

COMMITTEE: AUDIT

DATE: 15th DECEMBER 2009

SUBJECT: USE OF RESOURCES 2009

REPORT BY: HEAD OF CORPORATE FINANCE AND
PROCUREMENT and HEAD OF STRATEGIC
PLANNING, POLICY AND PERFORMANCE

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IMPLICATIONS:

LEGAL	✓	COMMUNITY SAFETY
EQUALITIES		ENVIRONMENT
FINANCIAL	✓	CONSULTATIONS
STAFFING		OTHER

WARDS AFFECTED: ALL

PURPOSE

1. The report is presented to the Audit Committee for information and as part of its role to monitor recommendations arising from the Use of Resources 2009.

RECOMMENDATION(S)

2. **The Audit Committee is recommended to note the report and agree the management response at Appendix A of Grant Thornton's Use of Resources 2009 report.**

BACKGROUND

3. Under the Audit Commission's Code of Audit Practice, Grant Thornton as the Council's external auditors is required to reach a conclusion on whether Luton Borough Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. This report presents the results of its value for money and use of resources work in 2008/09. Grant Thornton has separately issued its Annual Report to those Charged with Governance. The key messages

from both of these reports will be summarised in the Annual Audit Letter.

4. Grant Thornton described in its Audit Plan (May 2008) the areas of audit work that provide it with the assurance which contributes to the annual Value For Money conclusion. This report sets out its findings from those pieces of work:
 - The assessment of the Council's Use of Resources using the three themes within the Audit Commission's new assessment framework and Key Lines of Enquiry.
 - Specific work on locally identified audit risks, which contribute to the Value For Money conclusion by feeding into the Use of Resources assessment scores.
 - Risk-based spot check work to assess the quality of data underlying a small sample of key performance indicators.
5. In 2009, the Audit Commission introduced a new framework and methodology for Use of Resources assessments across local government, police forces, fire authorities and primary care trusts. The new framework emphasises outcomes over processes and brings new areas into the assessment such as environmental and workforce management. The new assessment presents a more robust challenge than the old framework, based on different scoring criteria.

REPORT

6. Grant Thornton has assessed the Council as performing adequately in all areas and its view is that the Council is well placed to improve on these scores in the 2009/10 assessment.
7. In order to improve its assessment score, the Council will focus on meeting the following key challenges set out at Appendix A to the attached Use of Resources 2009 report.

8. Planned improvements include:
- showing a clearer link between investment in priorities and performance improvement;
 - demonstrating further outcomes from, for example, the Luton Excellence programme, leading to efficiencies and improved services;
 - building upon this year's accounts process to develop a more robust process in 2009/10;
 - improving the level of control over processes for collecting, recording, analysing and reporting performance data through successful implementation of the new corporate performance management system;
 - showing that risk management arrangements are fully developed within all key partnerships, and that these are leading to joint action to mitigate identified risks and improve outcomes;
 - showing a clear and comprehensive understanding of carbon emissions and water consumption, and efforts to reduce both; and,
 - demonstrating progress to implement the current asset management strategy.

PROPOSAL/OPTION

9. The Audit Committee is recommended to note the report and agree the management response at Appendix A of Grant Thornton's Use of Resources 2009 report. It could decide to question or challenge the management response, or seek further information.

LEGAL IMPLICATIONS

10. This report has no legal implications, which was agreed with Mary Cormack on 2 December.

FINANCIAL IMPLICATIONS

11. The financial implications of this report are incorporated within the attached Appendix. These have been agreed with Dave Kempson during various iterations of the Use of Resources 2009 report.

APPENDIX

12. Appendix A: Grant Thornton's Use of Resources 2009 report for Luton Borough Council (separately numbered)

LIST OF BACKGROUND PAPERS **LOCAL GOVERNMENT ACT 1972, SECTION 100D**

There are no background papers for this report beyond the main Appendix.