



Committee: BUDGET AND PERFORMANCE PANEL

Date: TUESDAY, 31 JULY 2007

Venue: LANCASTER TOWN HALL

Time: 4.30 P.M.

Councillors are reminded that as Members of Overview and Scrutiny they may not be subjected to the Party Whip, which is prohibited under the Lancaster City Council Constitution.

A G E N D A

1. Apologies for absence

2. Declaration of Interests

3. Minutes

Minutes of the Meeting held on 17th July 2007 (previously circulated).

4. Items of Urgent Business authorised by the Chairman

5. Home Working Pilot Scheme - Interim Report - (Report to follow)

Report of Corporate Director (Regeneration).

6. Overspends in Property Services 2006/07

Verbal report of Head of Property Services.

7. Consideration of Terms of Reference (to follow)

Report of Corporate Director (Finance & Performance).

8. Audit Commission VfM Statistical Profile (Pages 1 - 52)

Report of Corporate Director (Finance & Performance).

9. Annual Report (Best Value Performance Plan) (Pages 53 - 54)

To advise Members of the publication of the Annual Report (formerly known as the Corporate Performance Plan).

10. Work Programme Report (Pages 55 - 56)

Report of Head of Democratic Services.

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Jim Blakely (Chairman), Tina Clifford, Jean Dent, Keran Farrow, Sarah Fishwick, Mike Greenall, Tony Johnson, Ian McCulloch and John Whitelegg

(ii) Substitute Membership

Councillors Chris Coates, Roger Dennison, Rebekah Gerrard, Karen Leytham, Roger Plumb, Keith Sowden and Peter Williamson

(iii) Queries regarding this Agenda

Please contact Liz Bateson, Democratic Services - telephone (01524) 582047 or email ebateson@lancaster.gov.uk.

(iv) Changes to Membership, substitutions or apologies

Please contact Members' Secretary, telephone 582170, or alternatively email memberservices@lancaster.gov.uk.

MARK CULLINAN,
CHIEF EXECUTIVE,
TOWN HALL,
LANCASTER LA1 1PJ

Published on 20th July 2007

BUDGET & PERFORMANCE PANEL**31st July 2007****Audit Commission VFM Statistical Profile****Report of the Corporate Director (Finance & Performance)****PURPOSE OF REPORT**

To provide the Panel with comparative statistical information prepared by the Audit Commission in respect of the council's 2006/7 financial estimates.

This report is public

RECOMMENDATIONS

- (1) That the Panel consider the statistical profile data set out in the report and identify any areas that require further consideration.

1.0 Introduction

- 1.1 As part of the Panel's responsibility for monitoring value for money (vfm) in Council services, this report presents the latest comparative data that has been prepared by the Audit Commission (see Appendix A).
- 1.2 The data contained in this report is relevant to the annual Use of Resources judgement undertaken by the Council's external auditor in respect of vfm and reported each year in the Annual Audit and Inspection Letter. Members will recall that for 2005/6, the council scored 3 out of 4 (performing well) in the overall Use of Resources judgement but only 2 out of 4 (adequate performance) in the vfm part of the assessment.
- 1.3 In particular, the data contained in the report will help the council consider :-
- How well the council's overall and service costs compare with others?
 - To what extent are costs commensurate with service delivery, performance, and outcomes achieved ?

- 1.4 The data used in the profile is collated from a number of sources and includes :-
- Information about spending taken from the annual revenue estimates supplied by Councils. It should be noted that comparisons don't take account of updated revised or actual spend for previous years.
 - 2006/7 Best Value User satisfaction Surveys
 - Estimated population figures prepared by the Office for National Statistics
- 1.5 Although the data used is not the most up to date information, it does provide members with an opportunity to highlight areas of service performance that may require a review or further consideration. As a consequence, members are asked to consider the data and to make any appropriate recommendations.

Use of resources assessment
Value for Money Profile report
All chapters
2006
Lancaster City Council

(Revised April 2007)

Report generated on 13 Jul 2007 at 09:48:39

Introduction

Councils spend more than £100 billion pounds per year. They are responsible for ensuring that they have put in place the proper arrangements to secure economy, efficiency and effectiveness in its use. The Audit Commission is tasked with providing assurance that this is being achieved. To do this the Audit Commission needs to examine councils' performance and financial management arrangements.

The Audit Commission currently provides this assurance through a combination of its audit work and the comprehensive performance assessment (CPA). The CPA makes use of an annual judgement made by auditors on how efficiently councils are using their resources, known as the use of resources assessment.

There is a wealth of data available from which auditors are expected to draw their conclusions. This standard report has been produced to assist councils review their own performance as well as to support auditors by acting as an initial filter to help identify the key issues facing a particular council.

This data contained in this report are relevant to the Key Lines of Enquiry (KLOE) for use of resources assessments. Specifically KLOE 5.1 How well does the council currently achieve good value for money? Within KLOE 5.1. the data in this report is particularly relevant to two areas:

- i) How well do the council's overall and service costs compare with others?
- ii) To what extent are costs commensurate with service delivery, performance and outcomes achieved?

This data should be used as the starting point for addressing these questions in any updates of a council's value for money assessment. Guidance and further details are contained in 'use of resources guidance for councils' which can be found on the Audit Commission's web-site at <http://www.audit-commission.gov.uk/localgovernment/useofresources>.

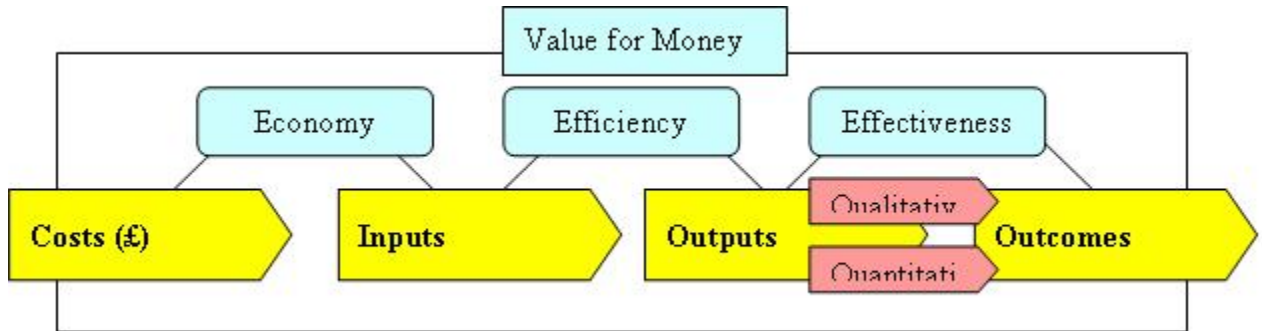
This report also contains annexes setting out some high level context information on council tax levels and overall spending and performance.

For further details or queries about the VFM profiles contact the CPA enquiry line on 0845 052 2616 or register a query by using the web form available from www.audit-commission.gov.uk/performance/contactus-form.asp.

Overview

Value for money defined

Value for money has long been defined as the relationship between economy, efficiency and effectiveness. The diagram below encapsulates the Commission's understanding of value for money (for further explanation see 'Use of resources guidance for councils').



About the Profile Tool.

The Value for Money Profile tool is designed to support judgements about councils' effective use of resources as part of the use of resources assessment.

Most of the information contained in the VFM profile refers to Costs (£), that is to say the money that councils plan to spend on their services each year. To make it easier to put a council's spending in context, information about spending is expressed relative to the council's population. In those cases where spending is directed to particular groups in the population, we have expressed planned spending relative to a more specific population.

We express planned spending relative to population to make it easier to make comparisons between councils with different scales of operation. These data are not unit costs. A unit cost is calculated by expressing spending relative to the number of units of service directly associated with that spending. The information about spending used in this report is at higher level than unit costs. As a result each item of planned spending will be directed to delivering more than one type of units of service.

The CIPFA Statistical Information Service operated by IPF provides CIPFA subscribers with access to more detailed information about councils' spending. The service can be accessed at <http://www.cipfastats.net/> (external link).

For more information about the information used in this report, refer to Annex One.

The Standard Report

This report has been produced through the use of a selection of the information held on the value for money profile tool and it summarises the data held for one council.

The charts that follow are designed to help you identify the distinctive features of planned spending for an individual council. In practice this means gauging whether planned spending across a range of activities is higher or lower than most other councils in the selected comparison group. Higher spending refers to spending in the upper quartile and lower spending refers to spending in the lower quartile.

Any distinctive features of planned spending are not by themselves either right or wrong. Instead they raise questions which may be followed up by the council or by auditors. While working through the charts you should consider the following points:

- is the difference in the council's spending associated with differences in the level of service it provides?
- is the council's spending consistent with that of other councils providing services in a similar way or quality?
- has the council's spending changed compared to others in the last three years? and,
- is the scale of the service large enough to justify making distinctions between councils?

You'll find general comments about interpreting the information alongside the charts. Most charts show the spending in one council compared to a group of other councils. A list of comparisons used in this report is provided at the end of the report.

The information about spending is taken from the revenue estimates submitted by councils, the Department for Communities and Local Government (CLG) and the Department for Education and Skills (DFES) (referred to as RA forms and section 52 forms respectively). That means that references in the report to 'spending' are based on councils' plans for their spending, rather than what they actually spend or spent. Spending plan information is provided for the 2003/04, 2004/05, 2005/06, and 2006/07 financial years, where available. The spending plan figures have not been revised to take account of revisions budgets in year or for inflation between years.

The profiles also contain contextual and performance information, for example population and performance information. In most cases these data do not refer to the same time period as the information about spending against which they are shown. For example population estimates are prepared in arrears whereas spending plans are formulated in advance.

The population information used in this report is taken from the mid year estimates of population published by Office for National Statistics (ONS). Population information is applied to information about spending plans as follows:

Spending plan	2003/04	2004/05	2005/06	2006/07
Population estimate	2002	2003	2004	2005

If the information required to generate a chart is not available for this council, a chart will be displayed and it will not include data for this council. Information may be unavailable because the council does not provide the service or because it has not supplied one or more of the data items required for the chart.

Data from the Best Value citizen and user satisfaction surveys undertaken in 2006/7 will be loaded on to the tool by the end of June 2007.

Comparisons based on Nearest Neighbours groups refer to the revised CIPFA neighbour groups published by IPF in April 2007. These are not the same as the family groups used by the Office for Standards in Education (OFSTED) and Commission for Social Care Inspection (CSCI). You can find out more about the CIPFA Nearest Neighbour methodology at the address below. <http://www.ipf.co.uk/sis/nearestneighbours/england/default.asp> (external link).

It is important to understand that this data should be used to help understand relative spending patterns and prompt questions and areas for further investigation or explanation. It does not provide direct answers to the key lines of enquiry questions.

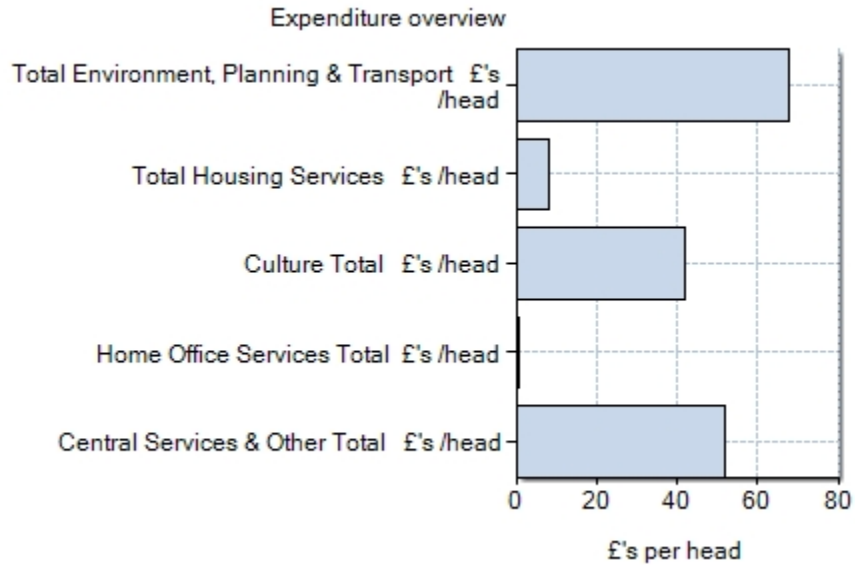
Glossary of terms

BPSA	Business Plan Statistical Appendix to Housing Investment Programme submission
BVPI	Best value performance indicator
CIPFA / IPF	Chartered Institute of Public Finance and Accountancy / Institute of Public Finance limited
CLG	Communities and Local Government
CPA	Comprehensive performance assessment
CSCI	Commission for Social Care Inspection
DEFRA	Department for Environment, Food and Rural Affairs
DFES	Department for Education and Skills
DFT	Department for Transport
DSG	Dedicated Schools Grant
FSS	Formula spending share
FRS17	Financial reporting standard 17
ISB	Individual schools budget
KLOE	Key lines of enquiry
LEA	Local education authority
OFSTED	the Office for Standards in Education, Children's services and Skills
ONS	Office for National Statistics
PAF	Social Services performance assessment framework

RA	Revenue account budget returns
Section 52	Budget statement prepared under section 52 of the Schools Standards and Framework Act 1998
SEN	Special educational needs
VFM	Value for money

Overview

Expenditure overview

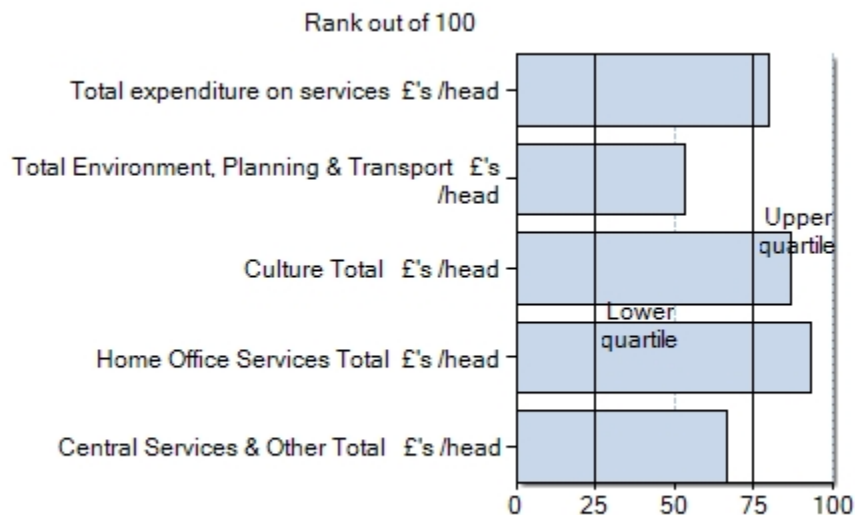


The first chart shows the total expenditure on services for the council and how this is divided between the main service areas. The form on which this information is based was not completed in accordance with FRS17.

[For more information about the information used in this report, refer to Annex One.](#)

Each bar shows the council's spending relative to its population.

For more information about spending on specific service areas refer to the Charts and Reports page of the VFM profiles.

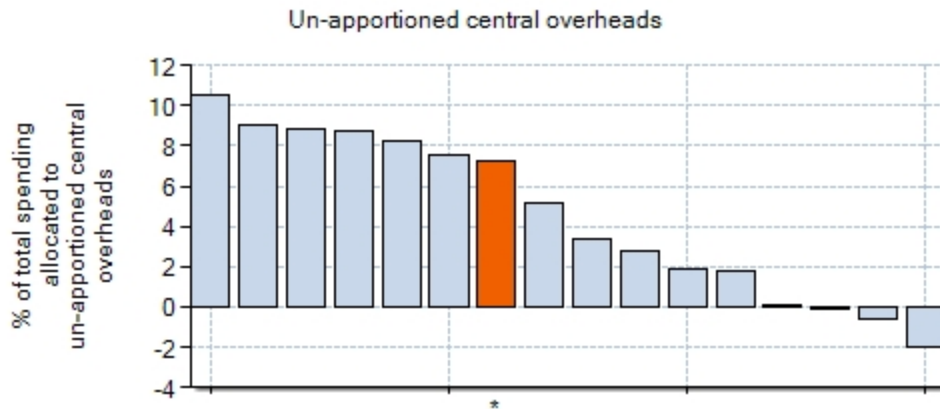


Each bar of the second chart shows how the council's spending for a service area ranks when compared to other councils. For example, if this council spends more on Education than all the councils in the comparison group it has a rank of 100

and if it spends less on Education than all the councils in the comparison group it has a rank of 0.

Overheads, contingencies and other central services

Percentage of overheads

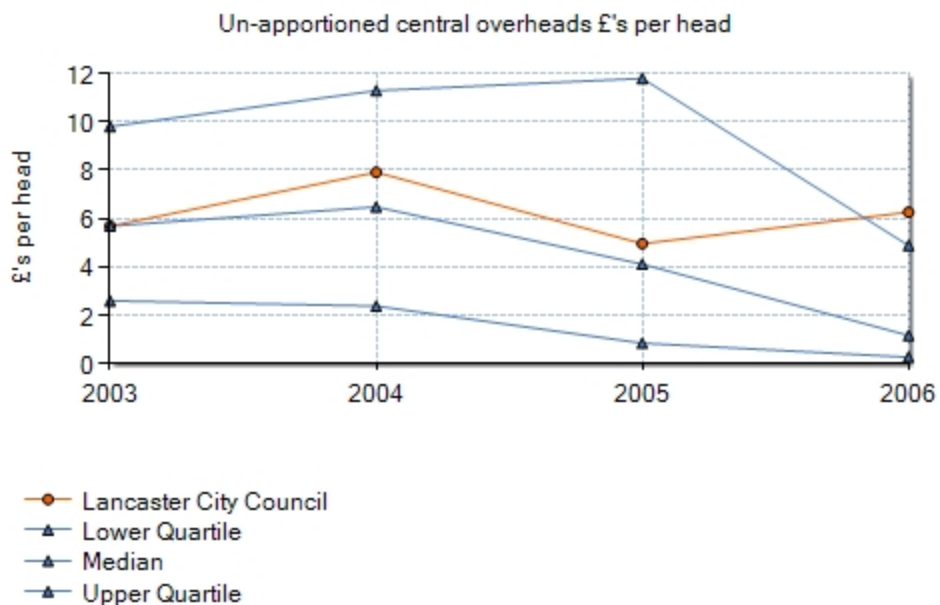


Not all councils allocate a similar percentage of their total spending on services to un-apportioned overheads. This can explain why service costs may appear to be at odds to those of the other councils.

In some councils central allocations are low and nearly all costs are allocated to services. Spending on those services will appear higher when compared to councils that apportion less of their costs on assets like IT and accommodation.

Councils should be seeking to apportion as much of their overhead costs as possible. The Best Value Accounting Code of practice states that 'the majority of central support services such as finance, internal audit, personnel, IT, legal services, procurement, etc. should be charged, allocated or apportioned to the service divisions defined in the Service Expenditure Analysis' (paragraph 7.2, Best Value Accounting Code of Practice 2006).

Allocations over time

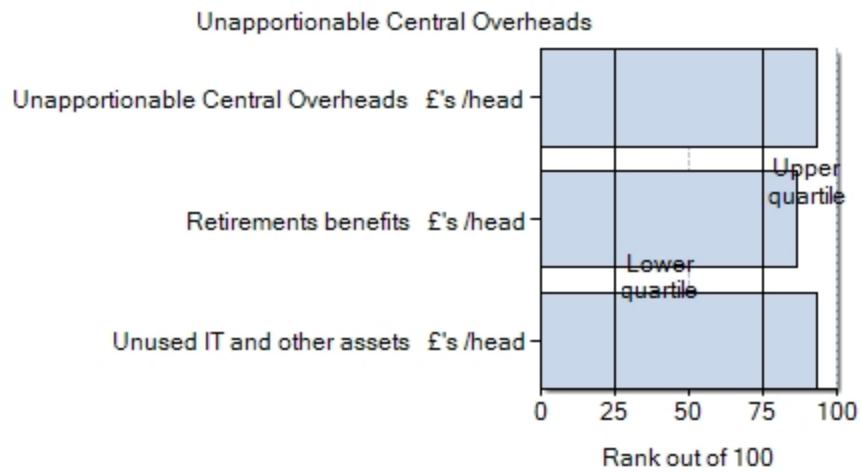


If a council has a result in either the highest or lowest quartile, you need to keep this in mind when comparing spending on specific services to other councils.

How consistent is the result for 2006/07 with those for earlier years? Where results change quartile from one year to the next, this may be because the council made one-off provision for specific expenses.

Overheads, contingencies and other central services

Un-apportioned central overheads

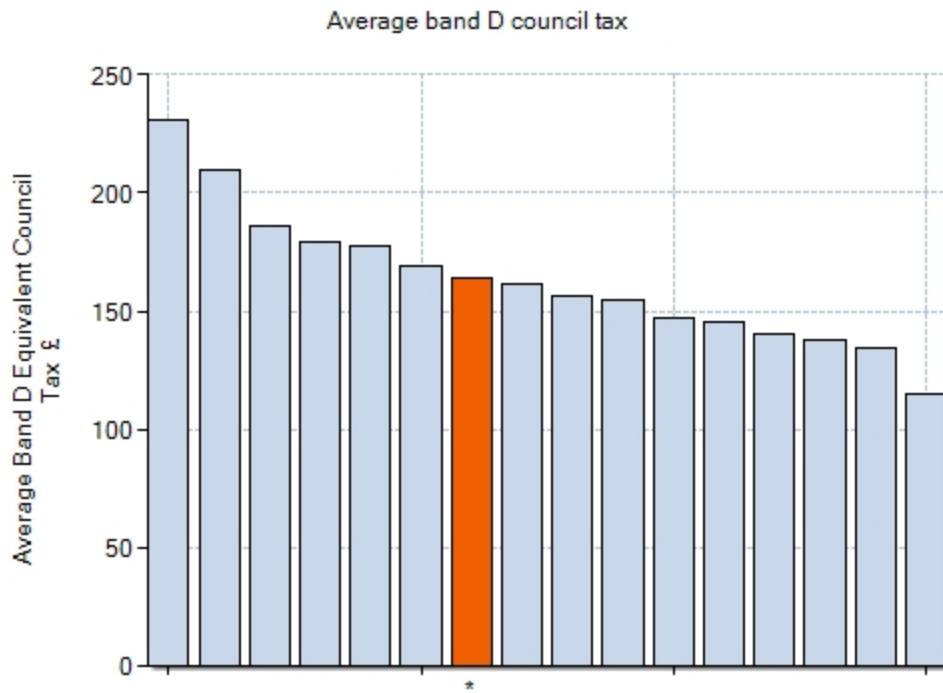


The chart shows how the value of un-apportioned central overheads, relative to the council's population, compared to other councils.

Un-apportioned central overheads are made up of retirement benefits and the costs of unused shares of IT facilities and other centrally held assets.

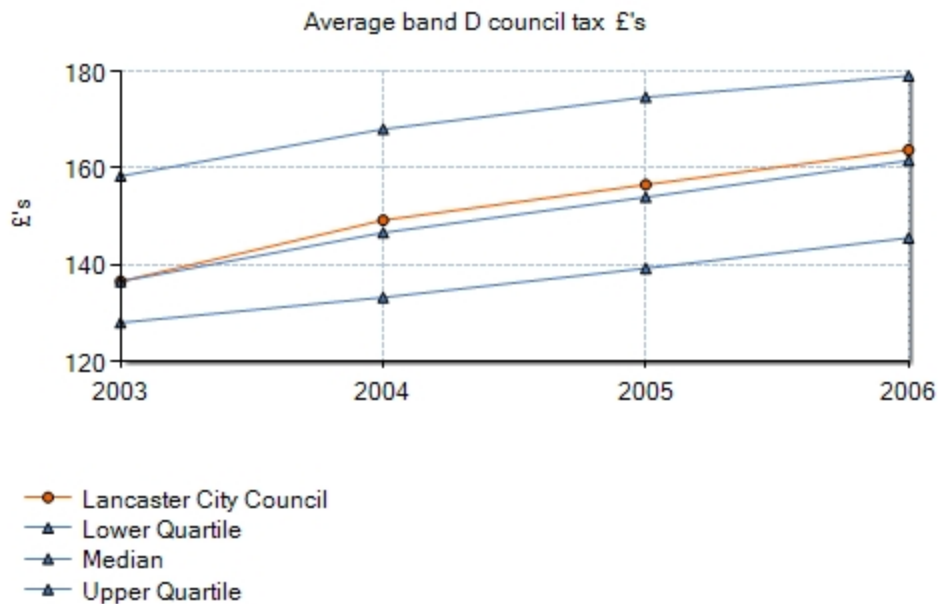
Council tax

The chart compares the council's average band D council tax to tax levels for other councils in the comparator



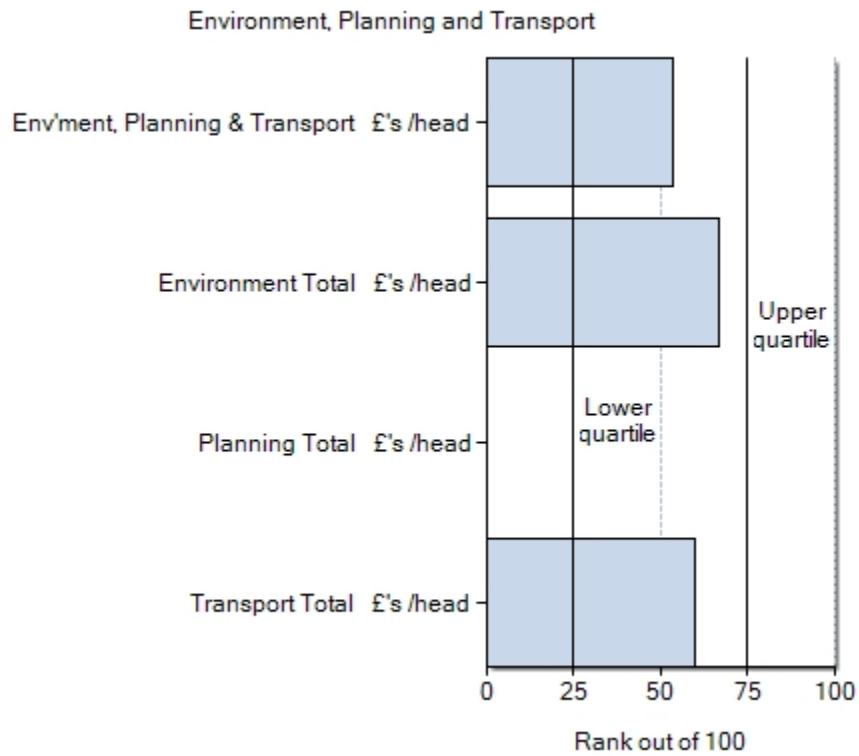
group.

Band D council tax over time



The chart shows the change over time in the average band D council tax for the council. The result for the council is shown alongside the quartiles for council tax levels for other councils in the comparator group.

Environment, Planning and Transport



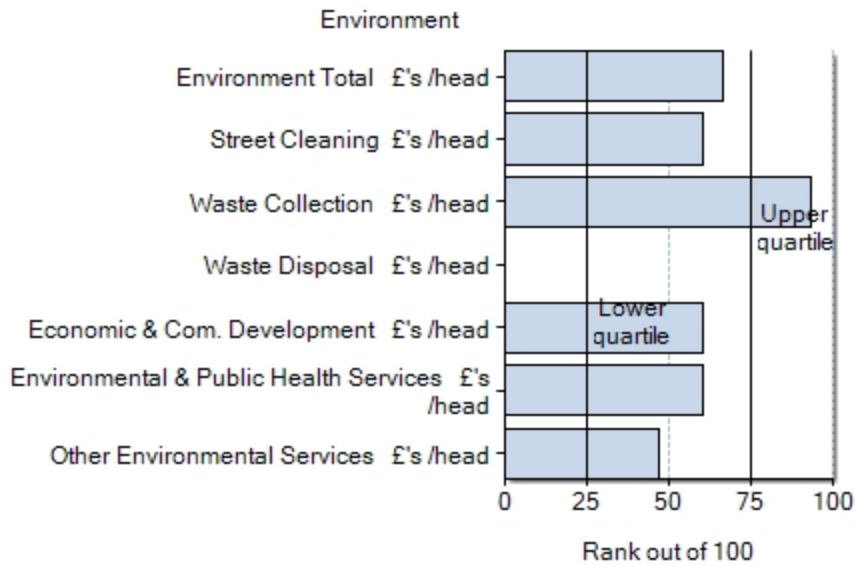
Each bar of the chart shows how the council's spending for these services ranks when compared to other councils. For example, if a council spends more on planning than all the councils in the comparison group it has a rank of 100 and if it spends less on planning than all the councils in the comparison group it has a rank of 0.

In district councils, the environmental services account for the largest share of spending on this sector (typically 75 per cent of the total).

[For more information about the data used in this report please refer to Annex One.](#)

Environmental services: Street cleaning and Waste Collection

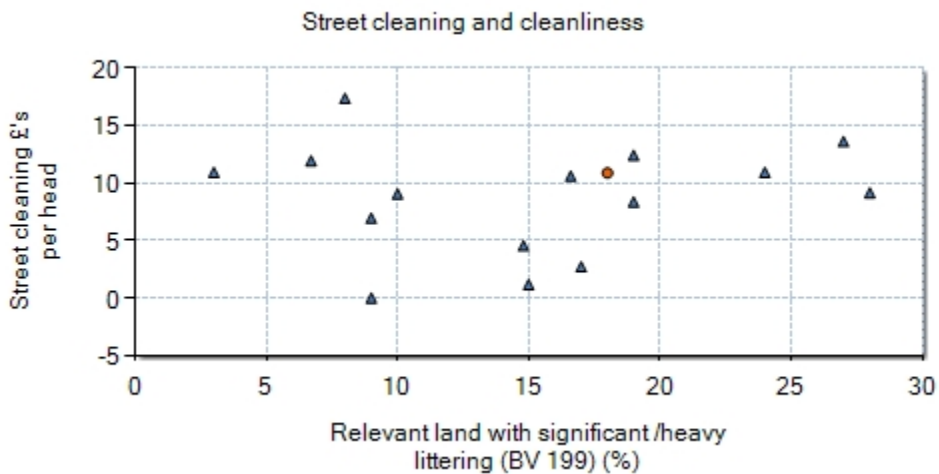
Environment



Waste collection is the largest area of spending among this group of services.

High levels of spending in one or both of these areas are likely to feed through into higher level spending on environment services as a group.

Street cleaning and heavy littering

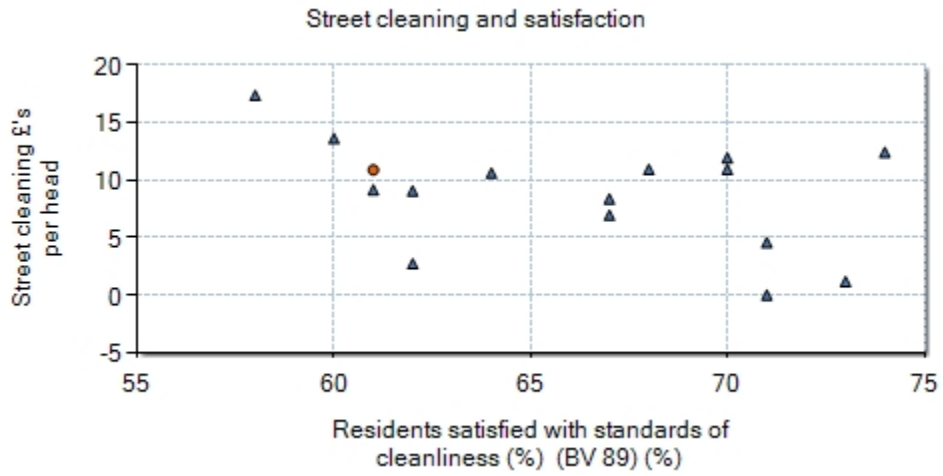


According to the DEFRA target councils should be working to ensure that no more than 25 per cent of relevant land in any one local authority has significant or heavy deposits of litter and detritus, by 2005/06.

Councils with higher levels of spending need to be able to relate their spending to the character of the area they serve and the standards of cleanliness they achieve.

Environmental services: Street Cleaning

Street cleaning and satisfaction



Best Value PI data shows satisfaction with standards of cleanliness in 2006/07. Reported levels of satisfaction may refer to a broader set of issues than cleanliness alone, for example general street appearance. A cross check against BV199 (street cleaning and littering) is therefore advisable.

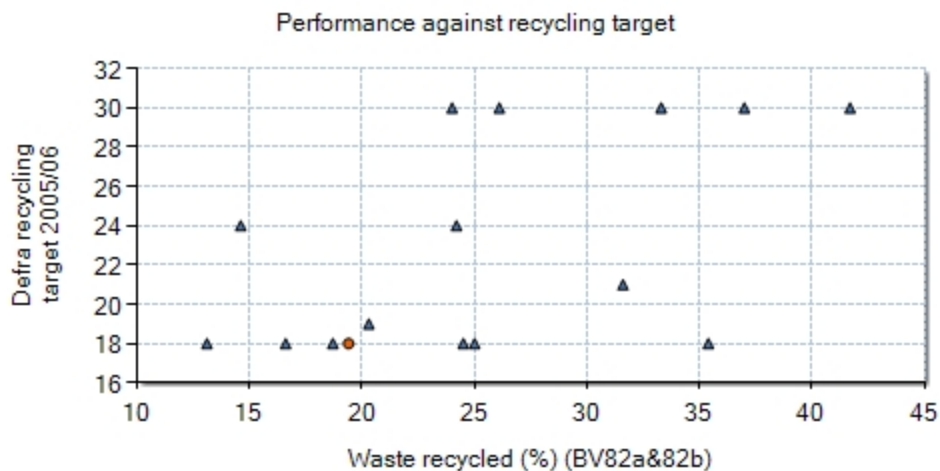
Environmental services: Waste

Waste collection per head



This chart compares the cost of waste collection per head. Is this council's spending higher or lower than other similar councils, and if so what are the reasons for this?

Performance against the waste recycling target



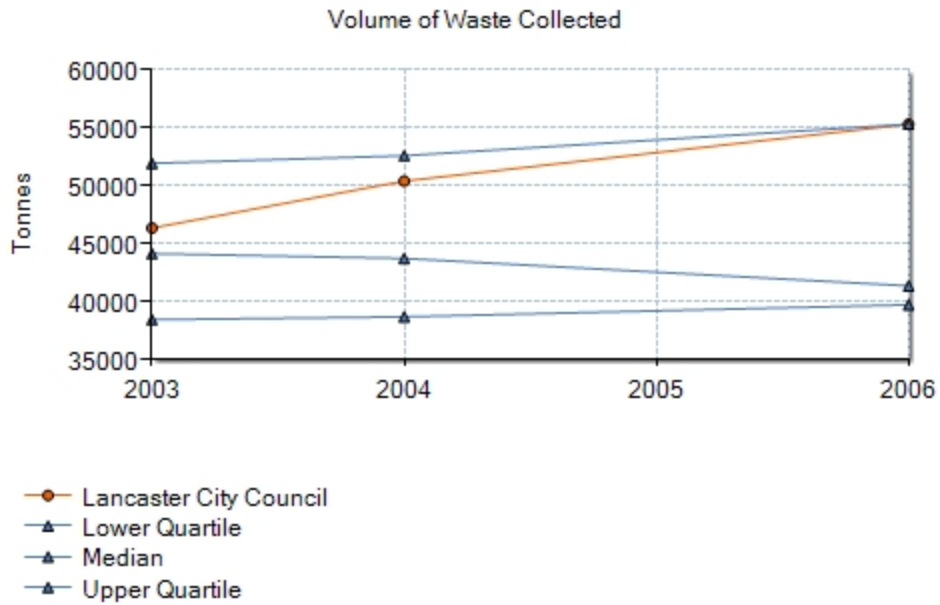
This chart shows the council's performance against its 2005/06 target for recycling. All councils are working towards delivering to statutory targets for recycling set by DEFRA. It is important to note that councils will be working to different targets.

DEFRA set the 2005/06 recycling targets on the basis of councils' performance in the early part of the decade. Targets vary between 15% and 30% nationally. It will be important to take this into account.

Councils need to be able to show that the proportion of waste they recycle is consistent with that achieved by other councils with similar spending on waste collection.

Environmental services: Waste

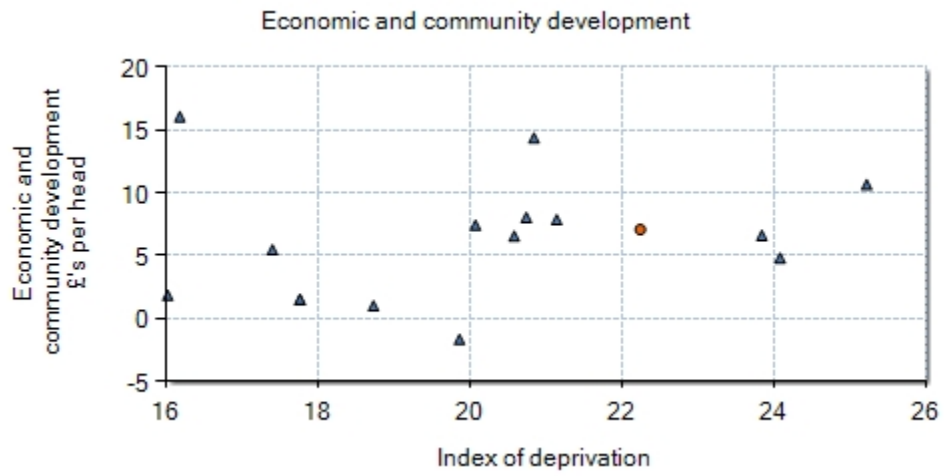
Volume of waste collected



This chart illustrates how the volume of waste collected has changed over time. There is an expectation that councils should be reducing waste volumes. If waste volumes are increasing it is important that the council understands why and takes appropriate action. It may be that a new green waste collection service has increased the volume of waste collected, although more is being recycled or composted.

Environment: Other

Economic and community development

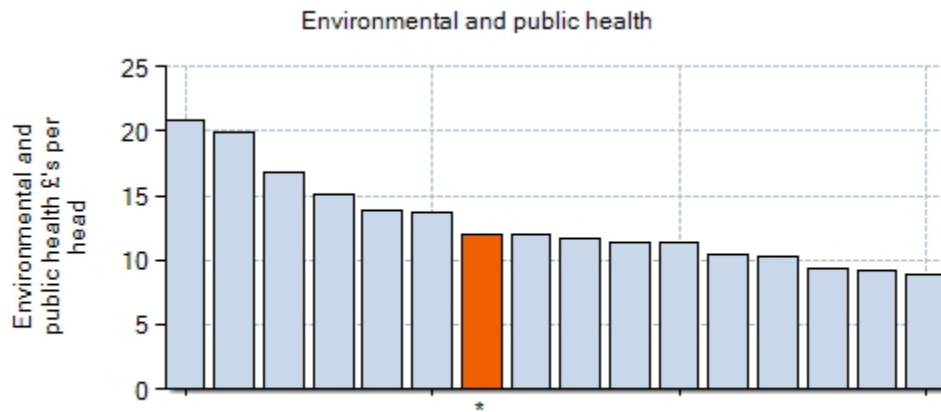


Spending on these services is positively correlated with levels of deprivation.

Is the council's level of spending consistent with other councils with similar levels of deprivation?

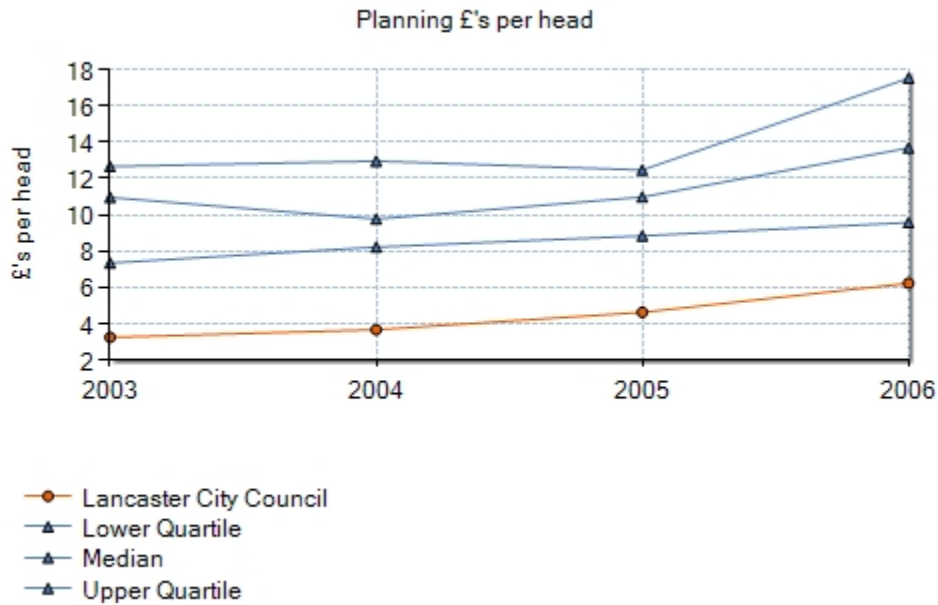
Environment: Other

Environmental and public health



This spending covers a very wide range of services. This makes it difficult to isolate measures of activity and issues for spending.

Planning



Spending on planning will be driven by the size and complexity of the environment that the council is responsible for.

Income from planning application fees (set nationally) meet a significant share of costs and as a result, net spending on planning represents a small share of spending on environment services.

Planning delivery grant (PDG)



Planning delivery grant from CLG is intended to enable councils to invest in faster and more effective planning services. It is additional to the revenue resources allocated to planning by the council.

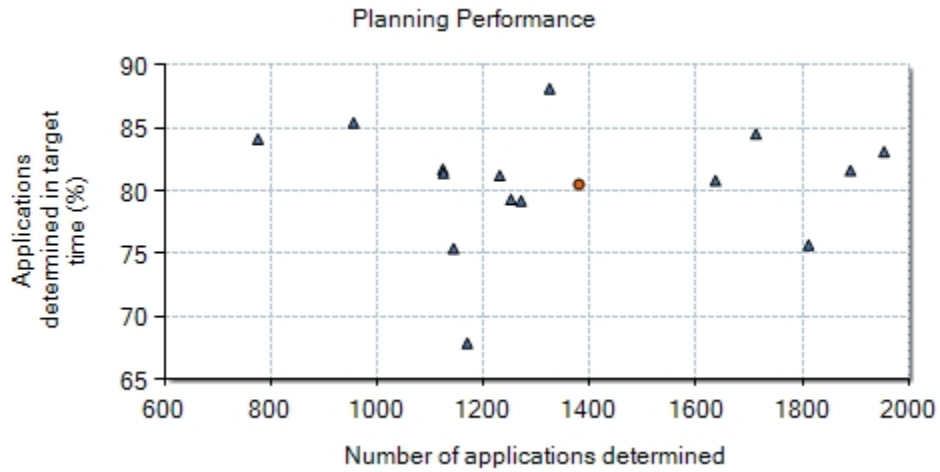
Councils do have discretion over how they apply the grant. Typically the majority of the grant is applied to the planning service.

This chart depicts PDG as a proportion of the council's total spending on planning. Is PDG an exceptionally high proportion of the budget? If this is the case, is it because the PDG has been offset by a reduction in the revenue

budget, and if so what are the council's plans for funding its planning services should PDG come to an end?

Planning

Planning performance

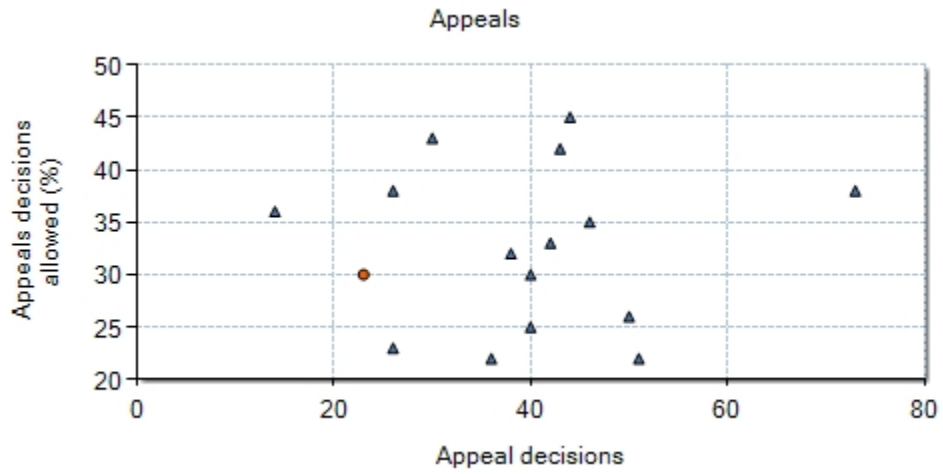


The chart compares the number of applications decided and the percentage of decisions made in target time.

Councils with higher levels of spending should show that their spending is associated with distinctive performance and/or volumes of work.

This chart takes into account the different targets for processing times for major, minor and other applications. Major applications are usually the most difficult to determine within the 13 week target.

Planning Appeals



This chart compares the number of appeals decided in the year and the percentage of appeals that were allowed. A high proportion of appeals being allowed could point to weaknesses in the council's planning processes.

Transport

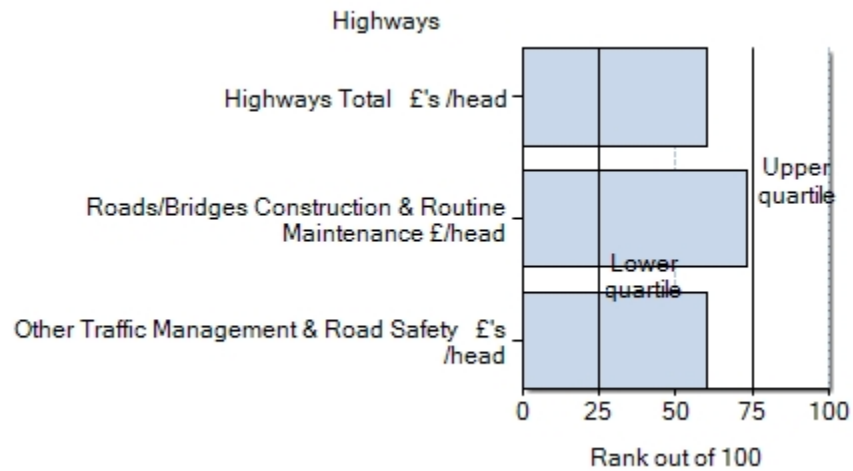


Each bar of the chart shows how the council's spending for transport services ranks when compared to other councils. For example, if a council spends more on highways than all the councils in the comparison group it has a rank of 100 and if it spends less on highways than all the councils in the comparison group it has a rank of 0.

Spending on transport is made up of principally of spending on highways and spending on public transport including concessionary fares. The latter area tends to account for the largest share of spending by district councils. In most councils parking is a source of income and offsets a substantial share of spending on transport.

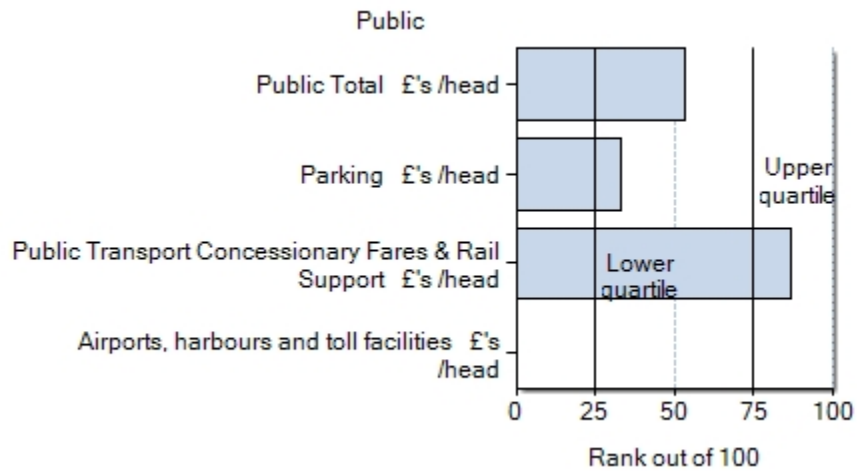
Transport: Highways

Overview



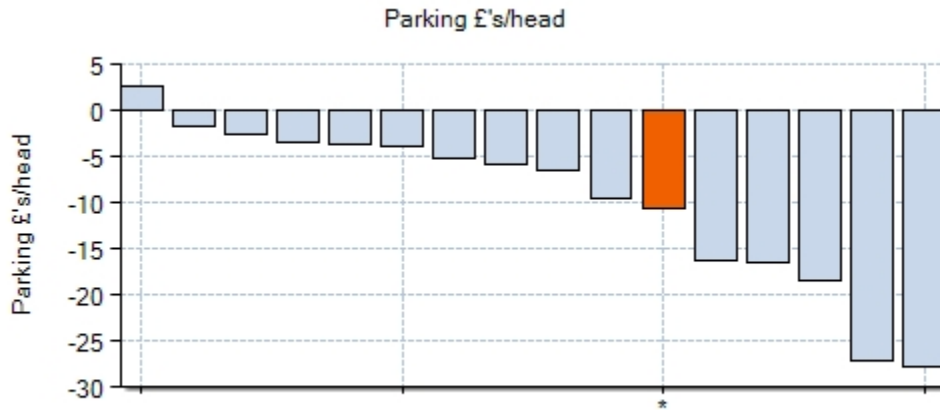
This chart depicts district council expenditure on highway related activity. This expenditure is discretionary, not all district councils will incur expenditure on highways. Any council that spends money on highways will therefore appear to be high spending in the above chart. Spending on construction and maintenance typically accounts for the largest share of planned spending on highways. Highways spending will be significantly influenced by agreements with the county council over responsibilities and partnership arrangements. It is not clear whether any district expenditure on highways depicted is actual district monies or funds provided by the county.

Transport: Public



Councils may procure socially necessary bus services to complement the service provided by the commercial network.

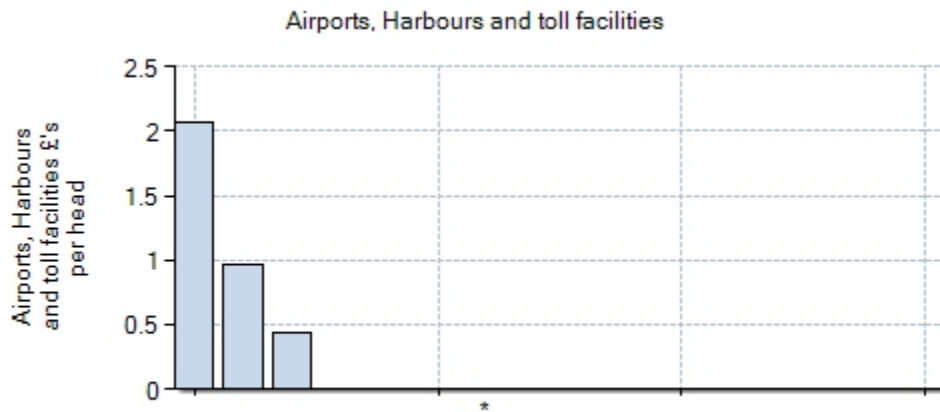
Transport: Public Parking



In most councils spending on parking is more than offset by income. In general terms, councils that attract visitors during the day tend to yield more income than councils with lower day time populations.

However, levels of pricing for parking may reflect wider strategies in the local transport plan, for example for tackling congestion or supporting the local economy.

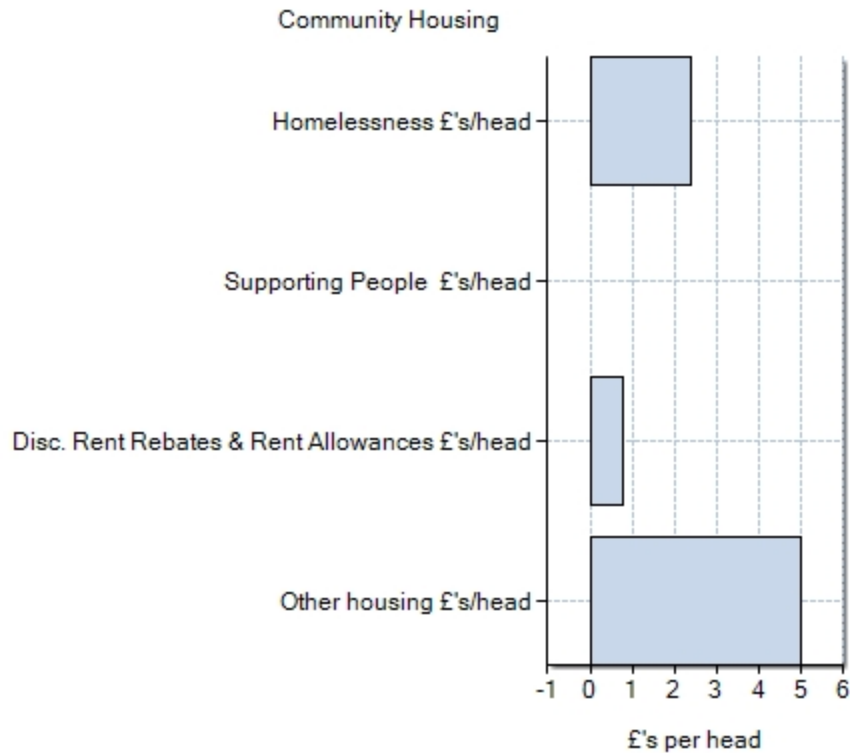
Airports, harbours and toll facilities



A small number of councils have interests in transport assets in addition to highways. The chart shows net spending on directly owned harbours, jetties or toll roads in addition to any spending on directly owned or partly owned airports.

Community Housing

Expenditure overview - actual spend per head



Community housing includes homelessness, private sector housing, balancing housing markets and supporting people. All single tier and district councils are responsible for providing community housing services even if they do not have their own housing stock.

This chart above shows actual spending per head across the different categories of community housing expenditure - homelessness, supporting people, discretionary rent rebates and rent allowances and other expenditure from the general fund.

Each bar of the second chart below shows how the council's spending for community housing services ranks when compared to other councils. For example, if a council spends more on homelessness than all the councils in the comparison group it has a rank of 100 and if it spends less on homelessness than all the councils in the comparison group it has a rank of 0.

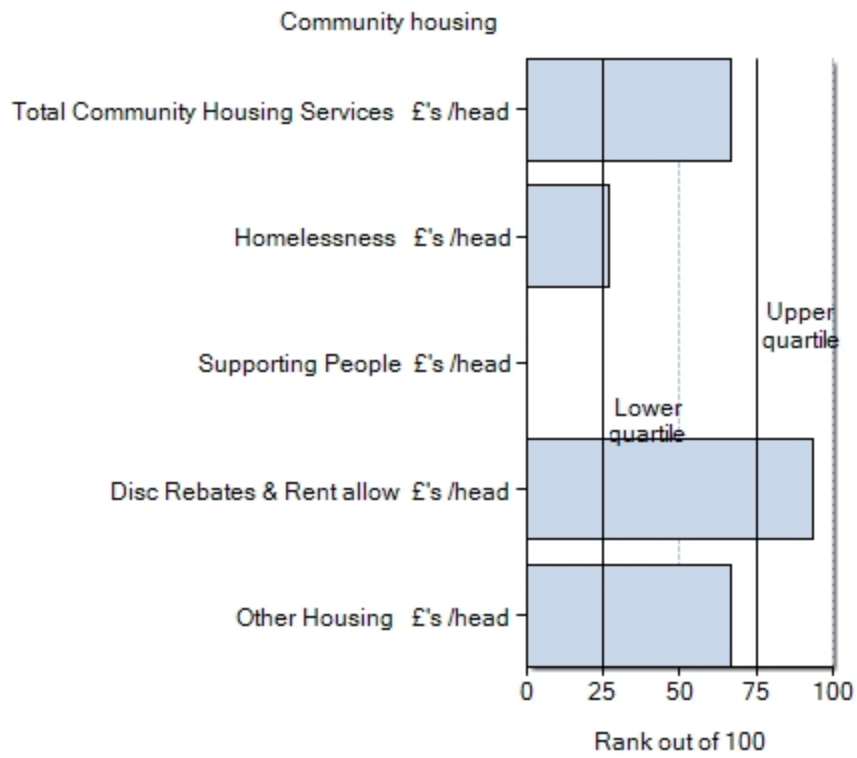
Typically, district councils spend less than 6 per cent of their overall service on community housing services. Councils do spend significantly greater sums on management of housing stock however this is not funded from the general fund. If councils have high levels of spending on community housing services this is unlikely to affect how their overall level of spending compares with other councils.

If significant variances are identified, further detail with suggested lines of enquiry are shown beneath the relevant chart. These are not exhaustive and should be considered alongside the Council's priorities.

All housing inspection reports include a section on value for money. If a council

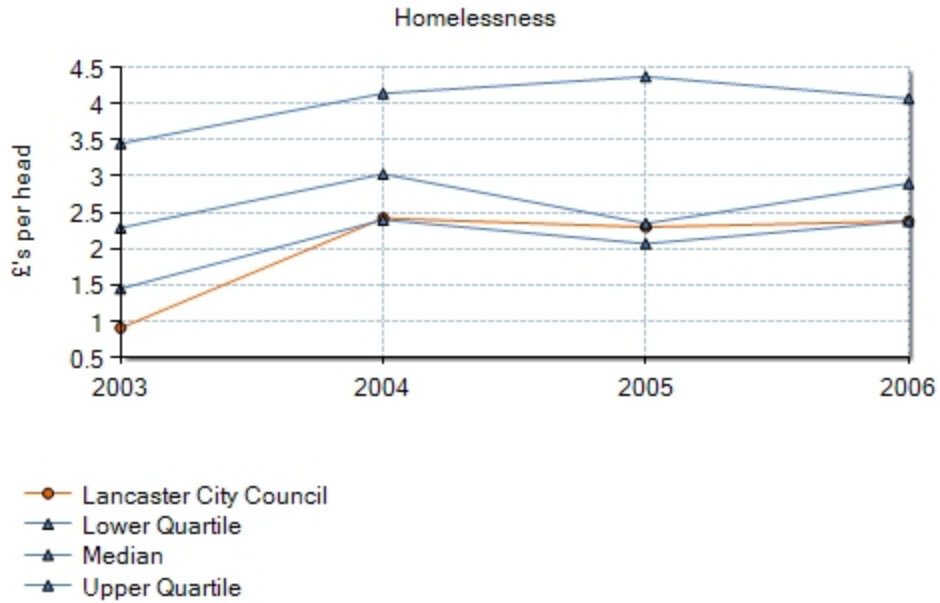
has had a recent housing inspection you should consider its findings on value for money.

Expenditure overview - relative ranking



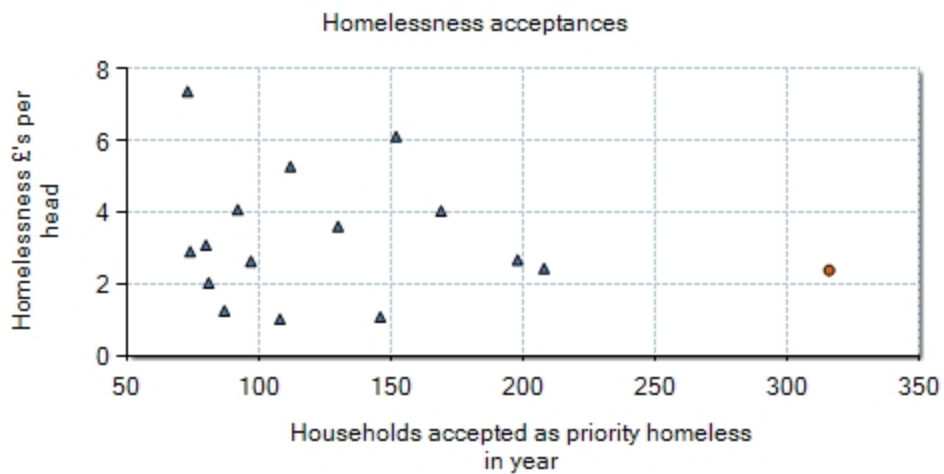
For more information about the data used in this report refer to Annex One.

Community Housing Homelessness



This chart shows the councils spending on homelessness over time.

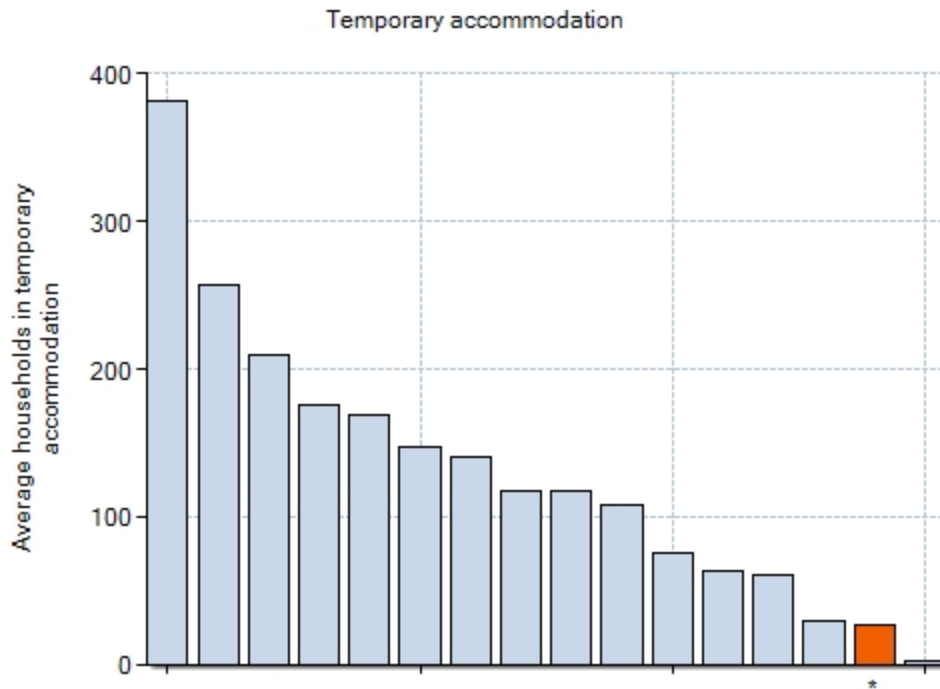
Homelessness: level of acceptances



There should be a positive relationship between the amount spent on homelessness and the number of households accepted as being priority homeless in the year.

Community Housing

Homeless households in temporary accommodation

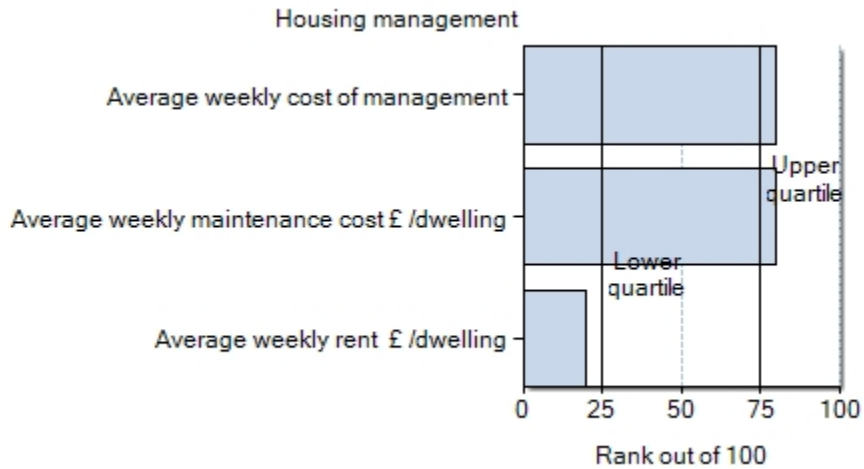


Levels of spending on homelessness are positively correlated with the number of homeless households in temporary accommodation. Where significant variances occur, potential lines of enquiry include:

- How does the council's spending on homelessness compare with that of other councils with similar levels of temporary accommodation?
- What steps has the council taken to reduce their use of non self contained accommodation?
- How does spending compare with the level of homelessness acceptances?

Housing management

Spending per dwelling



This information is only provided for councils that operate a housing stock.

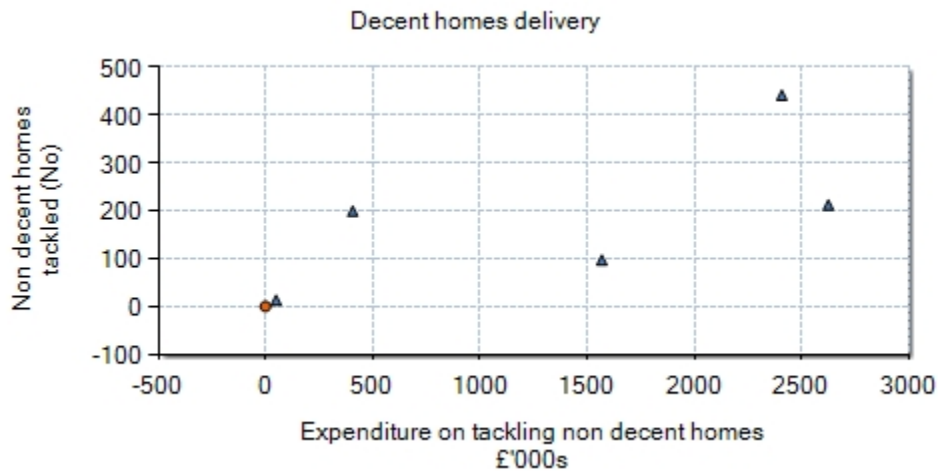
Expenditure per dwelling is made up of a number of costs, for example management and repairs as well as costs associated with capital improvements. These elements together account for more than 80 per cent of spending.

Councils should use cost and quality information as drivers of performance and as a mechanism of identifying efficiency savings. However, costs alone do not reflect value and rent levels do not reflect costs. The council should be able to relate its level of spending to levels of tenant satisfaction and performance in the management of its stock. Local housing authorities in England operate within a national finance system supported by central government. Councils have little discretion over rent levels.

As part of its commitment to the Gershon Efficiency drive, CLG is working together with the Housing Corporation and the Audit Commission to share positive practice about securing efficiency gains while ultimately increasing customer satisfaction. The project has developed four packs to support housing providers in securing efficiency gains. More information about the packs is available from <http://www.audit-commission.gov.uk/housingefficiency/index.asp>.

Housing management

Decent homes delivery

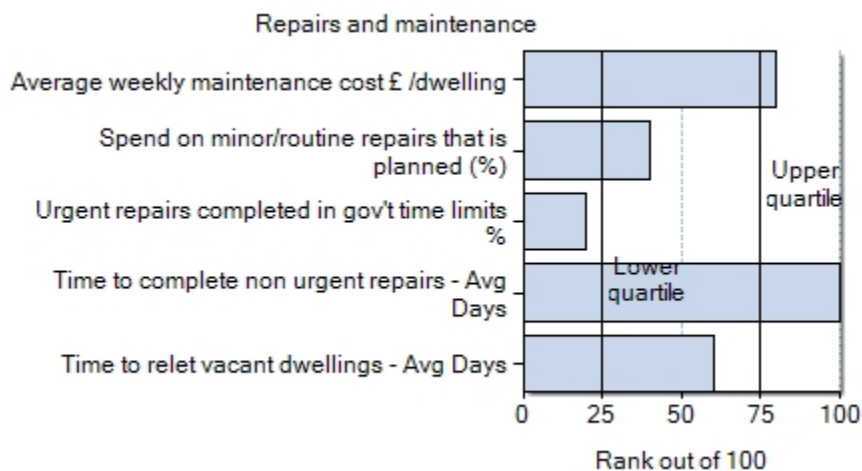


The decent homes target is to ensure that all social housing meets standards of decency by 2010. Some councils have negotiated an extension to this deadline. This target also extends to the private sector, where the focus is on reducing the proportion of vulnerable households in non decent homes.

The practical implications of this target will differ for councils based on the size, age and composition of their dwelling stock. Delivery should be tailored to meet local needs and should be part of an overarching strategy for the local authority's stock. Where significant variances occur, it is appropriate to explore the relationship between the:

- number of non decent homes in the council area;
- number of non decent homes tackled during the year;
- average expenditure of tackling each non decent home; and
- the condition of the stock tackled during the year.

Repairs and maintenance



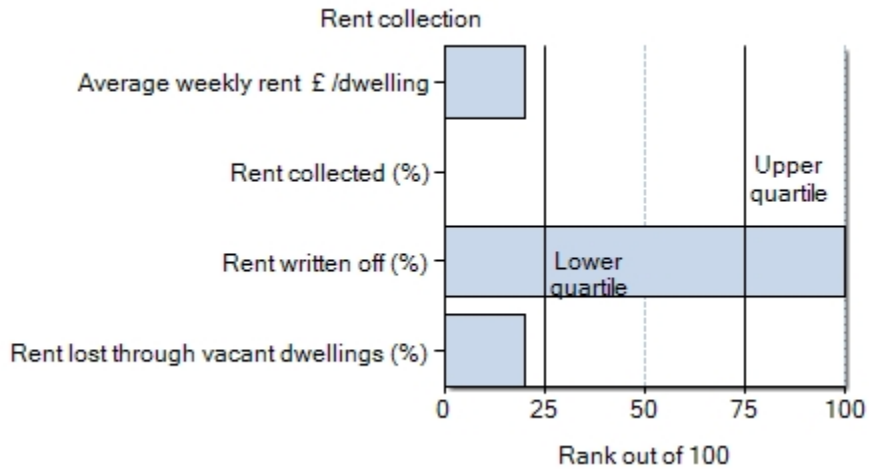
The implementation of modern procurement practices such as partnering for responsive and planned repairs has the potential to release significant efficiency gains. The Commission has published an innovation pack aimed at decision

makers exploring modern procurement practices. <http://www.audit-commission.gov.uk/housingefficiency/partnering/index.asp>

Councils with higher levels of spending on repairs and maintenance need to be able to demonstrate corresponding good performance in terms of the timeliness of repairs and communication about responsive repairs.

Housing management

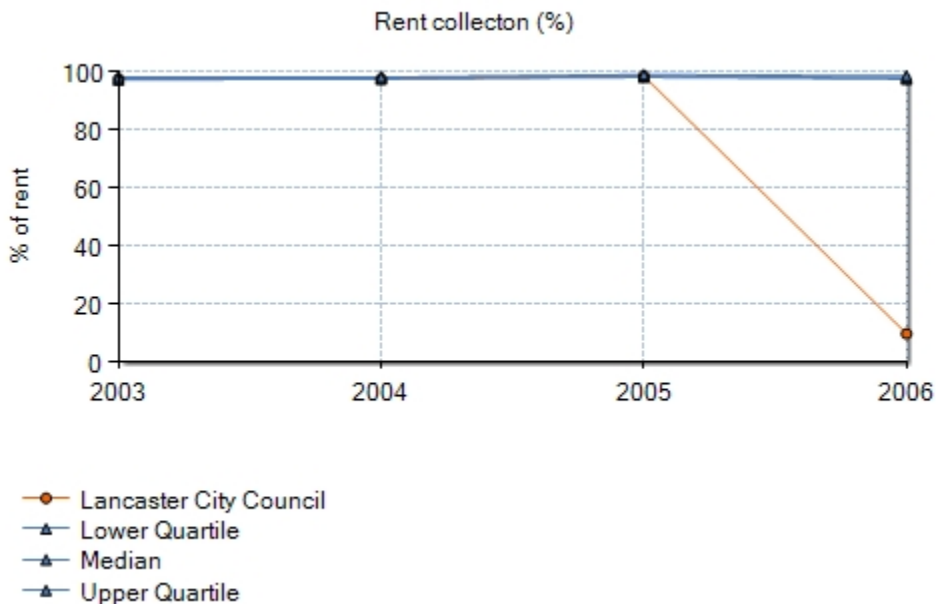
Rent collection



Across the country, levels of rent collection have improved in recent years. In particular the councils with poorer levels of rent collection have made progress in achieving collection rates closer to those of better performing councils. Councils with poorer levels of rent collection should be able to demonstrate that they have improved their performance at a faster rate than other councils.

The Audit Commission has published a tool to support councils seeking to further improve collection rates. <http://www.audit-commission.gov.uk/directdebit/index.asp>

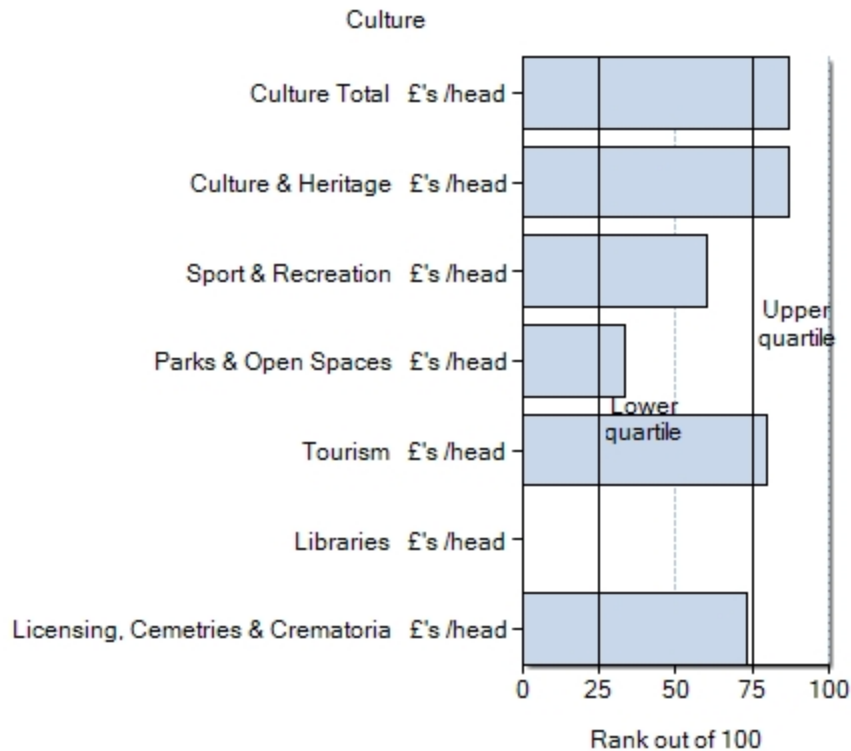
Rent collection over time



Across the country, the councils with poorer levels of rent collection have made progress in achieving collection rates closer to those of better performing councils. Councils with poorer levels of rent collection should be able to demonstrate that they have improved their performance at a faster rate than other councils. The Audit Commission has published a tool to support councils seeking to further improve collection rates. <http://www.audit-commission.gov.uk/directdebit/index.asp>

Culture

Expenditure overview

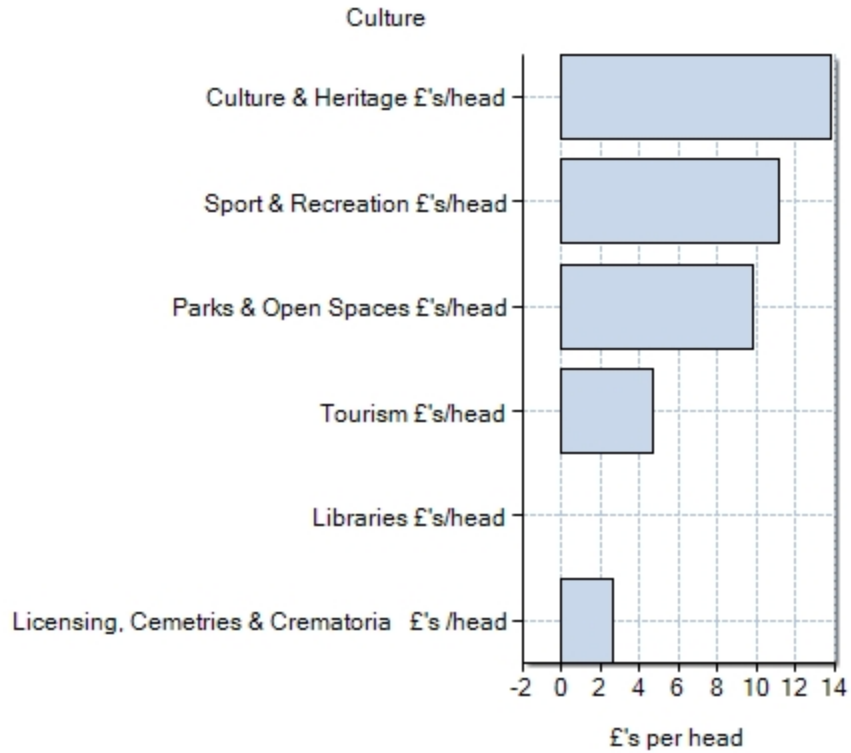


Councils aim to improve the quality of life for their residents through a range of cultural and sporting activities. In addition to the sums that councils directly spend, there is investment through PFI and the National Lottery.

Council's investment objectives will vary, but these usually relate not just to culture, but supporting improvement on a wide range of issues including health, education, reducing anti-social behaviour and community cohesion. These are frequently expressed in the Local Area Agreement. Councils need to identify indicators and measures by which they can evaluate the impact of their investment in providing or procuring mainstream services and in relation to culture projects that they deliver or support through grants.

Each bar of the chart shows how the council's spending for culture services ranks when compared to other councils. For example, if a council spends more on parks and open spaces than all the councils in the comparison group it has a rank of 100 and if it spends less on parks and open spaces than all the councils in the comparison group it has a rank of 0.

Typically, district councils spend around 20 per cent of their overall service spending on culture services.



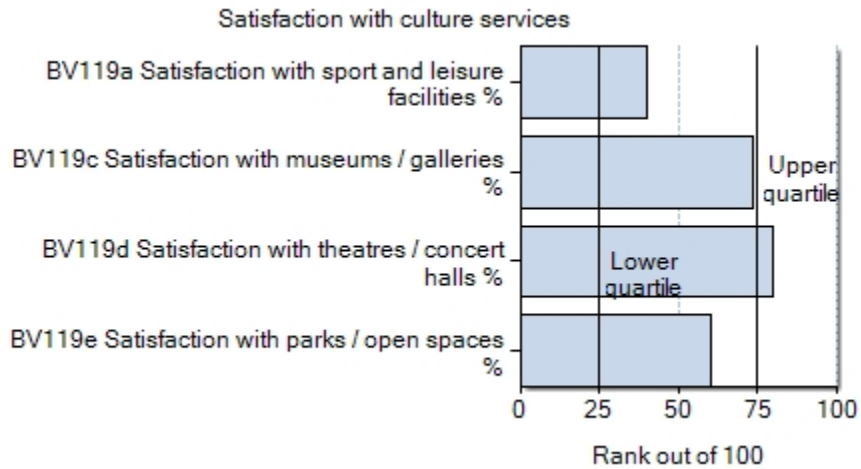
This chart shows how much the council spends per head on the different categories of culture.

Most of a district council's expenditure on cultural services is discretionary. However, policy-driven variation can sometimes disguise underlying value for money and efficiency issues. Where costs are either high or low (compared with authorities that are likely to provide similar levels of service) it will be important to highlight this so that authorities are encouraged to explore the underlying issues and increase efficiency to improve the return on their investment. Most cultural services are supported by benchmarking arrangements but not all authorities use them. (E.g. National Benchmarking Service (NBS) for sport, and Destination Performance UK for tourism.)

[For more information about the data used in this report refer to Annex One.](#)

Satisfaction with and use of culture services

Percentage of residents satisfied with services



Surveys of residents carried out in all councils in 2006/07 demonstrated that the single biggest factor explaining variation in satisfaction with culture services was the extent to which those services were used by the local population.

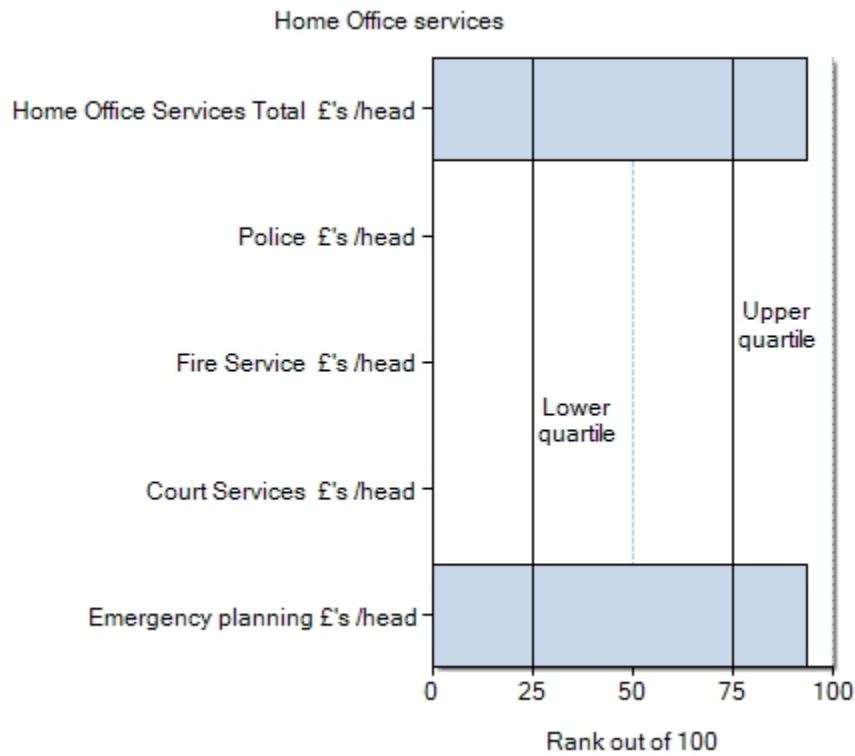
Councils should be able to demonstrate a link between the resources that they invest and the extent to which residents are satisfied with those services.

Residents who have used services in the last six months

Data is currently unavailable for the chart illustrating Use of culture services.

High levels of spending on services should be associated with evidence of comparably high levels of take up and satisfaction with those services.

Home Office services



Home Office services are not a grouping within BVACOP. These services are presented together because they relate to spending by the council on activities that support spending on protecting public safety by other public bodies.

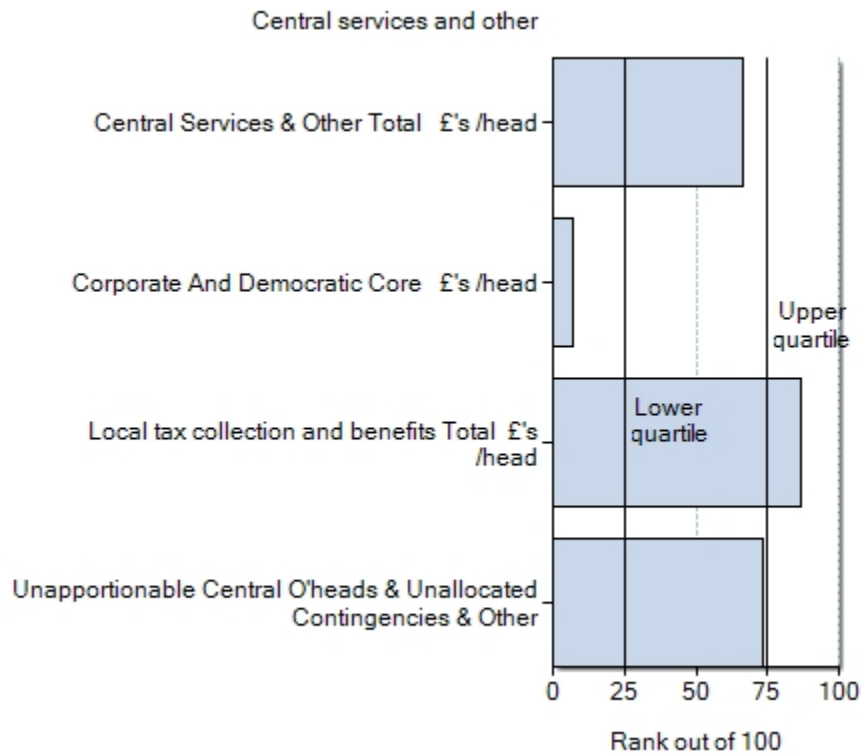
The information above is included to complete the picture of the spending of the council. In most cases it would not be appropriate to explore the spending on these services in more detail.

This area of spending typically accounts for less than 0.5 per cent of spending by district councils.

Each bar of the chart shows how the council's spending for home office services and other ranks when compared to other councils. For example, if a council spends more on court services than all the councils in the comparison group it has a rank of 100 and if it spends less on court services than all the councils in the comparison group it has a rank of 0.

[For more information about the data used in this report refer to Annex One.](#)

Central services and other

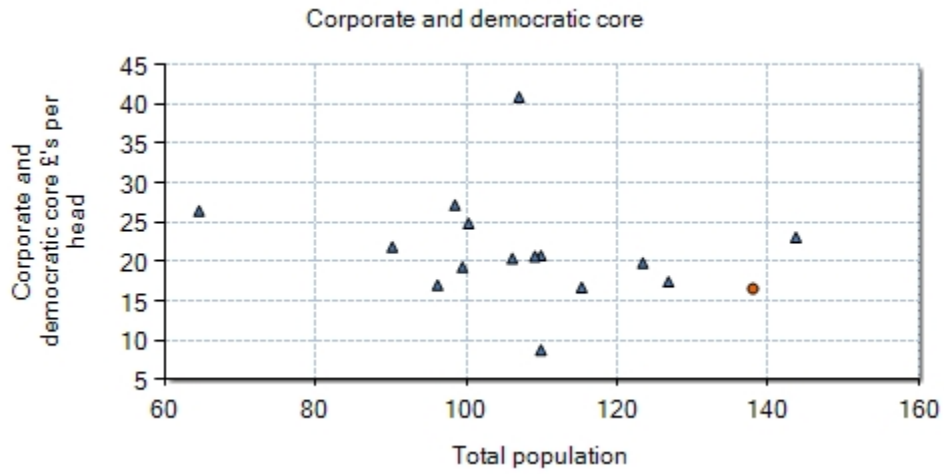


Each bar of the chart shows how the council's spending for central services and other ranks when compared to other councils. For example, if a council spends more on local tax collection than all the councils in the comparison group it has a rank of 100 and if it spends less on local tax collection than all the councils in the comparison group it has a rank of 0.

This area of spending typically accounts for between 25 and 35 per cent of spending by district councils. Despite their local public profile the services in this group represent an important share of the spending. Councils ought to be able to demonstrate they are taking opportunities to secure efficiencies in these back office services.

[For more information about the data used in this report refer to Annex One.](#)

Central services and other
Corporate and democratic core

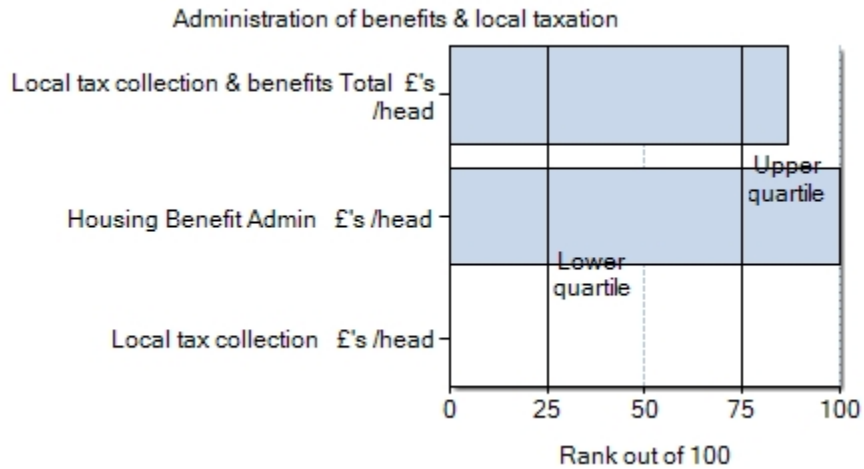


Spending on the corporate and democratic core will reflect the critical mass required to run any council. Where significant variances occur, potential lines of enquiry include:

How far is this council's spending on corporate and democratic core consistent with spending by councils with a similar population?

Central services and other

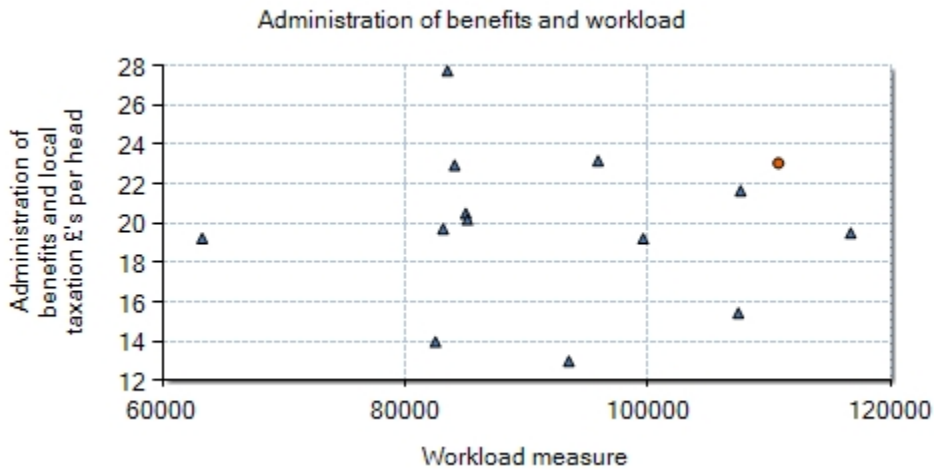
Administration of benefits and local (council) tax collection



This chart depicts how much is spent per head on the administration of housing and council tax benefit and tax collection. While administration of housing and council tax benefits and collection of local taxes are discrete activities, they have enough in common to make the treatment of overheads a significant influence on the apparent costs of any given service. Where significant variances occur, potential lines of enquiry include: To what extent can any variations in spending by the council on the different aspects of benefits and local tax collection be explained?

Central services and other

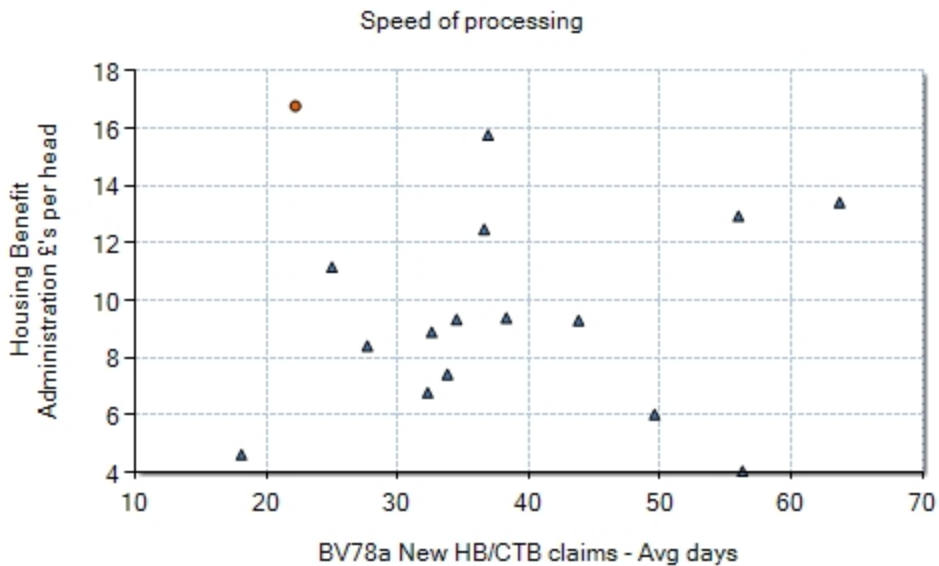
Cost of administering council tax and housing benefits and workload levels



Costs of administering housing and council tax benefits do vary between councils and much of this variation is explained by differences in numbers and types of work. The workload measure combines data about the new claims (council tax and housing benefits) and changes to claims (council tax and housing benefits) with weightings that reflect the different processing costs. How does the council's spending on administration compare with that of other councils with similar workload levels?

More information on the workload measure is available from the following link:
http://vfm.audit-commission.gov.uk/data/benefits/benefit%20workload_01.doc

Administration of housing and council tax benefit and speed of processing claim

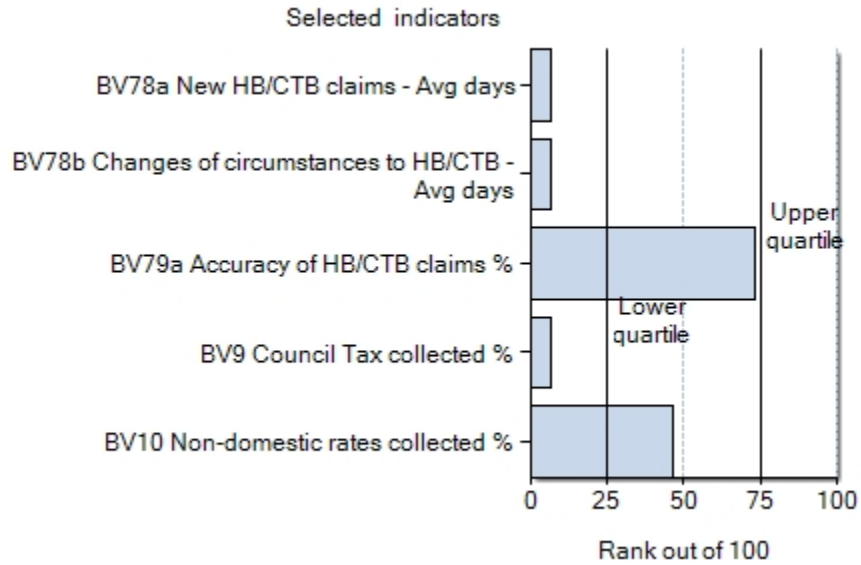


New claims and changes in circumstances represent the majority of activity in benefit claims administration. The indicator is one of speed only though, and does not take into account the number or complexity of the claims involved. High costs may indicate high volumes of activity. Low costs may relate to a

relatively small caseload with relatively low numbers of people moving between properties. It is important that councils understand the relationship between these variables in order to identify potential room for efficiency improvements.

Central services and other

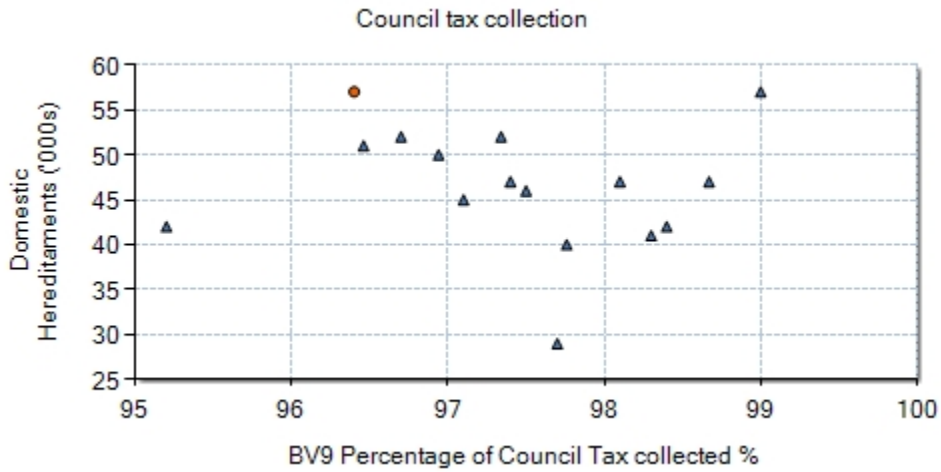
Housing Benefit / CT Benefit performance indicators



The chart compares the councils' performance for a number of indicators of the administration of housing and council tax benefits.

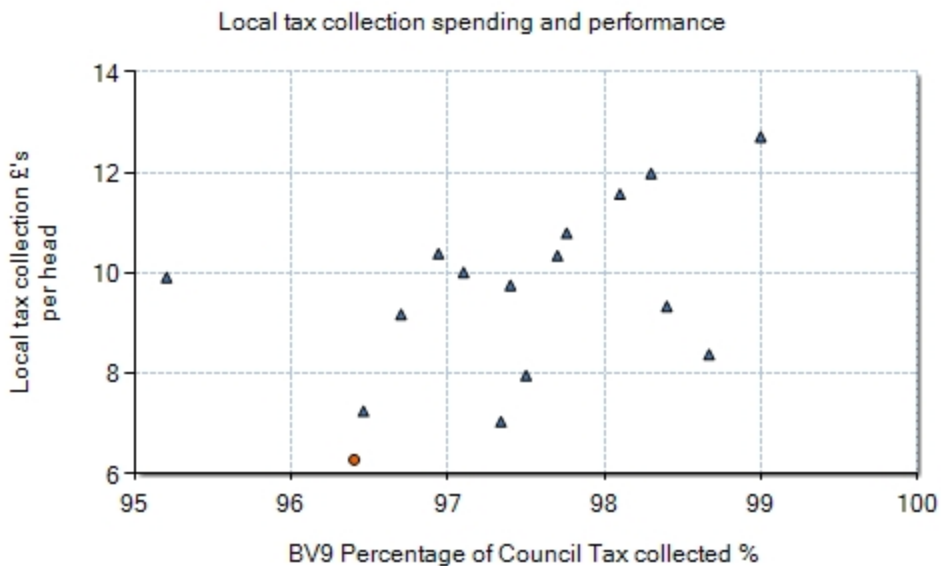
The council should be able to relate its level of spending to levels of claimant satisfaction and speed with which claims are administered.

Central services and other
Council tax collection and workload



Across the country, levels of council tax collection have improved in recent years. In particular the councils with poorer levels of collection have made progress in achieving collection rates closer to those of better performing councils. To what extent is the level of council tax collected by the council consistent with what is achieved by councils with similar levels of workload? The Audit Commission has published a tool to support councils seeking to further improve collection rates. <http://www.audit-commission.gov.uk/directdebit/index.asp>

Administration of council tax collection and tax collection rate



Our research for the publication 'The Efficiency Challenge — the administration costs of revenues and benefits' showed that there is no real relationship between the amount of money spent on administering revenues collection and how well the council performs, in terms of collection rates (taking deprivation into account). Why are costs high when collection rates are low? How do these costs compare with similar councils and does the council understand the reasons?

Annex One

Spending information

The majority of spending information in this document is taken from the RA return. Data is for 2006/07 unless otherwise stated.

Not all councils completing the RA return calculated their spending on the basis of FRS 17. FRS 17 makes a significant difference to the way that retirement benefits are accounted for. The FRS17 approach seeks to measure the true economic cost of the pension benefit earned by employees in the year and recognises this as the expenditure for the year. The preceding approach quantified retirement benefits as either the employer's contribution to the pension fund or, for unfunded schemes payments to pensioners for whom the employer had direct responsibility. As a result the two approaches treat the same activity differently.

Nearly 90% of councils did supply data on a FRS17 basis. An analysis by IPF suggest that the difference between figures reported on a FRS17 basis and on a pre FRS17 basis is very small, differing by only 0.09%. However this difference varies between each service block and care should be taken if comparing data that has been reported on a different method.

For more information about the RA return, please refer to http://vfm.audit-commission.gov.uk/Data/RA/Sources%20of%20indicators_RA%20return_01.doc.

Spending information relating to Education is taken from the RA return and the Section 52 return.

The section 52 return provides more detailed information about spending than the RA return. As the section 52 is completed later than the RA return the total of spending for education reported in the section 52 may also differ from the total reported by the council in the RA return.

For more information about the Section 52 return, please refer to http://vfm.audit-commission.gov.uk/Data/S52/Sources%20of%20indicators_S52%20return_02.doc.

The chapters for social services for children and for adults and older people both draw on unit cost information provided by Information Centre for Health and Social care.

The chapter for Environment, Planning and Transport also includes information about Planning delivery grant allocations, from CLG and Local transport plan capital allocations from DFT.

The chapter for Housing includes information about unit costs of selected housing management activities. These data are taken from the Business Plan Statistical Appendix (BPSA) annual monitoring return to CLG. This information reflects actual spending in 2005/06.

For more information about the source of the Business Plan Statistical Appendix (BPSA) annual monitoring, please refer to http://vfm.audit-commission.gov.uk/Data/Housing/Sources%20of%20indicators_Housing_01.doc.

Annex One

Standardised spending

All the spending information has been standardised to make it easier to make comparisons between councils. Information about spending from the RA return is standardised using the estimated total population for 2005 provided by ONS.

Information about spending from the Section 52 return is standardised using pupil numbers provided by DFES. Pupil numbers reflect the number of pupils aged 3 to 19 using council provision and are based on January 2006 data collections. For LEA budget items academy pupil numbers are also included in pupils numbers.

Context and performance information

The spending information in this report reflects the council's spending plans for 2006/07. As a result there is a lag between the information about planned spending and the actual results we have about the councils' performance. For most context and performance information the report uses the data that would have been the latest available at the time that the spending plans were prepared. For example, when looking at spending information for 2006/07, most context and performance information will relate to the preceding financial year, 2005/06.

Information based on surveys of local residents is taken from the surveys undertaken in 2006/07.

Council tax

Council tax information is based upon the CIPFA publication Council Tax Demands and Precepts 2006/07. <http://www.cipfastats.net/> (external link).

Data is for 2006/07 unless otherwise stated.

Information from the following columns of the published results is used in this report.

Col 10	Billing authorities council tax requirement inclusive of parish precepts
Col 11	Precepting authorities council tax requirement
Col 12	Tax base for tax settings purposes (Band D equivalentents)
Col 13	Average band D equivalent council tax

For single tier and county councils, results for average council tax are calculated as the sum of columns 10 and 11 divided by column 12.

For district councils results for average council tax is calculated as Col 10 divided by column 13.

Authorities used for the Comparison group Nearest Neighbours (April 2007 Onwards) within this report:

- Broxtowe Borough Council
 - Canterbury City Council
 - Dover District Council
 - Havant Borough Council
 - Kerrier District Council
 - Newcastle Under Lyme Borough Council
 - North Devon District Council
 - Restormel Borough Council
 - Scarborough Borough Council
 - Sedgemoor District Council
 - Shepway District Council
 - Swale Borough Council
 - Weymouth and Portland Borough Council
 - Wyre Borough Council
 - Wyre Forest District Council
-

Budget & Performance Panel

Annual Report (Best Value Performance Plan)

31st July 2007

Report of Corporate Performance Manager

PURPOSE OF REPORT

To advise Members of the publication of the Annual Report (formerly known as the Corporate Performance Plan).

This report is public

1. RECOMMENDATIONS

- 1.1 That the report be noted
- 1.2 That the Annual Report be used as a base line reference document for considering the Council's performance in the coming year and where appropriate to inform the future work programme of the Panel.

2. REPORT

- 2.1 Lancaster City Council published its Annual Report for 2006/07 on 30th June 2007. It provides an overview of the council and the district it serves as well as a snapshot of how the council performed against targets set nationally for its services and the goals it set itself. It looks back at the financial year 2006/07 and forward to the challenges of the year ahead.
- 2.2 The report provides information on key priorities for the coming year (as outlined in the Corporate Plan) and satisfies the council's statutory duty to produce a Best Value Performance Plan.
- 2.3 The Annual Report has in previous years been known as the Corporate Performance Plan. Although publicly available, the previous document was not widely read and its limited audience consisted of internal council users and external auditors. The new format aims to reach a wider audience and present performance information in a more publicly accessible manner. This report is therefore an important step forward in helping residents to get involved in the life of their local council and demonstrates a clear commitment to open governance.

- 2.2. Attention is drawn to the performance tables held within the document which highlight those indicators, both statutory and local where both performance worsened and targets for 06/07 were not met. In the Annual Report these indicators are identified by two sad faces (or 'Double Glums'). The full document will be presented on screen at the meeting and printed copies of the performance tables will be circulated. To view the Annual Report on your computer, click the link below:

http://www.lancaster.gov.uk/Download.asp?path=/Documents/Corporate%20Strategy/LCC_Annual_Report_06_07.pdf

- 2.3. It has been common practice to provide Members with a further report, known as the 'Double Glum' report, which gives reasons for the variations and identifies how targets for future improvement will be met within services business plans. This report will be available for a future meeting of the Panel should Members wish.

- 2.4. Extracts of the Annual report will also be considered to the relevant Performance Review Teams in line with the Council's Performance Management Framework. The minutes of those meetings will be circulated at a later date and will further assist Members when considering the future work programme of this Panel.

FINANCIAL IMPLICATIONS	
None	
SECTION 151 OFFICER'S COMMENTS	
The Section 151 Officer has been consulted and has no further comments.	
LEGAL IMPLICATIONS	
The Council has a duty to continuously improve within the terms of the Local Government Act 1999 (the duty of Best Value). Legal Services have been consulted and have no further comments.	
MONITORING OFFICER'S COMMENTS	
The Monitoring Officer has been consulted and has no further comments.	
BACKGROUND PAPERS	Contact Officer: Liz Stokes
None	Telephone: 582150
	E-mail:
	Estokes@lancaster.gov.uk

BUDGET AND PERFORMANCE PANEL**Work Programme Report
31st July 2007****Report of Head of Democratic Services****PURPOSE OF REPORT**

To update Members with regard to the work programme.

This report is public

RECOMMENDATIONS

(1) **That the report be noted.**

(1) Feedback from Data Quality and Performance Management Training

Feedback forms have now been distributed to those who attended the Data Quality and Performance Management Group training on 17th July. It would be extremely useful if Members could complete these and return them to Democratic Services so the views of Members can be considered when arranging future training sessions.

With regard to future training arrangements are being undertaken for Financial Services to provide training on finance issues and Members will be notified of this in due course.

(2) Update of the Work Programme – Performance Review Team Reports

Following on from the consideration of the 4th Performance Review Team Reports at June's meeting it was agreed that two service heads should be invited to a future Budget and Performance Panel meeting. The Head of Democratic Services will be attending September's meeting to discuss what measures have been taken to ensure that the targets relating to the publication of minutes are met.

It was also agreed that the Head of Property Services should be invited to a future meeting to explain overspends by that service in the municipal year 2006/07. This is included on this agenda.

(3) Future work programme

At the Budget and Performance Panel meeting on 12th June 2007 Members were requested to give consideration to items for inclusion on the future work programme. Requests can be made through the Chairman or Democratic Services.

BACKGROUND PAPERS	Contact Officer: Liz Bateson Telephone: 01524 582047 E-mail: ebateson@lancaster.gov.uk Ref: