

Annual Audit Letter

Rutland County Council

Audit 2008/09

December 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/ members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
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Key messages

This report summarises the findings from our 2008/09 audit. It includes messages arising from the audit of your financial statements and the results of the work I have carried out to assess your arrangements to secure value for money in your use of resources. It also reports for completeness the findings of the 2009 Organisational Assessment, which is made up of my use of resources assessment and an assessment of your management of your performance.

Financial Statements

- 1 I issued an audit report including an unqualified opinion on the financial statements, on 30 September 2009. The draft financial statements were changed to correct some mistakes, none of which were significant.
-

Value for money

- 2 I have also given an unqualified value for money conclusion as you have adequate processes in place to manage and use your resources to deliver value for money. These are beginning to improve services in some areas. The next step is for you to demonstrate that this is happening more consistently across priority services to the community.
 - 3 Overall the findings are positive given a broader and more challenging way of assessing value for money this year. The Council appealed against my assessment but it was unsuccessful.
-

Financial position

- 4 The Council has responded appropriately to the economic downturn. The impacts of the recession will continue to present a challenge to the Council.
-

Organisational assessment

- 5 Rutland County Council performs well over all. It is progressing well against all of its priorities and making a good contribution to the quality of life of its residents. Most of its services perform to levels above the national average. The Council's costs are mostly lower than similar councils and sticks to the budgets it sets for itself.

Audit fees

- 6** We are not proposing any change in the audit fee of £148,825 which we agreed with the Council in May 2008.

Table 1 Audit fees

	Actual	Proposed	Variance
Financial statements and annual governance statement	94,650	94,650	0
Value for money	54,175	54,175	0
Total audit fees	148,825	148,825	
Non-audit work	0	0	0
Total	148,825	148,825	

Actions

- 7** Recommendations are shown within the body of this report and have been agreed with the Council. They are all repeated from the Annual Governance Report and we have updated the action plan with the response of officers.

Independence

- 8** I can confirm that the audit has been carried out in accordance with the Audit Commission's policies on integrity, objectivity and independence.

Financial statements and annual governance statement

Rutland County Council's financial statements and annual governance statement are an important means by which the Council accounts for its stewardship of public funds.

Significant issues arising from the audit

- 9 I issued an audit report including an unqualified opinion on the financial statements, on 30 September 2009. The draft financial statements were changed to correct some mistakes, none of which were significant.
-

Material weaknesses in internal control

- 10 A key monitoring control in the Housing Benefit (HB) system was not operating fully. Management requires a 10 per cent check for correctness etc of claims processed by HB staff but our review found, for example:

- of five checks we reviewed, there was no evidence for two of them; and
- the sample tested by officers was about 6 per cent of the total population.

Our limited enquiries suggest that the percentage checked at other authorities varies between 2 per cent and 10 per cent. We relied on other planned audit work (eg the testing carried out as part of our HB claim work) to provide assurance for our audit opinion.

Accounting Practice and financial reporting

- 11 Government grant unapplied as shown in the Council's accounts includes an unidentified amount of £89,000. Officers have undertaken to investigate and resolve this in 2009/10.
-

International Financial Reporting Standards (IFRS)

- 12** International Financial Reporting Standards will apply fully to local government for the 2010/11 published accounts. These will include comparative figures for 2009/10. This means that the Council needs to be in a position to provide the necessary financial and operational information from 1 April 2009 and is likely to include a significant amount of analysis of financial and operational data.
- 13** As part of a wider Commission survey I have reviewed the Council's plans for transition to IFRS. At this stage I am satisfied that officers have adequate arrangements in place to comply with the new requirements in a timely manner, but there is still significant preparatory work to be completed to comply fully with IFRS.

Recommendation (repeated from Annual Governance Report - already agreed)

- R1** Request the Audit and Risk Committee to satisfy itself that the checking of HB claims is at an appropriate level and is adequately evidenced.
- R2** Ensure the unidentified item of £89,000 is resolved in 2009/10

Value for money and use of resources

I considered how well the Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people, and gave a scored use of resources judgement.

I also assessed whether the Council put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

Use of resources judgements

14 In forming my scored use of resources judgements, I have used the methodology set out in the [use of resources framework](#). Judgements have been made for each key line of enquiry (KLOE) using the Audit Commission's current four point scale from 1 to 4, with 4 being the highest. Level 1 represents a failure to meet the minimum requirements which are defined at level 2.

15 I have also taken into account, where appropriate, findings from previous use of resources assessments (updating these for any changes or improvements) and any other relevant audit work.

The Council's use of resources theme scores are shown in Table 2 below. The key findings and conclusions for the three themes are summarised in Appendix 1.

Table 2 Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances	2
Governing the business	2
Managing resources	2

16 The Council's arrangements overall are solid, scoring 2 out of 4. They meet minimum acceptable levels of performance and are consistent with established professional practice and guidance, meet statutory requirements and generally operate effectively. Across the theme areas there are some stronger performing aspects covering how well the council understands and manages its costs to help achieve efficiencies and how it commissions services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money.

17 Detailed findings and areas for improvement are in Appendix 1.

18 The Council appealed against my assessment but was not successful.

Recommendation (repeated from Annual Governance Report - already agreed)

R3 Assess the areas for improvement in Appendix 1 and develop an action plan to strengthen arrangements in identified areas.

VFM Conclusion

19 I assessed your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources KLOE are the relevant criteria for the VFM conclusion at each type of audited body. My conclusions on each of the areas are set out in Appendix 1.

20 I issued an unqualified conclusion stating that the Council had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

Treasury management

21 Following the difficulties faced by some authorities last year regarding Icelandic banks – including Rutland – the Audit Commission asked auditors to review the overall arrangements in place at councils for treasury management. We took our findings into account in the Use of Resources assessment and there were no significant issues that we needed to report to members.

22 You have £1 million (plus interest) invested in an Icelandic bank – Heritable – that collapsed in October 2008, and it isn't certain how much you will get back. As at early December 2009, the most recent estimate from the Heritable Bank Creditors Committee is that you will recover £800,000 by 2012. Any losses may reduce the money you have available to meet your day to day costs.

Financial position

23 During 2008/09 the Council's revenue expenditure was in line with its forecasts. As regards its spending on long term assets, it spent £7.5 million against an intended £12 million. The main underspend in the year was on the Catmose Vale project where it did not spend as much as it had planned. Members approved the carry forward of the money to 2009/10.

24 In 2009/10 the Council is forecasting:

- a reduction in general fund balances of £75,000 – a main factor is the lower rates of interest earned from investments because of the world wide reduction in interest rates; and
- not spending as much as it had intended on its capital programme – largely due to inaccurate estimates on timing of spend because all necessary information was not available when it produced its timetable.

Overall it is not expecting problems that it cannot deal with but the national position remains difficult. As a result, it will need to continue to monitor its financial position closely and take prompt action as necessary to help it to stay in budget.

Organisational assessment

The Comprehensive Area Assessment Lead has used my use of resources assessment along with an assessment of how well the Council manages its performance to come to an overall assessment for the Council. This is known as the organisational assessment.

- 25** Comprehensive Area Assessment, or CAA, is a new way of assessing local public services in England. It examines how well councils are working together with other public bodies to meet the needs of the people they serve. It is a joint assessment made by a group of six independent watchdogs and will provide an annual snapshot of quality of life in the area. There is also an organisational assessment for each council within the CAA.
- 26** The organisational assessment brings together the use of resources judgement with the Council's managing performance assessment.

Table 3 Organisational assessment

We have decided that the overall Organisational Assessment score should be 3 out of 4 or performing well.

Organisational assessment	Rutland County Council performs well
Managing performance	3 out of 4
Use of resources	2 out of 4

- 27** There is a difference between the scores for use of resources and managing performance. The latter measures the way the Council checks its services are provided effectively and whether they are improving over time. We have decided that the overall score should be 3 out of 4 or performing well. This is because most of the Council's services perform at levels above the national average and some of its previously weaker services such as recycling are improving quickly.
- 28** Rutland County Council scores 3 out of 4 for managing its performance – it is performing well. This is because it is making good progress towards most of its priorities. Education and adult care services are performing consistently above the national average. Services which have been weaker in the past, such as housing repairs and recycling, are now improving quickly.

Closing remarks

- 29** I have discussed and agreed this letter with the Chief Executive and the Director of Corporate Services. The Council will receive this letter at its meeting on 11 January 2010 and will provide copies to all members.
- 30** Further detailed findings, conclusions and recommendations in the areas covered by our audit are included in the reports issued to the Council during the year.

Table 4

Report	Date issued
Supplementary audit opinion plan	June 2009
Annual governance report	September 2009
Opinion and vfm conclusion	September 2009
Final accounts memorandum	December 2009 (planned)

-
- 31** The Council has taken a positive and constructive approach to our audit. I wish to thank its staff for their support and co-operation during the audit.

Neil Bellamy
District Auditor
December 2009

Appendix 1 – Use of resources key findings and conclusions

The following tables summarise the key finding and conclusions for each of the three use of resources themes. It is copied from our Annual Governance report.

The Council appealed to the Audit Commission on this assessment but was not successful.

Table 5 Managing finances

Theme score – 2
Key findings and conclusions
<p>Financial planning, strategic and service planning are well integrated and the Council manages its finances within available resources. There are good links between consultation, the Council’s priorities and financial planning. Rutland’s unit costs are lower than most other unitary authorities and performance levels generally higher than the national average. In 2008/09 significant improvements have been made in housing repairs and waste and recycling. Rutland has historically performed well at delivering its annual efficiency targets although in 2008/09 there has been limited progress in progressing shared services with other authorities.</p> <p>The Council produces solid reliable financial information for monitoring and forecasting and financial performance is well integrated into its performance management system. Draft accounts meet statutory requirements with efficient closedown and good supporting working papers but did contain some errors. Published versions provide an objective understandable assessment of performance but could be developed to include environmental and diversity information.</p>

Appendix 1 – Use of resources key findings and conclusions

<p>KLOE 1.1 (financial planning)</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>
<p>Key findings and conclusions</p>	
<p>Financial planning, strategic and service planning are well integrated. The Council has developed clear priorities through its Sustainable Community Strategy (SCS) and Corporate Delivery for which significant work was undertaken in 2008. The medium term financial plan links into strategic plans.</p> <p>The Council takes a pragmatic approach to annual revenue planning by first carrying out a detailed needs assessment of Adult Social Care (ASC) services to assess demand and its subsequent costs. The Council incorporates the impact of its capital programme into the medium term financial plan (MTFP). Particular attention has been given during 2008/09 to the funding arrangements for the Big Build – MTFP includes provision for borrowing to cover a shortfall in resources until disposal of assets takes place.</p> <p>There are good links between consultation and financial planning. Extensive consultation took place in 2008 for SCS and local consultation focused on how local people would like to see monies spent. However this will not be fully embedded into service delivery plans until 2009/10.</p> <p>The Council manages its spending within available resources. The 2008/09 budget outturn is in line with previous projections. Accountability and responsibility for finances between Members and senior officers is clear. The Council recognises individual and collective responsibilities for financial management but there have been capacity issues in the past which have hindered the implementation of training. This is now improving.</p> <p>Areas for Improvement</p> <p>Clearly demonstrate how financial planning has contributed to improved outcomes for local people</p> <p>Ensure local consultation on spending is embedded in service delivery plans</p> <p>Effectively implement the financial training programme and monitor the benefits arising from it</p> <p>Develop financial modelling further</p>	

<p>KLOE 1.2 (understanding costs and achieving efficiencies)</p> <p>Score</p> <p>VFM criterion met</p>	<p>3</p> <p>Yes</p>
<p>Key findings and conclusions</p>	
<p>The Council's unit costs are lower than most other unitary authorities and performance levels are significantly higher than the national average. This is particularly the case for Adult Social Care and Children and People's services which have consistently achieved scores of level 3 in their annual performance assessments over the last three years. During 2008/09 it has continued to improve meeting over 70 per cent of its targets for local and national indicators. The Council has a sound understanding of its overall costs and is focused on keeping them at lower levels than the national and family group averages. In 2008/09 significant improvements were been made in its historically weaker services particularly housing repairs and waste and recycling. For example, in this year the Council moved from being one of the lowest to one of the highest performing authorities and are currently recycling in excess of 55 per cent of waste collected. Similarly housing repairs have shown a significant improvement for both planned and responsive repairs.</p> <p>Costing Information that supports decision-making mostly includes unit costs but transaction costs do not exist in all areas. Consideration of the social and environmental impact is given to all capital proposals and the Council is well aware of its support costs. Comparisons between cost and level/quality/benefit of service are done for high spending and priority services such as ASC, CYP and waste.</p> <p>The Big Build project has been subjected to a solid capital and revenue appraisal which includes evaluation of risks and the relative costs and benefits.</p> <p>The Council has historically performed well at delivering its annual efficiency targets although in 2008/09 there has been limited progress in progressing shared services with other authorities. Although the Council's understanding of overall costs is good its understanding of unit and transaction costs is not fully developed in all services.</p> <p>The Council has an adequate approach to understanding of and modest targets for NI 179.</p> <p>Areas for Improvement</p> <p>Develop a greater understanding and use of unit and transaction costing over more services</p> <p>Progress shared services to achieve efficiencies</p>	

Appendix 1 – Use of resources key findings and conclusions

KLOE 1.3 (financial reporting)	
Score	2
VFM criterion met	Yes
Key findings and conclusions	
<p>The Council produces solid reliable financial information for monitoring and forecasting. This is on a monthly basis. It uses fit-for-purpose financial reports to monitor performance and support strategic decision making</p> <p>Financial performance is well integrated into the Council's performance management system. It produces financial reports that are clear, relevant and concise to support strategic decision making.</p> <p>The Council prepares accounts that meet statutory requirements and financial reporting standards. There were errors in the draft accounts but the working papers supporting the accounts were good with officers responding promptly to audit queries. The Council achieved early closedown of accounts despite the introduction of a new suite of systems from April 2009.</p> <p>Reports published provide an objective, balanced and understandable assessment of the organisation's performance in the year. They are available through the Council's website and at customer access points in the County. Press releases are also commissioned.</p> <p>Areas for Improvement</p> <p>Reduce errors in the draft statements of account</p> <p>Improve public financial reporting by including environmental performance and impact on different communities</p>	

Table 6 Governing the business

Theme score – 2	
Key findings and conclusions	
<p>The Council has a clear vision of intended outcomes for local people which shapes its commissioning and procurement and a good understanding of supply markets. There is good involvement from local people on commissioning and procurement and the Council reviews the competitiveness of services and achieves value for money. Service redesign and electronic access is developing.</p> <p>The Council produces reliable information and its approach to working with partners to ensure data quality is developing. Information is well utilised for performance management against priorities and targets. Arrangements for data security are adequate. The Council approach to promoting and demonstrating good governance is adequate as are arrangements for governing key partnerships. There is no evidence of significant ethical breaches or fraud and corruption but the Council could develop more proactive approaches to counter fraud</p>	
KLOE 2.1 (commissioning and procurement)	
Score	3
VFM criterion met	Yes
Key findings and conclusions	
<p>The Council has a clear vision of intended outcomes for local people which shapes its commissioning and procurement, and is based on an ongoing analysis and understanding of needs eg Big Build, waste and recycling contract, commissioning services for older people – pooled budget with Primary Care Trust. Recently, in response to the recession the Council has allocated more resources to Citizen’s Advice Bureau (CAB) to deal with the increase in demand for its financial advisory services.</p> <p>The Council has a good understanding of supply markets and undertakes independently assessed options appraisals eg the construction contract tender package for Big Build was independently reviewed after it had been issued to bidders. The waste contract which commenced in April 2008 was subjected to a rigorous, independently tested options appraisal.</p>	

Appendix 1 – Use of resources key findings and conclusions

Theme score – 2

The Council has a good track record of evaluating procurement options. Recently this has resulted in the appointment of a new waste partner, a preferred partner for running the new leisure facilities at the Big Build, housing stock, housing maintenance, CAB for advisory services and the commissioning of ASC services for older people.

There was good involvement from local people on commissioning the waste contract, but this was mixed in other cases. Due to direct consultation the Council had less than 5 complaints following the implementation of doorstep collection of recycling. Consultation has been thorough with local people for the Big Build and more recently more than 75 per cent of tenants voted on the proposed housing stock transfer.

Service redesign and electronic access is developing. The access group is starting to have an impact – more services are being delivered electronically and via telephone, but this is in its early stages.

The Council reviews the competitiveness of services and achieves value for money, whilst meeting wider social, economic and environmental objectives in most service areas. Recently this includes housing, adult social care commissioning, waste and the Big Build.

Areas for Improvement

Progress electronic service delivery to improve access and efficiency

Involving the community further in commissioning across all services

<p>KLOE 2.2 (data quality and use of information)</p>	
<p>Score</p>	<p>2</p>
<p>VFM criterion met</p>	<p>Yes</p>
<p>Key findings and conclusions</p>	
<p>Information is well utilised for performance management against priorities and targets. The Council has clear protocols for reporting and acting on performance information as does the LSP. Areas of under performance are identified on a monthly basis and provide focus for members and officers.</p> <p>The Council produces reliable information and its approach to working with partners to ensure data quality is developing. Spot check testing found arrangements were adequate. There are protocols for sharing sensitive information with partners and mixed arrangements for ensuring the quality of information from contractors.</p> <p>The Council produces information tailored to the needs of individual officers, members and the LSP. Its TEN system is well embedded and is able to provide specific reports for individuals to suit the needs of senior officers, members and staff.</p> <p>Arrangements for data security are adequate and there have been no issues identified in 2008/09.</p> <p>Areas for Improvement</p> <ul style="list-style-type: none"> Develop robust data quality and sharing arrangements with partners Strengthen arrangements with contractors to ensure data quality Monitor and drive improvements in levels of data quality, ensuring consistency of approach where data is obtained from partners 	

Appendix 1 – Use of resources key findings and conclusions

<p>KLOE 2.3 (good governance)</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>
<p>Key findings and conclusions</p>	
<p>Historically the Council approach to promoting and demonstrating good governance is solid. For example investigations against staff are dealt with under Human Resources policies and procedures. Examples in 2008/09 included a matter initiated under the whistle-blowing policy and a complaint concerning the management of a contract. The Standards Committee has dealt with 2 complaints made against Members under the code of conduct during 2008/09. The findings of the investigations were heard by the Complaints Determination Panel. The annual governance statement meets minimum requirements.</p> <p>The behaviour of elected Members is regulated through a Code of Conduct, which all Members sign up to upon election to the Council. Training is provided to Members periodically to ensure that they are fully aware of their responsibilities. Employees are also subject to a Code of Conduct and a number of specific policies (such as Harassment, Discrimination and Bullying). All new members of staff receive one to one induction training with their line manager and attend an induction training session.</p> <p>The Council maintains its focus and vision. Scrutiny is developing effectively. For example in 2008/09 the Council was considering a re-structure of the Chief Executives department. This was called in by the Corporate Services Scrutiny Panel having previously been considered by the Community Services Scrutiny Panel and Cabinet.</p> <p>There are solid arrangements for governing key partnerships. Arrangements for the LSP have been refreshed in 2008/09. The housing management contract is overseen by a Partnership Board. The Board comprises 3 tenants, 3 Councillors, and 3 independent people and considers and reviews the plans, strategies, policies and service statements required to meet the requirements of the contract.</p> <p>Areas for Improvement</p> <p>Develop a more proactive approach to maintaining and raising ethical standards</p> <p>Extend the existing arrangements for disclosure and control of gifts, hospitality and interests to cover senior officers</p> <p>Regularly review the effectiveness of key partnerships and act on findings</p>	

KLOE 2.4 (risk management and internal control)	
Score	2
VFM criterion met	Yes
Key findings and conclusions	
<p>Risk management is developing well. The Risk Management Strategy adequately covers corporate, operational risks, likelihood of impact and mitigating actions. All decision making reports are reviewed by the Director of Corporate Services and the Head of Legal and Democratic Services to ensure compliance with relevant laws, regulations internal policies and procedures and to ensure that the spend is lawful. Risk management has been further embedded into the culture of the organisation during 2008/09. Regular reports to Cabinet and Corporate Services Scrutiny Panel are now incorporated into the forward plan and additional informal updates are provided to Cabinet Members on any significant change in risks although this is new.</p> <p>Partnership risk has been promoted through a workshop facilitated by Zurich and a partnership risk register established. The Risk Management Group has an agreed methodology for grading risks and this is applied equally to partnership risk although this is also new.</p> <p>So far the risk management arrangements covering the Council’s Big Build project are good so far. A separate, detailed, risk register is maintained by the Project Manager responsible for The Big Build to complement the risk identified in the Council’s Strategic Risk Register. In addition the financial risks associated with the project have been closely monitored and aligned with the Medium Term Financial Plan to ensure that the scheme remains affordable and sustainable.</p> <p>Fraud and corruption does not have a high profile at RCC, this reflects the size of the Authority but there has been little history of fraud /corruption issues.</p> <p>Internal controls are adequate. The Council has arrangements in place for receiving allegations of fraud or misconduct, through its Whistle blowing policy. Members receive an annual report of internal audit activity and approve the audit plan for the forthcoming year. For the year 2008/09 the Head of Internal Audit has concluded that the Council’s overall internal control arrangements provide a sound level of assurance.</p>	

Appendix 1 – Use of resources key findings and conclusions

Theme score – 2
Areas for Improvement Embed the new approach to partnership risks into existing arrangements Develop a more proactive approach to counter fraud and corruption Regularly assess counter fraud culture in the Council Develop the recently formed Audit and Risk Committee's role to cover the accepted audit committee responsibilities

Table 7 Managing resources

Theme score – 2
Key findings and conclusions The Council has completed good base line assessments of its use of energy and Co2 emissions generated by its own buildings and has been monitoring this for three years. It is successfully reducing energy consumption and CO2 emissions and has built sustainability well into its plans for the Big Build, currently under construction. It has undertaken a number of further initiatives for reducing carbon emissions but needs to extend its approach in this area more fully to partnership working. Overall there is a strategic approach to asset management and the Council is endeavouring to manage its asset base to ensure that assets are fit for purpose and provide value or money. It is starting to work with effectively with partners to improve asset utilisation. This includes its key project, the Big Build.

<p>KLOE 3.1 (use of natural resources)</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>
<p>Key findings and conclusions</p>	
<p>The Council has completed good base line assessments of its use of energy and Co2 emissions generated by its own buildings and has been monitoring this for three years. These are broken down by facility areas.</p> <p>The Council also understands the indirect impact of its services on CO2 emissions. For example, transport/road planning has sustainability built in and the environmental consequences of new roads, parking schemes etc are considered.</p> <p>The Council is reducing energy consumption and CO2 emissions. Comparing 2008/09 with 2007/08 it reduced electricity consumption at its main Catmose offices by 1.6 per cent and water consumption by 5.5 per cent with an overall reduction in estimated CO2 emissions across all of its buildings of 2.6 per cent.</p> <p>The Council has built sustainability well into its plans for the Big Build, currently under construction. The building has been designed to use significantly less energy, and emit significantly less carbon, than the existing school and will surpass best practice guidelines and building regulations. Calculations have been carried out using a government approved design tool called the ' Carbon Calculator' to demonstrate that the building will emit 60 per cent less energy than a 2002 baseline building regulations compliant building. This will be a significant improvement and is projected to result in the saving of 391 tonnes of CO2.</p> <p>The Council internally has undertaken a number of positive initiatives for reducing carbon emissions. These include:</p> <p>Staff Awareness Campaign and Climate Changers. During Energy Saving Week, an information stand was held in the foyer of the main council offices which was attended by a representative of the Energy Saving Trust during the morning of Monday 20th October.</p> <p>The new public conveniences in Oakham have been designed with numerous energy, water and therefore carbon dioxide emission saving measures. To save water, waterless urinals have been installed, along with automatic flush toilets for hygiene purposes and concealed toilet cisterns. These have a reduced capacity and on average save around 3-4 litres of water. Energy saving measures within the building included the installation of solar hot water heating for the hot water supply.</p>	

Appendix 1 – Use of resources key findings and conclusions

Theme score – 2	
<p>Designated staff are working alongside schools and secondary colleges in their development related to eco-schools. A local target has been set for all schools and secondary colleges to achieve the eco-school bronze award by December 2009. One primary school already holds the eco-school green flag. Planned intervention project work within schools and secondary colleges is in place and will be showcased at a celebration event in the Autumn of 2009.</p> <p>However the partnership working aspect of CO2 management is not fully developed.</p> <p>Areas for Improvement</p> <p>Extend the approach to carbon management to cover partnerships</p>	
KLOE 3.2 (strategic asset management)	
Score	2
VFM criterion met	Yes
Key findings and conclusions	
<p>Overall there is a strategic approach to asset management. The Asset Management Plan forms the basis on which future investment decisions. Half-yearly reviews are reported to members on any significant changes to the asset base. The use and maintenance of each asset is reviewed with the appropriate service manager and programmed works agreed annually. The Council's submission to the Department of Children Schools and Families under the Primary Capital Strategy, referred to as Better Schools For All (BS4A) was one of only 41 nationally to receive full approval and is designed to optimise use of the assets to achieve the schools' aspirations for learning.</p> <p>The Council is endeavouring to manage its asset base to ensure that assets are fit for purpose and provide value .or money. The link between Asset Management and planned maintenance is developing but resources to address the asset management plan are not fully identified.</p> <p>The Council is starting to work with effectively with partners to improve asset utilisation. For example decisions on disposal of surplus assets, such as Barleythorpe Hall and Ashwell Depot have been revised and in the latter case a short-term alternative use is being developed to provide start up opportunities to assist local businesses.</p>	

Theme score – 2

Areas for Improvement

Strengthen links between asset management and planned maintenance, including identifying resources, and identify the impact on backlog maintenance levels

Develop partnership working to encompass a strategic approach to building usage across the county.

Appendix 2 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
6	R1 Request the Audit and Risk Committee to satisfy itself that the checking of HB claims is at an appropriate level and is adequately evidenced	2	Andrea Grinney	Yes	Will report to Audit and Risk Committee specifically referring to this issue in March 2010	31 March 2010
6	R2 Ensure the unidentified item of £89,000 is resolved in 2009/10	1	Debbie Muddimer	Yes	Will be resolved in 2009/10 before final accounts completed;	31 March 2010
8	R3 Assess the areas for improvement in Appendix 1 and develop an action plan to strengthen arrangements in identified areas.	2	Mike Baish	Yes	Actions highlighted in areas for improvement will be reviewed and evidenced where appropriate for 2009/10 Use of resources assessment	31 January 2010

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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