A further demonstration to all the Hampshire Audit Managers is to be planned for December 2009. This eventually will mean that the audit process, or workflow, will go paper free. This package will be marketed in the future and will be available free of charge to any Hampshire Audit section. Currently New Forest District Council are using an element of the package for its audit process. Further use of IT in-house has meant that the section are now scanning all manual working files which allow the client, reviewer and eventually External Audit to view these on screen rather than having prints.

2.3 Eastleigh Partnership

- 2.3.1 The current arrangement has progressed extremely well over the first three months of 2009/10. feedback from External Audit and Management has been extremely complimentary of the arrangement. A further meeting has been planned, for late July, between the respective Chief Financial Officers (CFO's), to discuss enhancing the partnership governance arrangements and the future of arrangement beyond 2009/10.

3 Risk Assessment

- 3.1 The report has a minimal direct impact on the overall risk of the Council.

4 Conclusion

That the Committee reviews the performance of Internal Audit from April 2009 to June 2009.

That the Committee note the Head of Internal Audit's other key business in that period.

Financial Services comments:	Nil
Legal Services comments:	Nil
Service Improvement Plan implications:	The information provided within the report has a direct link to improving the overall governance arrangements within the Council. The performance of the Internal Audit section is a key operational indicator monitored closely against the agreed Annual Audit Plan.
Corporate Plan:	Internal Audit's work supports all Council Services in pursuit of their overall corporate and strategic priorities.
Risk Assessment:	See Section 3
Background papers:	Nil
Appendices/Enclosures:	Nil
Report author/ Lead Officer:	Chris Davis 023 9254 5306

AGENDA ITEM NO. 10

Board/Committee:	STANDARDS & GOVERNANCE COMMITTEE
Date of Meeting:	21 JULY 2009
Title:	USE OF RESOURCES - UPDATE
Author:	DEPUTY CHIEF EXECUTIVE & BOROUGH TREASURER
Status:	FOR APPROVAL

Purpose

To inform the Committee of changes to the Use of Resources (UoR) test and recommend an appropriate response.

Recommendation

It is recommended that the committee:

1. consider and approve the action plan in order to seek to consolidate a score of at least 2 in all key lines of enquiry within the new comprehensive area assessment use of resources test;
2. note the future actions that will further improve performance in 2010/11 and beyond; and,
3. monitor progress at six monthly intervals.

1 Background

- 1.1 The Council has continued to achieve annual overall scores of 2 in the assessments up to 2007/8 under the Comprehensive Performance Assessment regime. This was the stated preference of members, taking account of capacity and resource issues. Over the last few years the test was made more difficult but the score became a “strong 2” by virtue of the improvements being made to suit local priorities. (Potential scores range from 1 to 4, with 2 representing achieving basic standard).
- 1.2 Under the new Comprehensive Area Assessment (CAA) arrangements the UoR tests have been widened to include new areas such as the management of natural resources and workforce management. The full basis of the current assessment is available on the Audit Commission website. Districts will not be measured on all areas every year and, in year 1 (2008/9), Managing Resources “Natural Resources” and “Strategic Asset Management” have not been assessed.
- 1.3 Although it is expected that Gosport will achieve an overall level of 2 in 2008/9 (meeting the basic expected level) there are likely to be some areas within this that are weak and struggle or fail to meet the basic standard.

- 1.4 Capacity and resources continue to be an issue and, whilst some areas exhibit qualities of “performing well” (with potential for scoring at level 3), the council’s management team consider that priority should be given to consolidating at least the “basic” standard across the board.

2 Report

- 2.1 The new Key Lines of Enquiry (KLOE’s) are set out in appendix A. Both a self assessment and initial feedback from the Council’s external auditors suggest that within an overall score of 2, particular weaknesses existed in 2008/9 in the following areas:
- KLOE 1.3 Publishing Reports
 - KLOE 2.3 Principles of good governance and Ethical framework and culture
 - KLOE 2.4 Risk management
- 2.2 Appendix B sets out a brief action plan to address all perceived weaknesses including those listed above.
- 2.3 Many areas of the UoR assessment will be further improved by the following longer term initiatives, many of which are already at an implementation stage:
- replacement financial systems and improved financial modelling leading to better management and cost information;
 - member training and development;
 - new performance and risk management system;
 - potential review of the standards and governance role;
 - a review of partnership governance; and,
 - the process for procuring major contracts due to take place over the next two years.

3 Risk Assessment

- 3.1 The principal direct risk resulting from failure to meet basic standards and plan to improve would be to reputation (CAA status etc). However, there could be financial risks associated with failure to improve financial awareness, financial management and financial systems. These cannot be specifically quantified but are considered in the Council’s Statement of Internal Control.

4 Conclusion

- 4.1 The new, tougher use of resources test applying from 2008/9 requires the Council to make improvements in order to ensure that basic standards are met across the board and an action plan has been prepared to help achieve this.
- 4.2 Further initiatives will also lead to improvements that meet local priorities and will demonstrate performance exceeding basic levels.

- 4.3 The committee should continue to monitor the situation as it is likely that the tests will continue to evolve.

Financial Services comments:	No direct financial implications.
Legal Services comments:	None.
Service Improvement Plan implications:	SIP actions all on course.
Corporate Plan:	Pursuit of Excellence priority.
Risk Assessment:	See para. 3.
Background papers:	None
Appendices/Enclosures:	
Appendix 1	Summary of new Key Lines of Enquiry
Appendix 2	Use of Resources Action Plan
Report author/ Lead Officer:	Peter Wilson x5301

COMPREHENSIVE AREA ASSESSMENT – USE OF RESOURCES

	KLOE	FACTOR
MANAGING FINANCES	1.1 Planning for financial health.	Integrated financial planning. Medium to long-term financial planning. Engages with stakeholders. Managing spending. Financial governance and leadership.
	1.2 Understanding costs & achieving efficiencies.	Understanding costs. Decision making. Making efficiencies.
	1.3 Financial Reporting.	Financial monitoring and forecasting. Using fit-for-purpose financial reports to monitor performance and support strategic decision making. Preparation of accounts. Publishing reports.
GOVERNING THE BUSINESS	2.1 Commissioning and procurement.	Clear vision of expected outcomes. Extensive involvement in Commissioning. Improvement through service redesign. Understanding the supply market. Evaluation of procurement options. Reviewing service competitiveness and achieving VFM and wider objectives.
	2.2 Use of information.	Produces relevant and reliable data and works with partners to secure data quality. Provides information which supports the decision making process. Ensures data security and compliance with statutory requirements. Monitors performance against priorities.
	2.3 Good governance.	Principles of good governance. Purpose and vision. Ethical framework and culture Partnership governance.
	2.4 Risk management and internal control.	Risk Management. Counter fraud and corruption arrangements. System of internal control.

MANAGING RESOURCES	3.1 Natural Resources (not 2009).	Understanding and quantifying the use of natural resources. Managing performance to reduce impact on the environment and managing risks.
	3.2 Strategic asset management (Not 2009).	Strategic approach. Managing assets to provide VFM. Partnership and community working.
	3.3 Workforce.	Productive and skilled workforce. Workforce planning. Organisational change. Diversity and good people management.

COMPREHENSIVE AREA ASSESSMENT – USE OF RESOURCES – “BASIC”

IMPROVEMENT ACTION PLAN

KLOE	IMPROVEMENT	OFFICER(S)	TARGET DATE
1.1	Strengthen medium term financial strategy (MTFS) links to corporate priorities.	FSM	MAR'10
	Incorporate an equality impact assessment in to MTFS.	FSM	MAR'10
1.2	Incorporate whole-life costing in to major project assessments e.g. HRC	FSM	DEC'09
	Improve value for money (VFM) awareness via additional costing information in reports.	HoA/C	MAR'10
1.3	Explanatory introduction to be considered for all major financial reports.	HoA/C	MAR'10
	Annual report to be produced (for 2008/9).	CX	SEP'09
2.3	Continue to improve member/officer working arrangements	CX	DEC'09
	Arrange ethics training for officers.	BS	MAR'10
	Re-launch whistle blowing policy.	HoA	MAR'10
	Adopt best governance practice for all key partnerships.	HoA	MAR'10
2.4	Arrange risk management training for members and CMT.	FSM	DEC'09
	Complete the risk register.	HOA	DEC'09
	CMT/Leadership to consider strategic risks	FSM	DEC'09

KEY	
FSM	Financial Services Manager
HoA	Head of Audit
HoA/C	Head of Accountancy
CX	Chief Executive
BS	Borough Solicitor

AGENDA ITEM NO. 11**STANDARDS AND GOVERNANCE COMMITTEE WORKPLAN**

Work Area	Report To Committee	Lead Officer
Internal Audit Monitoring Statement Apr – June 09	21 Jul 09	CD
Risk Management Update	10 Sept 09	CD/JB
Contract Standing Orders	10 Sept 09	PW/CD
Local Assessment Monitoring Report	10 Sept 09	LE
Update on Internal Audit Charter	10 Sept 09	CD
Fraud & Corruption Strategy update	10 Sept 09	LE/CD
Feedback on GBC & EBC partnership	10 Sept 09	CD
Member/Officer Protocol	29 Oct 09	LE
New Member Induction	29 Oct 09	LE
Monitoring Statement Jul – Oct 09	29 Oct 09	CD
Strategic Audit plan 2010/13	21 Jan 10	CD
Monitoring Statement Oct – Dec 2009	21 Jan 10	CD
Annual Internal Audit Plan 10/11 (CD)	18 Mar 10	CD
Risk Management (CD/JB)	18 Mar 10	CD/JB
Draft AGS 2009/10 (CD)	22 Apr 10	CD
Annual Audit Report 2009/10	22 Apr 10	CD

Date of Next Meeting
10 September 2009