

Use of Resources - Luton Borough Council

November 2007

Our Ref - RT/MS

Your Ref -

The Audit and Governance
Committee
Luton Borough Council

19 November 2007

Ladies and Gentlemen

LUTON BOROUGH COUNCIL - USE OF RESOURCES REPORT 2007

This Use of Resources report has been prepared in order to record the key messages arising from our review of the key lines of enquiry (KLoE) criteria for 2007. We have discussed our report with the Chief Accountant who confirms its factual accuracy, although the views expressed are those of Grant Thornton.

We would like to take this opportunity to thank the officers of the Council for the co-operation and assistance afforded to us during the course of our audit.

Yours faithfully

Grant Thornton UK LLP

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1 Executive Summary

1.1 Introduction

We have completed our 2007 assessment of the Council's use of resources in accordance with the methodology and guidance issued by the Audit Commission. The results have been subject to internal quality control arrangements however the results of the national quality assurance are pending.

The Use of Resources (UoR) assessment evaluates how well councils manage and use their resources. This assessment is carried out each year and focuses on the importance of strategic financial management, sound governance and effective financial reporting arrangements. These should support the Council in the achievement of its priorities and improving services, whilst delivering value for money.

This is the third assessment we have undertaken at Luton Borough Council. Our assessment is based on the key lines of enquiry for 2007. These include new requirements for councils as part of the Commission's approach to phasing in those elements that need more lead-time and to supporting improvement by gradually raising the standard of the assessment. The period assessed has been aligned with the financial year 2006/07. Councils may, however, provide evidence that becomes available after the end of the financial year to demonstrate their arrangements are working effectively and

are embedded. We have also focussed on the Council's delivery of the action plan included in the Use of Resources report issued in December 2007.

This report summarises the approach taken and the results of the assessment. It also highlights areas for improvement based on the criteria issued by the Audit Commission.

We commenced our fieldwork in accordance with the Audit Commission's timetable in July 2007 with a view to reporting our five individual judgements, after internal quality assurance, to the Audit Commission on 19th November 2007.

The Audit Commission will release the overall judgement to the Council on the 10th December 2007 at which point the Council has the opportunity to request a review of the judgement if it is felt that it has been awarded the incorrect score overall, this review period closes on the 21st December 2007.

Overall the Council achieved a score of 3 for the 2007-08 judgements, subject to national quality control process, which represents an assessment of performing well on the Audit Commission's scoring system. This is an improvement on the previous years assessment where the Council achieved adequate performance, with notable improvement in financial management, financial standing and internal control. The five theme scores are summarised as follows:

Table 1

Auditor scored judgement	2006	2007
Financial reporting	3	3
Financial management	2	3
Financial standing	2	3
Internal control	2	3
Value for money	2	2
Overall score	2	3

As mentioned previously these scores are subject to confirmation by the national quality control process. This seeks to ensure consistency across all suppliers and on a national basis. Consequently we are informing you that the scores reported here may change as a result of this process and should not be taken as final.

The key areas for development include:

Assurance framework – the Council should ensure that the Assurance Framework is sufficiently linked to risks and controls and should seek to inform members on a regular basis, and

Value for money – where the Council has high costs it should seek to demonstrate that it is providing high quality services or that there are sufficient reasons to justify high spending levels. Where high spend is not so justified action plans should be developed to demonstrate that officers are aware of the value for money implications.

The focus in future periods should be to further embed the processes for each key KLOE criteria, in particular to demonstrate that the arrangements in place drive improvement in processes and outcomes.

We would like to take this opportunity to thank the Head of Corporate Finance and the Head of Internal Audit, their teams and the other officers involved in our review for their help and support during the course of our work in this area.

1.2 Use of Resources 2008

The Commission has published its key lines of enquiry for 2008 on its website. There is an annotated version of the key lines of enquiry available which indicates the key changes from 2007, these have been summarised in Appendix B. The key lines of enquiry for 2008 reflect some of the changing priorities for councils as they respond to the major challenges facing them and the higher expectations of them. Making further improvements to efficiency will be critical for councils in responding to: the changing demographic profile of communities, increasing public expectations of public services and expected constraints on funding from Government.

The key lines of enquiry give more emphasis, mainly at level 4, to areas such as: sustainability, working in partnership and using IT to secure service and value for money improvements; strategic asset management and joint procurement. These areas signal the changes which will be given more emphasis in the use of resources assessment under Comprehensive Area Assessment, the new performance framework for local services.

2 Approach and context

2.1 Background

Each judgement area (theme) consists of a number of key lines of enquiry and areas of audit focus and evidence. There are also descriptions of performance against each key line of enquiry showing performance at levels 2, 3 and 4. These translate into the following judgements:

Level	Assessment
1	below minimum requirements – inadequate performance
2	only at minimum requirements – adequate performance
3	consistency above minimum requirements – performing well
4	well above minimum requirements – performing strongly

The Audit Commission determine the overall use of resources score by combining the auditor's separate scores for each of the themes covered.

In forming our assessment, we need to take into account requirements of the methodology that are set out in the Use of Resources Guidance for Councils 2007. In particular, in order to support scores of 3 and above, we need to consider whether relevant arrangements are 'embedded' that is, they

have been operating consistently with clear outputs having an impact. For scores of 4 (performing strongly) we are required to consider whether, in addition to meeting the criteria, councils can demonstrate innovation or best practice that can be shared with other authorities, and also demonstrate that actions taken have had the desired impact.

This report summarises the results of our work. It is not intended to cover every issue that has come to our attention, but rather provide an overview of the key issues that we have identified during the course of our review.

This report is for consideration by the Council and its officers and is for the Council's use only and should not be relied upon by any third parties.

3 KLOE 1: Financial reporting

3.1 KLOE 1 results

The table below gives the scores that the Council met for Financial Reporting during the 2007 judgements:

Table 2

Key line of enquiry	2006	2007
1.1 The Council produces annual accounts in accordance with relevant standards and timetables, supporting by comprehensive working papers	3	3
1.2 The Council promotes external accountability	3	3
Combined score for KLOE 1	3	3

3.2 Key findings: KLOE 1.1 - Annual Accounts

The first of the above KLOEs carries a higher weighting than the second and therefore the Council's score on the annual accounts production

process is fundamental in maximising the theme score for Financial Reporting overall.

KLOE 1.1 focuses on the arrangements that the Council has in place to produce its annual accounts in accordance with relevant standards and timetables and supporting by comprehensive working papers. We are pleased to note that the Council maintained a strong Level 3 for its annual accounts production.

To enable the Council to progress to level 4 in the future a concentrated effort would be required to have all workpapers available electronically and linked to the final set of the accounts, with a view of creating efficiencies through paperless files.

3.3 Key findings: KLOE 1.2 - External Accountability

The Council's performance in KLOE 1.2 was level 3 with all criteria being met. To progress with level 4 the Council will need to publish an annual report which includes summary accounts and key financial information. To show best practice in this area the Council should consider linking the achievement of the corporate objectives into this annual report and provide information to the public on the status of each objective, the production of this annual report can be further aided by the development of the assurance framework. The criteria also requires that the Council considers the availability and the formats of this report to ensure that it is accessible to all members of the public.

4 KLOE 2 Financial management

4.1 KLOE 2 Results

The table below gives the scores that the Council met for Financial Management during the 2007 judgements:

Table 3

Key line of enquiry	2006	2007
2.1 The Council's medium-term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities	3	3
The Council manages performance against budgets	2	3
The Council manages its asset base	2	3
Combined score for KLOE 2	2	3

The above KLOEs each carry an equal weighting in determining the overall theme score.

4.2 Key findings: KLOE 2.1 Medium Term Financial Strategy

The Council has evidenced improvement from the previous review, specifically the Council has linked the Medium Term Financial Strategy (MTFS) to internal strategies such as the human resources and IT strategies.

To enable the Council to progress to level 4 in the future the Council needs to take an active involvement with partners and other stakeholders and to mention plans within the MTFS. It also requires that the MTFS takes a 3 year focus and there is a consideration of future developments in the financial management arrangements. The Council would also need to monitor its financial plans and strategies to demonstrate that it is achieving its corporate objectives.

4.3 Key findings: KLOE 2.2 Performance against budgets

KLOE 2.2 is largely process driven and requires the Council to have a series of budget management and monitoring techniques in place.

The Council was able to demonstrate that it had embedded its budget monitoring arrangements, as such we felt that the processes had been in place throughout the year and have had an impact on outcomes. Specifically the Council was able to demonstrate improvement in its budget monitoring techniques using operational activity indicators as a lead indicator of spend, the Council developed enhanced performance and budget information which was reported throughout the year.

To meet level 4 the Council should review the basis that it is preparing its performance information and whether there is scope to further develop this reporting by incorporating external satisfaction scores to measure success at achieving corporate priorities.

4.4 Key findings KLOE 2.3: Management of the asset base

This KLOE is concerned with the effectiveness of the arrangements that the Council currently has in place to manage its asset portfolio.

The Council has improved on its position of level 2 in the previous year and met level 3. The areas of improvement related to the Council updating its capital asset strategy in year and it reporting the levels of backlog maintenance to members for approval.

To further advance to level 4 the Council should consider how the use of performance indicators are contributing to the achievement of the corporate objectives.

5 KLOE 3 Financial Standing

5.1 KLOE 3 Results

The table below gives the score that the Council met for Financial Standing during the 2007 judgements:

Table 4

Key line of enquiry	2006	2007
3.1 How well does the Council safeguard its financial standing	2	3
Combined score for KLOE 3	2	3

Despite there only being only one KLOE in relation to Financial Standing it does count for one fifth of the overall score, reflecting the importance of financial performance.

5.2 Key findings KLOE 3.1 - Financial Standing

We are pleased to note that, despite facing significant financial pressures in the year, the Council met a balanced budget for the fifth successive year. Improvement has been noted in this KLOE theme due to the arrangements in place for debt monitoring and management which had not been sufficiently embedded within the Council in the preceding year. We also note that the Council did not have any significant over or underspends which had not been budgeted for at the start of the financial year.

At level 4, the Council should seek to demonstrate that it has a good track history of achieving all of its targets in relation to financial health, this includes prudential indicators, debt monitoring, budgets and the capital programme. It should also consider how members set targets and whether these are considered challenging enough to demonstrate impact on corporate objectives.

6 KLOE 4 Internal control

6.1 KLOE 4 results

The table below gives the scores that the Council met for Internal Control during the 2007 judgements:

Table 5

Key line of enquiry	2006	2007
4.1 The Council manages its significant business risks	3	3
4.2 The Council has arrangements in place to maintain a sound system of internal control	2	2
4.3 The Council has arrangements in place that are designed to promote and ensure probity in the conduct of its business	2	3
Combined score for KLOE 4	2	3

The three KLOEs are weighted equally and hence the score for Internal Control overall is built up as an average of the three individual scores.

6.2 Key findings: KLOE 4.1 - Risk Management

The risk management KLOE is designed to form a view as to the effectiveness of the Council's risk management arrangements, and in particular is concerned with the extent of senior officer and member involvement.

The Council continued to be rated a strong Level 3 for this KLOE. Whereas auditor discretion had been used in this area in the past this was not required this year since the Council had reviewed the risk management strategy within the year, also reporting of risk management had been further strengthened.

At level 4 the Council should look to further embed its arrangements with partners to jointly champion risk management. Whilst we recognise that there has been a considerable drive of the risk management agenda within the Council there are opportunities for these arrangements to be further embedded into delivering on the corporate objectives.

6.3 Key findings: KLOE 4.2 - systems of internal control

This KLOE encompasses a series of individual topics such as the Statement on Internal Control (the SIC), the effectiveness of the Audit Committee, the quality of the Internal Audit function and the completeness of procedures notes and other standard documents which, when considered together, constitute the main elements of the Council's control environment.

Consistent with the previous year, the Council scored level 2 for this KLoE. The key area that is not considered sufficiently embedded is the process of producing a detailed assurance framework that maps the Council's strategic objectives to risks, controls and assurances. The Council has outlined what the assurance framework will include, however we still believe that it does not contain sufficient detail in its present form to meet level 3 requirements.

At level 3 there is an expectation that the Assurance Framework is a fluid living document that is being constantly updated for when corporate objectives, and the risks attached to those corporate objectives, are being effectively mitigated. It is expected that there will be gaps in that assurance which will then be fed into the Statement of Internal Control (SIC) on a yearly basis, however those should be known throughout the year and be reported as such. Reporting throughout the year would therefore require officers, and in particular service head managers, to be heavily involved in this process as they should have detailed knowledge of the internal control environment that they work within. This process should then be complemented by the work of internal audit. Notable practice exists in this area for which we would be happy to discuss further with the Council.

6.4 Key findings: KLOE 4.3 - probity and propriety

KLOE 4.3 is designed to evaluate the Council's arrangements for ensuring that probity and propriety are promoted within the conduct of its business.

Overall the Council met level 3 in this area, the key improvements made were around embedding the fraud arrangements during the year and ensuring that the fraud annual programme is based on a formal risk assessment.

At level 4 the Council should be able to provide a documented evidence base that demonstrates members and staff exhibit high standards of ethical conduct. Whilst the fraud arrangements are considered robust the Council could consider preparing annual fraud reports that link the various actions carried out during the year, the funds recovered and the cost incurred.

7 KLOE 5: Value for money

7.1 KLOE 5 results

The table below gives the scores which the Council achieved for Value for Money during the 2007 judgements:

Table 6

Key line of enquiry	2006	2007
5.1 The Council currently achieves value for money	2	2
5.2 The Council manages and improves value for money	2	3
Combined score for KLOE 4	2	2

The first of the above two KLOEs carries a higher weighting than the second and thus the Council's score on whether or not value for money is currently achieved is fundamental in maximising the theme score for Value for Money overall.

We set out below the main achievements and key barriers for the Council in achieving the next Level for each of the KLOEs given above.

7.2 Key findings: KLOE 5.1 - Achieves value for money

KLOE 5.1 is designed to form a view on whether the Council currently achieves Value for Money in its activities both with regards to the back office and also the provision of front line services.

The Council has remained unchanged at level 2 for the current year. There were a number of areas that the Council did not meet the level 3 criteria. In overall terms the Council does not have a sufficiently positive relationship between costs/outcomes and corporate priorities to be demonstrating good value for money arrangements. The main areas for further improvement include:

- There is scope to further improve the cost/performance relationship in areas such as Education. We recognise that Educational attainment is on an upward curve and Education is a clear corporate priority but the overall cost/outcome relationship is still not in line with better performing councils. We also recognise that costs are being addressed positively through the Evidence Based Budgeting approach. Continued development in this area should help enhance value for money achievement in future years.

The Council has delivered sound performance in terms of achieving value for money. It is also ensuring that value for money improves in high cost, low outcomes services. .

7.3 Key findings KLOE 5.2 - management and improvement of value for money

KLOE 5.2 has more of a forward looking focus than 5.1 and is concerned with the arrangements that the Council has put in place to both manage and improve Value for Money.

The Council has met level 3 for this KLOE and has specifically evidenced improvement in understanding the relationship between costs and services through enhanced performance monitoring reports. The Evidence Based Budgeting (EBB) has been in place during the year, which seeks to drive down costs to the nearest neighbours' comparator group averages.

There have been value for money self assessments undertaken at a service level and there has been a review of value for money by internal audit. These have fed into driving improvement in value for money.

The Council also has strong procurement arrangements in place with the Council being a member of the Procurement Group Centre of Excellence

and the County Strategic Procurement Group. There has been some impact noted of partnerships achieving efficiencies during the year.

Achievement of level 4 for this KLOE would involve the Council evidencing that it continues to develop and improve its value for money arrangements and offers best practice in this area.

A Action plan

Ref	Recommendation	Priority	Management response	Responsibility	Timescale
KLOE 4.2 Assurance Framework					
1	The Council should further develop the Assurance Framework that maps the Council's strategic objectives to risks, controls and assurances. All senior officers should be involved in this process and should inform the process on a regular basis through assessment of the control environment.	1	Agreed. A key part of the recently approved addendum to the Corporate Plan is assurance mapping the priorities to risks and risk mitigation. This is already a key part of departmental management on a regular basis and requires evidencing for the 2008 assessment.	Head of Corporate Finance with all Corporate Directors and Heads of Service	January 2008 and ongoing
KLOE 5.1 Value for money					
2	The Council should ensure that where it has high costs and it can demonstrate a rationale or improvement in these areas as a result.	2	Part of the value for money assessments of each service that will be reported to Scrutiny meetings on 13 December, and will be carried through into the 2008/9 budget report	Head of Corporate Finance with all Corporate Directors and Heads of Service	December 2007 and ongoing

B Key changes for 2008 assessment

This table summarises where there have been any material changes to the KLOEs since 2007:

KLOE	Summary of criteria changed	Level
Financial Reporting		
1.1	Removed requirement to have 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.	2
1.1	Added additional requirement gave an unqualified opinion in the published accounts.	2
1.2	Added additional requirement to have the agenda, reports and minutes for meetings to be accessible formats appropriate to comply with duties under the equalities legislation.	2
1.2	Removed requirement to have the annual report or similar document available in a wide variety of formats to meet local user needs (for example different languages, large print, speaking version). Added additional requirement to have the annual report or similar document to include information and analysis about the Council's environmental footprint.	4
Financial Management		
2.1	Added requirement that the Council has undertaken equalities impact assessments of its strategies and understands the effect and impact these will have on its diverse population.	2

KLOE	Summary of criteria changed	Level
2.1	Removed that budgets are annually reviewed in light of the reasons for and consequences of the previous year's outturn and are linked to the medium term financial strategy.	2
2.1	Removed budget holders are involved in the budget setting process. Removed that each capital and revenue budget is assigned to the individual manager best able to use and control it.	2
2.1	Added requirement that budgets are linked to operational activity indicators that are lead indicators of spend.	3
2.1	Added additional requirement that the MTFS models revenue items using different planning scenarios (for example best and worst case and most likely) and links this to its risk management and financial reports.	4
2.1	Removed the requirement that the council identifies future developments that may impact on its financial management arrangements and proactively manages them.	4
2.2	Removed the requirement for the council to use agreed processes to adjust and approve budgets in year if major programmes are varied by more than pre set tolerances.	3
2.2	Removed the requirement for the Council to ensure that it carries out 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.	4
2.2	Removed the requirement for the council to consult with, advise and train users so that it develops and provides the financial information systems to meet their needs. Removed the need for the council to have savings and efficiency gains being profiled over the year and there is monitoring throughout the period by members to ensure their achievement.	4
2.3	Removed the requirement for the council has developed a set of local performance measures in relation to assets that evaluate asset use in relation to corporate objectives.	3

KLOE	Summary of criteria changed	Level
2.3	Added requirement for the council's asset management plan provides clear forward looking strategic goals for its property assets that shows how the council's land and buildings will be used and developed to help deliver corporate priorities and service delivery needs, now and in the future. The plan shows how property assets will be maintained, modernised and rationalised to ensure that they are fit for purpose.	3
2.3	Added requirement for the council maintains a record of all of its land and buildings that contains accurate data on its efficiency, effectiveness, asset value and running costs which can be used to support decision making on investment and disinvestment in property.	3
2.3	Removed the requirement to have the results of performance measurement and benchmarking being communicated to stakeholders where relevant.	4
2.3	Removed the requirement for the council has developed an approach for the coordination of asset management information and its integration with relevant organisational financial information	4
Financial standing		
3.1	<p>Added that the council's approved level of balances is adhered to and ensures the council's financial standing is sound and supports the council in the achievement of its long term objectives.</p> <p>Additional requirement for the council's targets for income collection and recovery of arrears stretch performance and their achievement is monitored with appropriate corrective action taken during the year to achieve the targets.</p>	3
Internal control		
4.1	Added the requirement for all business risks to be assigned to named individuals to lead on the actions identified to mitigate each risk.	2
4.1	Removed the requirement for the council to consider positive and negative risks.	4
4.1	Added additional requirement to report to support strategic policy decisions, and initiation documents for all major projects, require a risk assessment including a sustainability impact appraisal.	4

KLOE	Summary of criteria changed	Level
4.2	Overall there will be a changed focus from the SIC to the governance statement.	All
4.2	Removed the requirement for all reports to members to have been formally considered for legal issues before presentation.	2
4.2	Removed the requirement for all procedure manuals for key financial systems being reviewed and updated as appropriate. Removed the requirement for standing orders, standing financial instructions and scheme of delegation to be reviewed and updated as appropriate.	3
4.2	An additional requirement for the council to have an effective scrutiny function to ensure constructive challenge and enhance performance overall.	3
4.2	New requirement for the council to obtain assurance on a risk basis of the viability of its significant contractors/partners business continuity plans.	4
4.3	Added the requirement for the council to have in place the arrangements for monitoring compliance with the code of conduct and use of IT resources.	2
4.3	New requirement for the council to demonstrate that members of the standards committee are preparing for their role in local investigations and determination and there are arrangements in place to support effective local investigations and determinations.	2
4.3	Removed the requirement for the council to have a strong counter fraud culture that is supported and promoted by members and senior officers.	3
4.3	Additional requirement to have the work of the standards committee is communicated openly to a wider public. Where appropriate, the council has taken effective action, learning from issues arising from local investigations and determinations	3
4.3	Removal of the requirement for the council to have a track record for effective action in response to whistleblowing disclosures. There are periodic reviews of the effectiveness of the whistle blowing arrangements.	4
4.3	Additional requirement for the council to demonstrate its staff, and staff within contracting organisations, have confidence	4

KLOE	Summary of criteria changed	Level
	in the whistleblowing arrangements and feel safe to make a disclosure.	
4.3	Added requirement to have all application forms for services and benefits to have an appropriate fair processing notification permitting data sharing for prevention and detection of fraud and corruption (both acting as a deterrent to fraudsters and facilitating the extension of NFI into new areas).	4
4.3	Removal of the requirement to demonstrate that effective action has been taken to maximise the potential savings available through NFI.	4
Value for money		
5.1	Deletion of the requirement to have a positive relationship between costs and range, rather costs are commensurate with the range.	2
5.1	Removal of the requirement for the council to evaluate the outcomes from its capital programme in accordance with objectives. Where capital resources are invested, there are identifiable improvements in service delivery.	4
5.2	New requirement for the council to have adequate arrangements to produce reliable data.	2
5.2	New requirement for the council to collect information on the needs of, and the impact of its decisions on, diverse communities. It is beginning to use the information to improve access to services, outcomes and VFM.	2
5.2	Revised requirement to have adequate processes in place for reviewing and improving VFM.	2
5.2	New requirement for the council to demonstrate some improvements in VFM in recent years.	2

KLOE	Summary of criteria changed	Level
5.2	Removed the requirement to have targets set and applied to improve efficiency and value for money.	2
5.2	Removed the requirement to have internal reviews carried out (in line with Best Value legislation) and achieve significant improvements in value.	2
5.2	Added the criteria from the council to have some understanding of its long-term costs and benefits, including environmental and social. There is some evidence of these being taken into account in decision-making.	2
5.2	Added the criteria for The council is making some use of partnership working to improve VFM. It has some understanding of the total resources at the disposal of its significant partnerships.	2
5.2	There is a new requirement for the council to make some use of IT both to improve its own VFM and to improve access to services for users.	2
5.2	New requirement to have good arrangements to produce reliable data.	3
5.2	Removed the requirement to have information on equity and using this to actively promote access and value for money across community and replaced with the council collecting information on the needs of and the impact of its services, policies and strategies on different community groups and is using this information to improve VFM, outcomes and access to services.	3
5.2	Removing the requirement for achieving and improving value for money being embedded in the council's culture, for example, through the performance appraisal system.	3

KLOE	Summary of criteria changed	Level
5.2	New requirement to have clear improvements in VFM, particularly in priority areas, in recent years.	3
5.2	Removed the requirement to have clear evidence that the council sets and achieves ambitious targets and to improve efficiency and value for money corporately and in services. Targets are used 'intelligently' to reflect potential for improvement.	3
5.2	Removed the requirement for the council to have produced and be delivering on an efficiency plan to achieve at least cumulative Efficiency Review target of 7.5 per cent gains over a three-year period.	3
5.2	Removed the requirement to achieve significant and identifiable savings that have been achieved through procurement and internal reviews without unintended loss of quality.	3
5.2	Added the requirement for the council to have evaluated its use of partnerships to improve VFM. It has an understanding of total resources at the disposal of its significant partnerships which it is using to support clearly identified outcomes	3
5.2	The new criteria for the council to use IT to drive and enable business process change to improve both its own VFM and access to services for users.	3
5.2	The new requirement for the council to have exemplary arrangements to produce reliable data. It has an agreed approach with partners to produce reliable data.	4
5.2	The removal of the requirement for achieving and improving value for money within its performance management arrangements, and this resulting in high levels of understandability and awareness across the organisation.	4

KLOE	Summary of criteria changed	Level
5.2	The new requirement to have Significant improvements in VFM have been made in recent years.	4
5.2	The removal of the requirement for the council to have a sustained track record of driving improvements in services and value for money through effective use of targets.	4
5.2	Removal of the criteria to have an integrated efficiency review into its performance management and is exceeding its own targets for achieving at least the national cumulative Efficiency Review target of 7.5% over three years.	4
5.2	Removal of the requirement to have systematic reviews covering all major functions and the findings being acted upon, leading to significant improvements in service and value for money.	4
5.2	New requirement for the council to have implemented arrangements for partnership working. It has a clear understanding of the total resources at the disposal of its significant partnerships. It is on track to deliver planned improvement in outcome	4
5.2	New requirement for the council having a strong track record of using IT and can demonstrate examples of significant service improvements, including access to services for users, or efficiency savings through using IT.	4