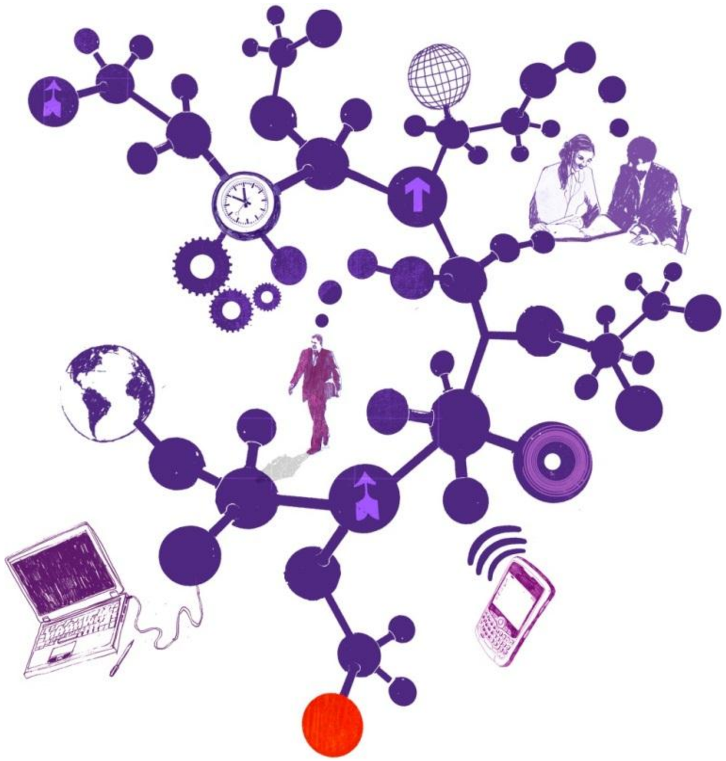
Review of the Council's Arrangements for Securing Financial Resilience for Calderdale MBC

Year ended 31 March 2013

11 September 2013



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Our approach

Value for Money Conclusion

Our work supporting our Value for Money (VfM) conclusion, as part of the statutory external audit, includes a review to determine if the Council has proper arrangements in place for securing financial resilience.

In so doing we have considered whether the Council has robust financial systems and processes in place to manage its financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future. We have carried out our work in discussion and agreement with officers and completed it in such a way as to minimise disruption to them.

The definition of foreseeable future for the purposes of this financial resilience review is 12 months from the date of this report.

We have reviewed the financial resilience of the Council by looking at:

- Key indicators of financial performance;
- Its approach to strategic financial planning;
- Its approach to financial governance; and
- Its approach to financial control.

Overall we have assessed the Council as Green

Further detail on each of these areas is provided in the sections of the report that follow. Our overall conclusion is that whilst the Council has faced, and continues to experience significant financial pressures and risks, its current arrangements for securing financial resilience are good.

We have used a red/amber/green (RAG) rating with the following definitions.

Green	**Arrangements meet or exceed adequate standards**. Adequate arrangements identified and key characteristics of good practice appear to be in place.
Amber	**Potential risks and/or weaknesses**. Adequate arrangements and characteristics are in place in some respects, but not all. Evidence that the Council is taking forward areas where arrangements need to be strengthened.
Red	**High risk**: The Council's arrangements are generally inadequate or may have a high risk of not succeeding

Executive Summary

National and Local Context

National Context

The Chancellor of the Exchequer announced the current Spending Review (SR10) to Parliament on 20 October 2010. SR10 represented the largest reductions in public spending since the 1920's. Revenue funding to local government was to reduce by 19% by 2014-15 (excluding schools, fire and police). After allowing for inflation, this equates to a 28% reduction in real terms with local government facing some of the largest cuts in the public sector. In addition, local government funding reductions were frontloaded, with 8% cash reductions in 2011-12. This followed a period of sustained growth in local government spending, which increased by 45% during the period 1997 to 2007.

The Chancellor of the Exchequer, in his Autumn Statement in November 2011, announced further public spending reductions of 0.9% in real terms in both 2015-16 and 2016-17. In his Autumn Statement on 5 December 2012, the Chancellor reinforced austerity measures announcing a further £6.6bn of savings during 2013-14 and 2014-15. Whilst health and schools will continue to be protected in line with the Government's policy set out in SR10, local government will continue to face significant funding reductions. The Department for Communities and Local Government will contribute £470m of these additional savings, £445m of which will come from local authority funding during 2014-15, with local authorities being exempt from additional savings in 2013-14. In his March 2013 Budget, the Chancellor announced further departmental 1% savings during 2013-14 and 2014-15. The NHS and schools remain protected, but police and local government will need to find an additional 0.5% over both years.

The next spending review period, 2015-16, was announced by the Chancellor on 26 June 2013. Local government will face a further 10% funding reduction for this period.

These funding reductions come at a time when demographic and recession based factors are increasing demand for some services, whilst there is a decreasing demand for some services, such as car parking, where customers pay a fee or charge. Financial austerity is expected to continue until at least 2017.

Local Context

Calderdale is one of five metropolitan Councils in the West Yorkshire Region.

It has a population of 204,200 where some 19.6% are aged under 15 and 19% over 65.

Calderdale is also more ethnically diverse than many authorities with 10% of its population from ethnic minority communities.

Calderdale is ranked as 80th of all local authorities in the 2010 Index of Multiple Deprivation, compared to 71st in 2007.

Since the announcement of the 2010 Spending Review the Council has been required to save some £43m from its budgets. The Council's Medium Term Financial Strategy sets out the further savings required as £3.9m in 2013/14, £9.5m in 2014/15 and £15.4m in 2015/16.

The Council broadly delivered its 2012/13 savings plan of £40.5m, resulting in a relatively small overspend of £0.62m against the final budget.

Executive Summary

Overview of Arrangements

Risk area	Summary observations	High level risk assessment
Key Indicators of Performance	The Council is performing well against Key Indicators of Performance. The Council has a good track record of delivering its performance within budget and has a sufficient level of reserves to meet its service requirements. The Council's liquidity shows good performance, with short term assets significantly greater than short term liabilities and the Council's borrowing is significantly lower than long term assets and comparable to annual tax revenue. The Council's 2012/13 sickness absence ratio of 8.92 days per FTE remains higher than its target of 8 days and has remained at this level for a number of years.	Green
Strategic Financial Planning	The Council has good financial planning and reviewing processes in place. Each year the Council sets a three year Medium Term Financial Strategy (MTFS), with a refresh of the first two years and a new third year budget. This process sets the standard for best practice in Local Government. Through Financial Review Groups, there is good member and officer engagement and the MTFS is approved in September/October each year. The Council will need to ensure the MTFS remains responsive given the scale of savings still required - some £29m between 2013-14 and 2015-6.	Green
Financial Governance	Through Financial Review Groups, including the relevant portfolio holder, the Council monitors its performance against budget every quarter and this is reported to Directorate Management Teams (DMT). Progress against cost savings are separately reported to Scrutiny and revenue budget monitoring is reported to the Cabinet throughout the year. The Council has a good track record in achieving its budget and cost savings and manages its performance through the 'Making a Difference' System. There is good member engagement in the budget setting and reviewing processes.	Green
Financial Control	The Council has effective governance and assurance arrangements in place. Budgets and cost savings are monitored and performance is effectively challenged through Financial Review Groups and reported to DMT and Cabinet. The Council has systems in place to provide up to date information and manages performance through the 'Making a Difference' System. The Council has a good internal audit function and experienced and well qualified finance and accountancy officers, responsible for the production of management information and annual accounts.	Green

Executive Summary

Next Steps

Area of review	Key points for consideration	Responsibility	Timescale	Management response
Key Indicators of Performance	The Council previously had comparatively low levels of sickness compared to its peers. However, the level of sickness has remained static for a number of years and is above its current target of 8 days per FTE. The Council needs to monitor closely its sickness absence rates at a sufficiently detailed level to identify outliers, and take appropriate action.	Corporate Leadership Team	Ongoing	CLT and Members, particularly Cabinet and Use of Resources Scrutiny Panel, are fully aware of the need to reduce the current levels of sickness absence in order to meet the target of 8 days. Supported by the Head of Human Resources, regular monitoring is taking place and actions being taken with regard to both long-term and short-term absences
Strategic Financial Planning	The scale of savings required over the next 3 years (£29m) and the likely need for further future savings will require the Council to remain flexible in response to funding reductions and increasing budget pressures.	Chief Executive/ Head of Finance	Ongoing	The forecast savings over the next 3 years have been estimated in the latest MTFS which was agreed by Cabinet in September. This also includes a sensitivity analysis of potential changes to these estimates as a result of further funding reductions and budget pressures. The established budget process will seek to identify how these savings might be achieved over the three year planning period.
	The Council will also need to ensure that plans to deliver key service improvements are not adversely impacted by the need to deliver savings.	Corporate Leadership Team		The potential impact of each proposed saving is initially assessed as part of the budget process. The quarterly meetings which review progress against each of the savings now incorporate a review of performance. The new performance monitoring process and these review meetings should help ensure that any adverse impacts of savings on key service improvements are identified.

Key Indicators

Introduction

This section of the report includes analysis of key indicators of financial performance, benchmarked where this data is available. These indicators include:

- Working capital ratio
- Long term borrowing to tax revenue
- Long term borrowing to long term assets
- Sickness absence levels
- Out-turn against budget
- Useable Reserves: Gross Revenue Expenditure
- Schools Reserves - Balances to DSG allocations

We have used the Audit Commission's nearest neighbours benchmarking group comprising the following authorities:

- Bolton Metropolitan Borough Council
- Borough of Telford and Wrekin
- Bury Metropolitan Borough Council
- Darlington Borough Council
- Derby City Council
- Dudley Metropolitan Borough Council
- Kirklees Metropolitan Council
- Medway Council
- Rochdale Metropolitan Borough Council
- Rotherham Metropolitan Borough Council
- Swindon Borough Council
- St Helens Metropolitan Borough Council
- Stockton-on-Tees Borough Council
- Tameside Metropolitan Borough Council
- Warrington Borough Council

Key Indicators

Overview of performance

Area of focus	Summary observations	Assessment
Liquidity	• The working capital ratio indicates whether a council has enough current assets to cover its immediate liabilities. The Council's working capital ratio was 1.96 at 31 March 2013 (2.10 at 31 March 2012). Comparative information on liquidity for the Council's statistical nearest neighbours (up to 2011/12) shows the Council to be the fourth highest in terms of liquidity. • At 31 March 2013 the Council held £11.8m in cash balances, an increase from 2011-12 when £7.7m was held. • Overall this shows the Council has sufficient liquid resources to meet its requirements.	Green
Borrowing	• The Council's borrowing stood at £109m at 31 March 2013, with £6.4m due within 1 year. This is comparable with the previous year level of borrowing of £114.1m and is within the Council's maximum authorisation limits. • Long term borrowing as a proportion of tax revenue was 0.94 in 2011-12, placing it the 5th lowest in comparison with its statistical nearest neighbours. This low percentage represents good practice. • Long term borrowing as a proportion of long term assets was 0.27 in 2011-12 and is 0.26 in 2012-13. • This shows the Council is performing well with long term borrowing remaining considerably less than long term assets, despite the transfer out of £22m of schools assets under academy status.	Green
Workforce	• Average sickness days (per full time equivalent) in 2012/13 were **8.92** and above the council's target of 8 days. • Calderdale has previously had comparatively low levels of sickness absence compared to its peers. However, the rates have remained static for a number of years and the Council's rates are now slightly above the average for local government bodies. • The Council needs to closely monitor sickness absence at a sufficiently detailed level to identify outliers, and take appropriate action.	Amber
Performance Against Budgets: revenue & capital	• The Council's 2012/13 outturn position showed a marginal overspend of £0.6m against its final budget. However, the Council has a previous good track record in achieving the budget and managing financial performance. Unplanned costs associated with flooding in the Calderdale area have contributed to the overspend. • Capital spending in 2012/13 totalled £29.1m in line with its capital programme.	Green

Key Indicators

Overview of performance

Area of focus	Summary observations	Assessment
Reserve Balances	• At 31 March 2013 the general fund balance was £8.6m, which is only a slight reduction on the prior year and a total reduction since the Comprehensive Spending Review (CSR) of £1.5m. • Total usable reserves were £93m at 31 March 2013, a reduction of £8.5m from the previous year, but remaining above £85.3m level of reserves held at the time of the announcement of the Comprehensive Spending Review in 2009/10. The reduction over this period has been offset by the receipt of capital grants and the balances held as capital grants unapplied. • The in-year reduction in usable reserves are mainly attributed to the reduction in Capital Grants Unapplied Reserve by £4.3m and Capital Receipts Reserve by £2.9m. • The Council was above average in comparison with its statistical nearest neighbours for 2011-12, in terms of balances held against gross revenue expenditure. • Overall the Council retains a healthy level of reserves, although reserves will likely continue to remain under downward pressure in future years.	Green
Schools Balances	• It is generally accepted that there will be some unspent Direct Schools Grant (DSG) at each year end which will be transferred to reserves. However, councils are expected to ensure that the funding is spent on the current cohort wherever possible. • The latest available data published by the Audit Commission (for 2011-12) shows that the Council has a particularly high level of school reserves as a proportion of DSG when compared to its statistical nearest neighbour benchmark group. • The Council is committed to ensuring only reasonable and justified levels of schools funding are held in reserves and school reserves have reduced from £8.17m to £6.87m during 2012/13. The key reasons for the reduction in balances relate to: - funding cost pressures facing schools; - schools utilising balances for capital purposes; and - the transfer of balances following moves to academy status. This confirms that funds are being spent largely on the education of the current cohort of pupils and not held in reserves for future projects. • Only three schools had deficits at 31 March 2013.	Green

Strategic Financial Planning

Key characteristics of good strategic financial planning

In conducting our review of strategic financial planning we have assessed the Council's performance against the following indicators:

- Focus on achievement of corporate priorities is evident through the financial planning process. The MTFP focuses resources on priorities.
- The MTFP includes outcome measures, scenario planning, benchmarking, resource planning and details on partnership working. Targets have been set for future periods in respect of reserve balances, prudential indicators etc.
- Annual financial plans follow the longer term financial strategy.
- There is regular review of the MTFP and the assumptions made within it. The Council responds to changing circumstances and manages its financial risks.
- The Council has performed stress testing on its model using a range of economic assumptions including CSR.
- The MTFP is linked to and is consistent with other key strategies, including workforce.
- KPIs can be derived for future periods from the information included within the MTFP.

Strategic Financial Planning

Medium Term Financial Strategy

Area of focus	Summary observations	Assessment
Focus of the MTFS	• The Council has a Medium Term Financial Strategy (MTFS), and plans its financial performance for the next three years on a rolling basis. Each year, the MTFS is refreshed for the next two years and a new indicative third year is set. • The current MTFS was reported to Cabinet in September 2012 and agreed by Council in October 2012 and provided an estimate of the revenue budget requirements for the period 2013-14 to 2015-16. In developing the MTFS the Council took into account overall Council priorities and policies to balance both Revenue and Capital in order to develop a budget strategy which ensured that Council resources are properly focused. • The Council is currently undertaking the review to update the MTFS for the period 2014-15 to 2016-17.	Green
Adequacy of planning assumptions	• The key planning assumptions include income generation, inflation, the Council's asset base and how these help deliver strategic priorities and service needs. • There is suitable emphasis on cost pressures areas and services with historically high levels of spend compared to other authorities.	Green
Scope of the MTFS and links to annual planning	• The business challenge process continues to be effective. It encourages radical thinking and challenges service delivery and alternative ways of working including collaborative working. • The scope of the MTFS is always three years and this is updated on an annual basis. There are strong links to annual planning, as the budget for the next year is updated and adopted by the Council during each three year MTFS refresh. • The MTFS and budget for 2013-14 adequately reflect the Council's proposals after consideration of all relevant information	Green
Review processes	• An established review process is in place to update the MTFS each year and it is also kept under review in the light of changing events. This is particularly relevant given the current financial pressures in funding from Central Government. • Financial review meetings are held every quarter. These involve the Leader of the Council, the portfolio holder, who is a member for the directorate and the Head of Finance. Performance against budgets is monitored through these review meetings and future budgets are reviewed.	Green
Responsiveness of the Plan	• The Council has a good track record of delivering performance against budget and achievement of required savings. • Through the Financial Review Groups, which meet quarterly, the Council is able to monitor the performance of services against budgets set and respond to significant cost pressures and issues identified.	Green

Financial Governance

Key characteristics of effective financial governance

In conducting our review of financial governance we have assessed the Council's performance against the following indicators:

Understanding

- There is a clear understanding of the financial environment the Council is operating within:
  - Regular reporting to Members. Reports include detail of action planning and variance analysis etc.
  - Actions have been taken to address key risk areas.
  - Officers and managers understand the financial implications of current and alternative policies, programmes and activities.

Engagement

- There is engagement with stakeholders including budget consultations.

Monitoring and review

- There are comprehensive policies and procedures in place for Members, Officers and budget holders which clearly outline responsibilities.
- Number of internal and external recommendations overdue for implementation.
- Committees and Cabinet regularly review performance and it is subject to appropriate levels of scrutiny.
- There are effective recovery plans in place (if required).

Financial Governance

Understanding and engagement

Area of focus	Summary observations	Assessment
Understanding the Financial Environment	• The Council has a good understanding of its financial environment at all levels. Through Financial Review Groups, performance against budgets and cost savings are reviewed on a quarterly basis and these are reported to DMTs. Revenue budget monitoring reports are taken to Cabinet regularly throughout the year, including a response to any performance issues identified by the Financial Review Groups and actions to address issues. Financial Review Groups include members and key officers. They ensure that the Council is well informed and understands the financial environment it is working in. • Business planning is integrated throughout the Council. Key budget messages are communicated to Heads of Service from the Assistant Head of Finance and Directorates are responsible for producing action plans to enable them to perform in accordance with the required budget. • The Council's Risk Management Strategy is well developed and embedded throughout the organisation. This includes financial risks and is reported to the Audit Committee. • The Annual Governance Statement outlines actions taken and those needed to address current concerns. It underpins the risk management culture of the organisation. • The Audit Committee provides effective scrutiny of the Council's governance arrangements.	Green
Executive and Member Engagement	• There is full engagement by Members throughout the business planning and budget setting process. • Cross-party Budget Review Groups are led by the relevant portfolio holder, who is a member of the Council. The budget review process includes the Leader of the Council, members and the Head of Finance. The Budget Review Groups re-examine the budgets of the Council's directorates and services, and make preliminary budget proposals for the coming years. • Financial Review Groups meet quarterly and review budget performance in year. • The MTFS is ultimately approved by Council in September/October each year and provides the framework for the budget approved by Council in February. • Regular revenue budget monitoring is reported to Members through the Cabinet and Scrutiny Panels, in addition to quarterly Financial Review Group meetings and reports to DMT.	Green

Financial Governance

Understanding and engagement

Area of focus	Summary observations	Assessment
Overview for controls over key cost categories	• In year forecasting remains good. Variances to budget are identified in a timely way and clearly and promptly reported. The level of variances has reduced over recent years reflecting improved financial management. • Progress against savings plans are reported to the Scrutiny Committee throughout the year. These reports consider the savings delivered and any potential issues or risks in achieving the overall savings and provide an effective monitoring process. • Financial Review Groups review performance quarterly, including the achievement of savings, and this is reported to DMTs. • Revenue budget monitoring is reported to the Cabinet and Scrutiny Panels throughout the year and provides members with performance information regarding the delivery of savings and actions required going forward.	Green
Budget reporting: revenue and capital	• Effective budget reporting arrangements are in place for both revenue and capital. • Financial reporting is clear and comprehensive and budget information is reported directly from the Council's financial reporting systems.	Green
Adequacy of other Committee/ Cabinet Reporting	• The Council has effective reporting arrangements in place. • The Council's approach to reporting its decision making is to provide clear, transparent reporting to enable appropriate challenge and review • Reporting is in line with the Council's strategic priorities.	Green

Financial Control

Key characteristics of effective financial control

In conducting our review of financial control we have assessed the Council's performance against the following indicators:

Budget setting and budget monitoring

- Budgets are robust and prepared in a timely fashion.
- Budgets are monitored at an officer, member and Cabinet level and officers are held accountable for budgetary performance.
- Financial forecasting is well-developed and forecasts are subject to regular review.

Savings Plans

- Processes for identifying, delivering and monitoring savings plan schemes are robust, well thought through and effective.

Financial Systems

- Key financial systems have received satisfactory reports from internal and external audit.
- Financial systems are adequate for future needs.

Finance Department

- The capacity and capability of the Finance Department is fit for purpose.

Internal Control

- There is an effective internal audit which has the proper profile within the organisation. Agreed Internal Audit recommendations are routinely implemented in a timely manner.
- There is a an assurance framework in place which is used effectively by the Council and business risks are managed and controlled.

Financial Control

Internal arrangements

Area of focus	Summary observations	Assessment
Budget setting and monitoring - revenue and capital	• The Council has a robust business planning and budget setting process. This takes into account views of stakeholders and includes rigorous review by Members prior to approval by the Cabinet. • The Council manages budgets well and this is evidenced by a good track record in achieving the overall budget set and mitigating any overspends identified in year. • Financial performance is reviewed by Financial Review Groups every quarter, with quarterly reporting to DMT and revenue budget monitoring reports to Cabinet and Scrutiny Panels regularly throughout the year. • Through the business planning process, the Council has a good understanding of its costs and performance and considers different ways of achieving savings through service redesign and activity monitoring to identify areas where services can be provided more effectively and efficiently.	Green
Performance against Savings Plans	• The Council has a good track record of achieving savings targets and meeting its overall budget set in year. • For 2012-13 the Council identified that savings of £40.5m were required, which were broadly achieved in line with the budget set. • The Council's current MTFS has identified £55.6m savings to be delivered in 2013-14, rising by an additional £13.7m by 2014-15. The budget refresh for 2014-15 to 2016-17 is underway and considers the impact of localism of business rates and changes to Council Tax and whether any additional savings are required. • There are inherent uncertainties regarding future revenues available to fund services and the level of savings required so the Council continues to face budget pressures.	Green
Key Financial Accounting Systems	• The Council has a sound financial ledger system which enables effective financial reporting. • The majority of financial systems (including the financial ledger) are bespoke systems, and have been successfully updated in response to national changes such as in Housing Benefits, Council Tax, and Business Rates • The Housing Benefits system has improved significantly in recent years and no longer requires significant levels of testing to support the certification of the Housing Benefit Subsidy claim. • The Council has a good track record of producing its annual accounts, with generally few amendments required to the accounts. Accounts are derived from information produced from the financial ledger and can be readily reconciled.	Green

Financial Control

Internal and external assurances

Area of focus	Summary observations	Assessment
Finance Department Resourcing	• The staff resourcing in the Council's Finance Department is stable and the turnover is low. External audit interaction with the Finance Department indicates they are both competent and experienced. The Finance Department has sufficient skills in areas including PFI, capital and financial planning • The Finance Department are capable of producing the financial statements a number of weeks before the deadline of 30 June.	Green
Internal audit arrangements	• The Council has an effective in-house internal audit function, which is well respected within the Council • A risk-based Internal Audit plan is developed each year and is subject to scrutiny by the Audit Committee before approval. • All reports contain detailed Action Plans and are presented to the Audit Committee • Reports are followed up and monitored through regular reports to the Audit Committee , who provide robust challenge to management when action is considered overdue. • Internal Audit meets the CIPFA Code of Practice requirements and the Assistant Head of Finance has recently reviewed the new international public sector auditing standards (IPSAS) and is taking action to ensure future compliance.	Green
External audit arrangements	• Grant Thornton UK LLP have been the Council's external auditors for a number of years under the existing framework contract with the Audit Commission.. • Good professional relationships exist between the external audit team and the Council's Senior Officers, and regular open and candid discussions take place. • There were no significant issues identified for action from the 2011-12 Annual Audit Letter. • There are no significant issues relating to financial control included in the Audit Finding Report issued in September 2013 and no formal reporting actions have needed to be taken by external audit .	Green
Assurance framework/risk management	• The Council maintains an up to date Risk Management Strategy and Corporate Risk Register, with individual Risk Registers maintained at each Directorate and integrated with the Corporate Risk Register, which is monitored by the Audit Committee • The 2012/13 Annual Governance Statement (AGS) reflects fairly the overall assurance framework in place and is produced in line with requirements from CIPFA/SOLACE "Delivering Good Governance in Local Government Framework". • The risk register and AGS identify the significant risks highlighted by OFSTED in respect of Safeguarding Children and the Council's response through its 'Single Integrated Improvement Plan for Safeguarding Services.	Green

Key Indicators of Financial Performance

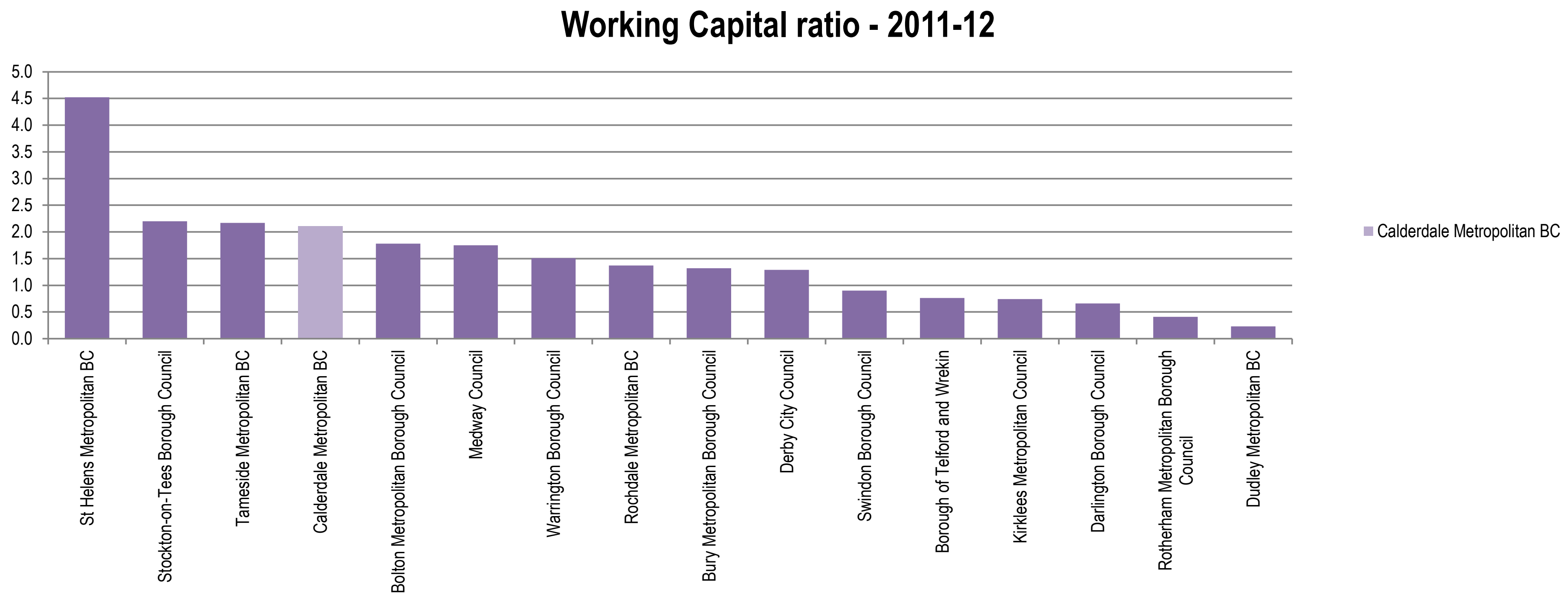
Working Capital Ratio - 2011/2012

Definition

The working capital ratio indicates if an authority has enough current assets, or resources, to cover its immediate liabilities - i.e. those liabilities to be met over the next twelve month period. A ratio of less than one - i.e. current liabilities exceed current assets - indicates potential liquidity problems. It should be noted that a high working capital ratio isn't always a good thing; it could indicate that an authority is not effectively investing its excess cash.

Findings

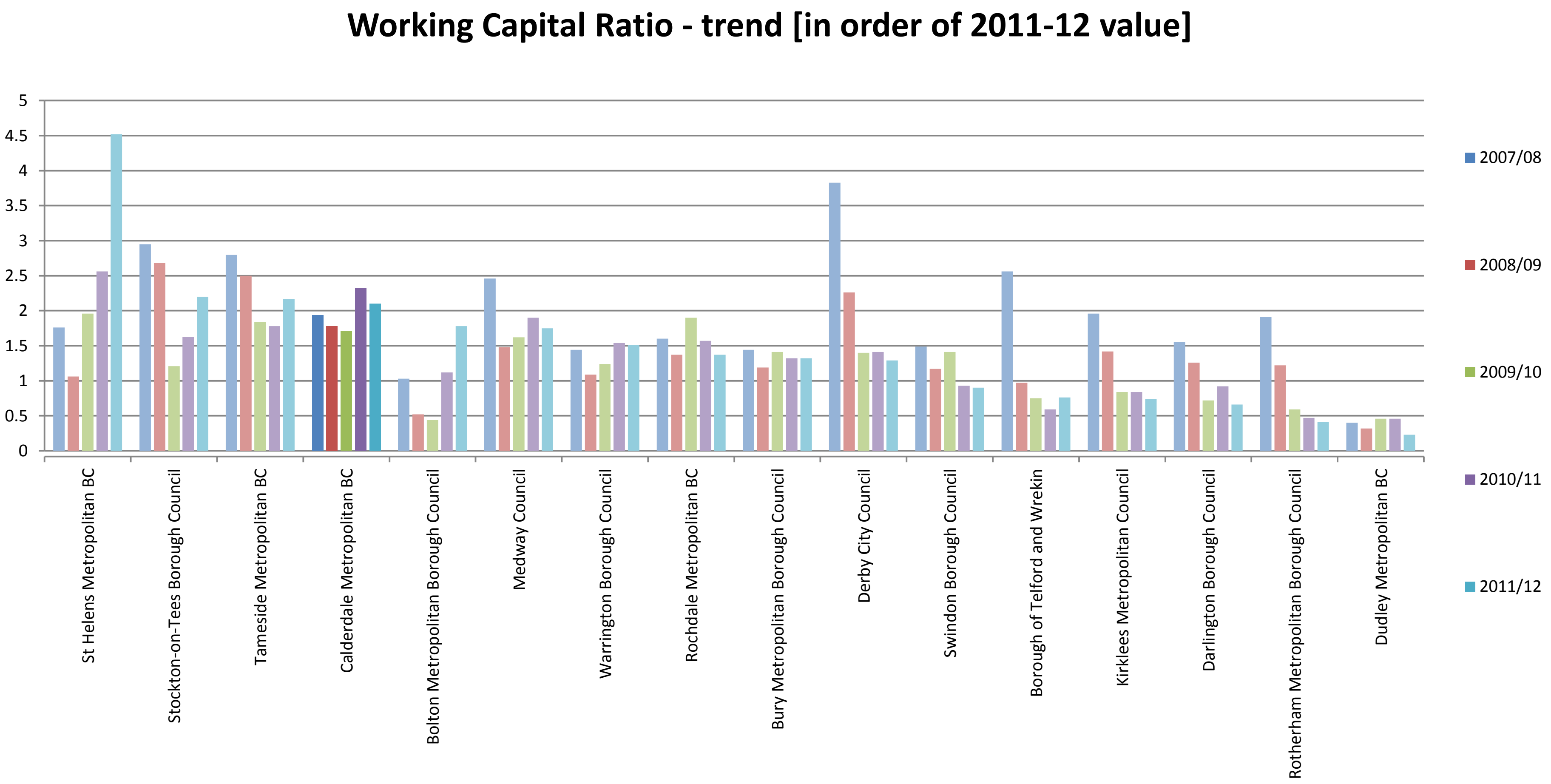
The Council's 2011-12 working capital ratio is 2.10. The Council has the fourth highest working capital ratio in the benchmarking group for 2011-12.



Source: Audit Commission

Key Indicators of Financial Performance

Working Capital Ratio - Trend



Source: Audit Commission

Key Indicators of Financial Performance

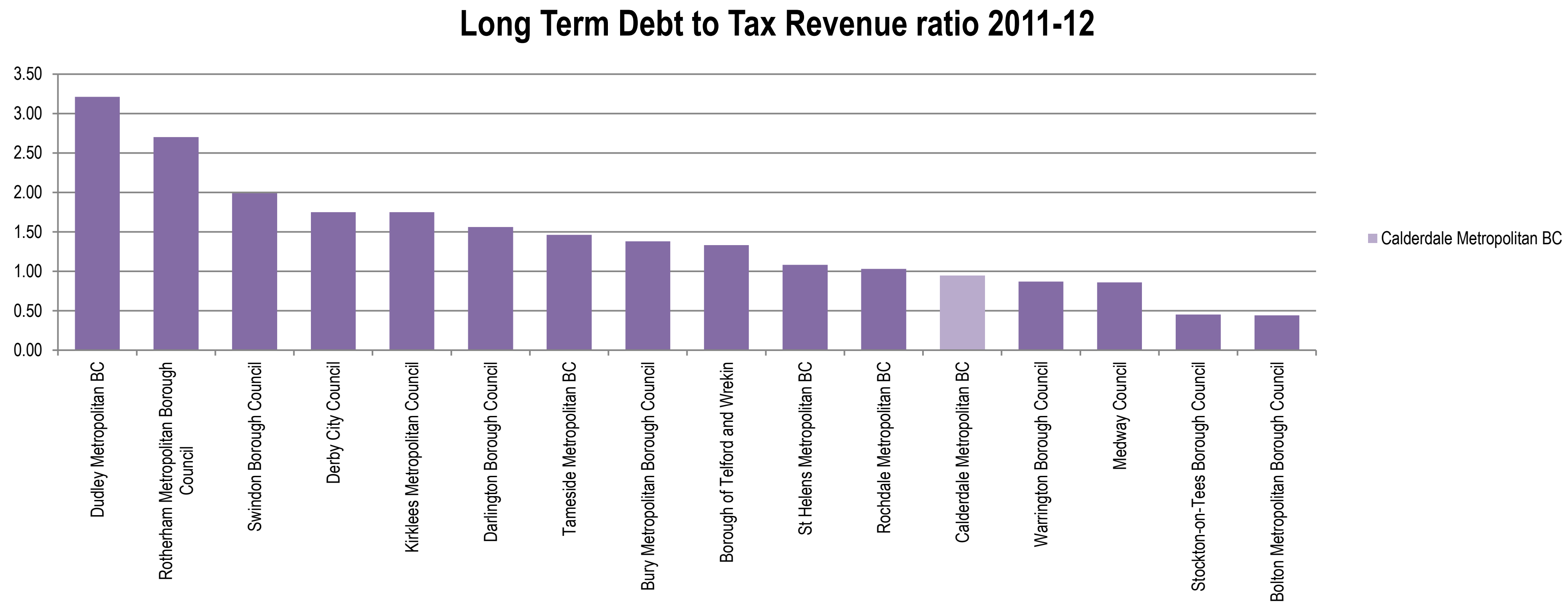
Long Term Debt to Tax Ratio - 2011/2012

Definition

Shows long tem borrowing as a share of tax revenue. A ratio of more than one means that long term borrowing exceeds council tax revenue.

Findings

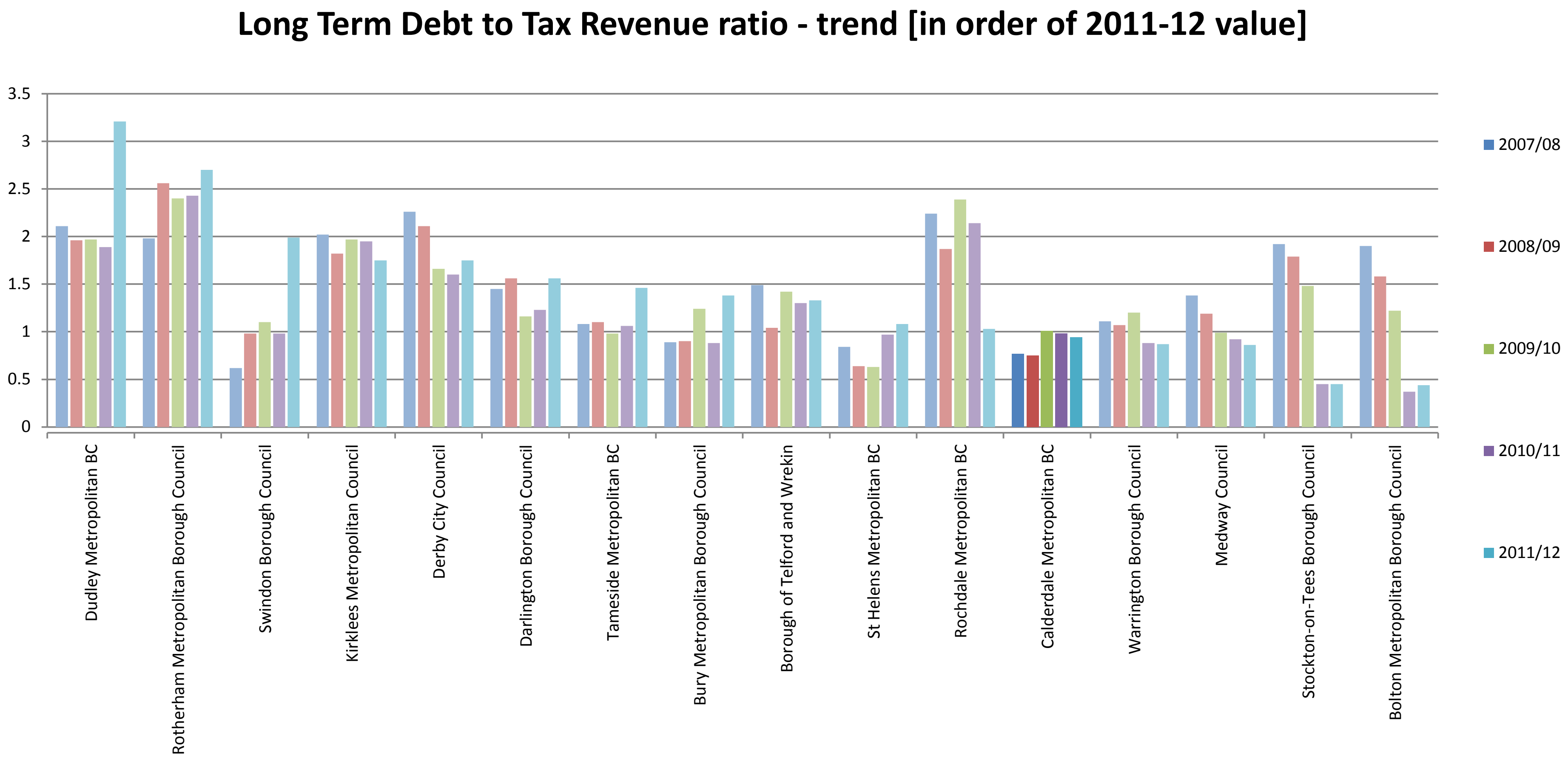
The Council's 2011-12 long term borrowing ratio as a proportion of tax revenue is 0.94 placing the Council the 5th lowest in its benchmarked group



Source: Audit Commission

Key Indicators of Financial Performance

Long Term Debt to Tax - Trend



Source: Audit Commission

Key Indicators of Financial Performance

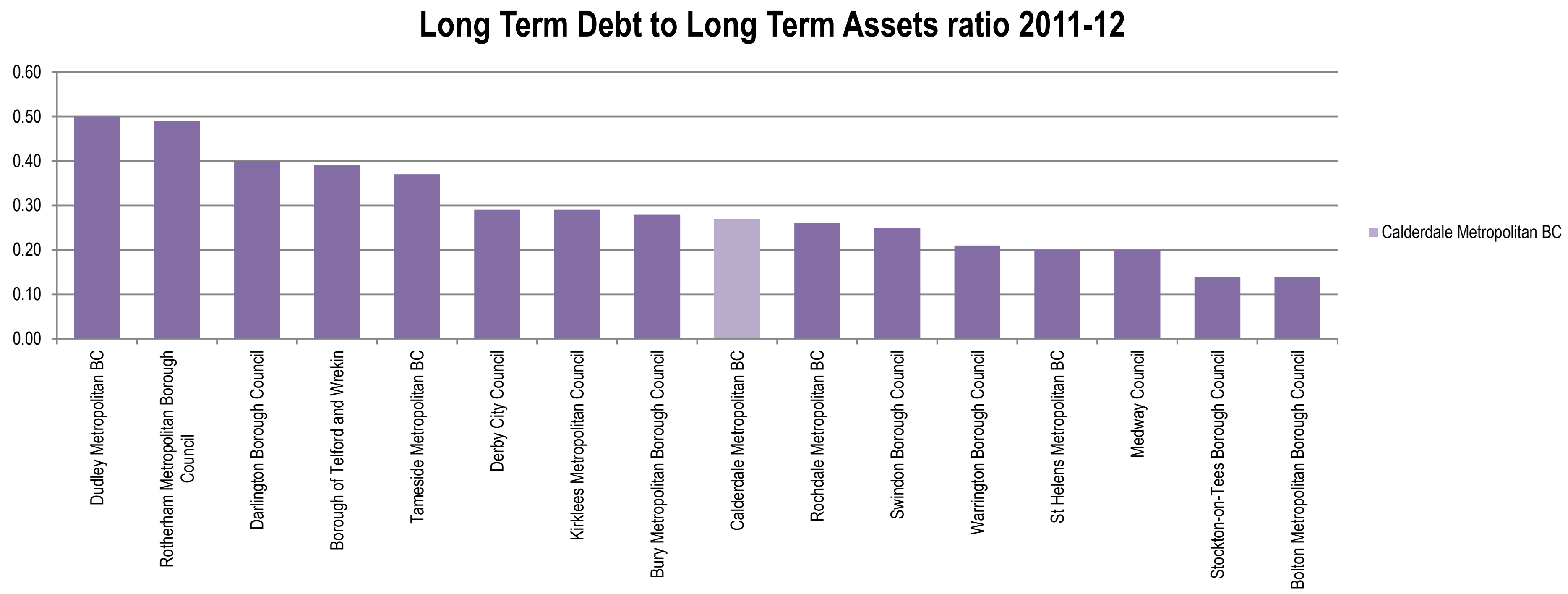
Long Term Debt to Long Term Assets - 2011/2012

Definition

This ratio shows long tem borrowing as a share of long term assets. A ratio of more than one means that long term borrowing exceeds the value of long term assets.

Findings

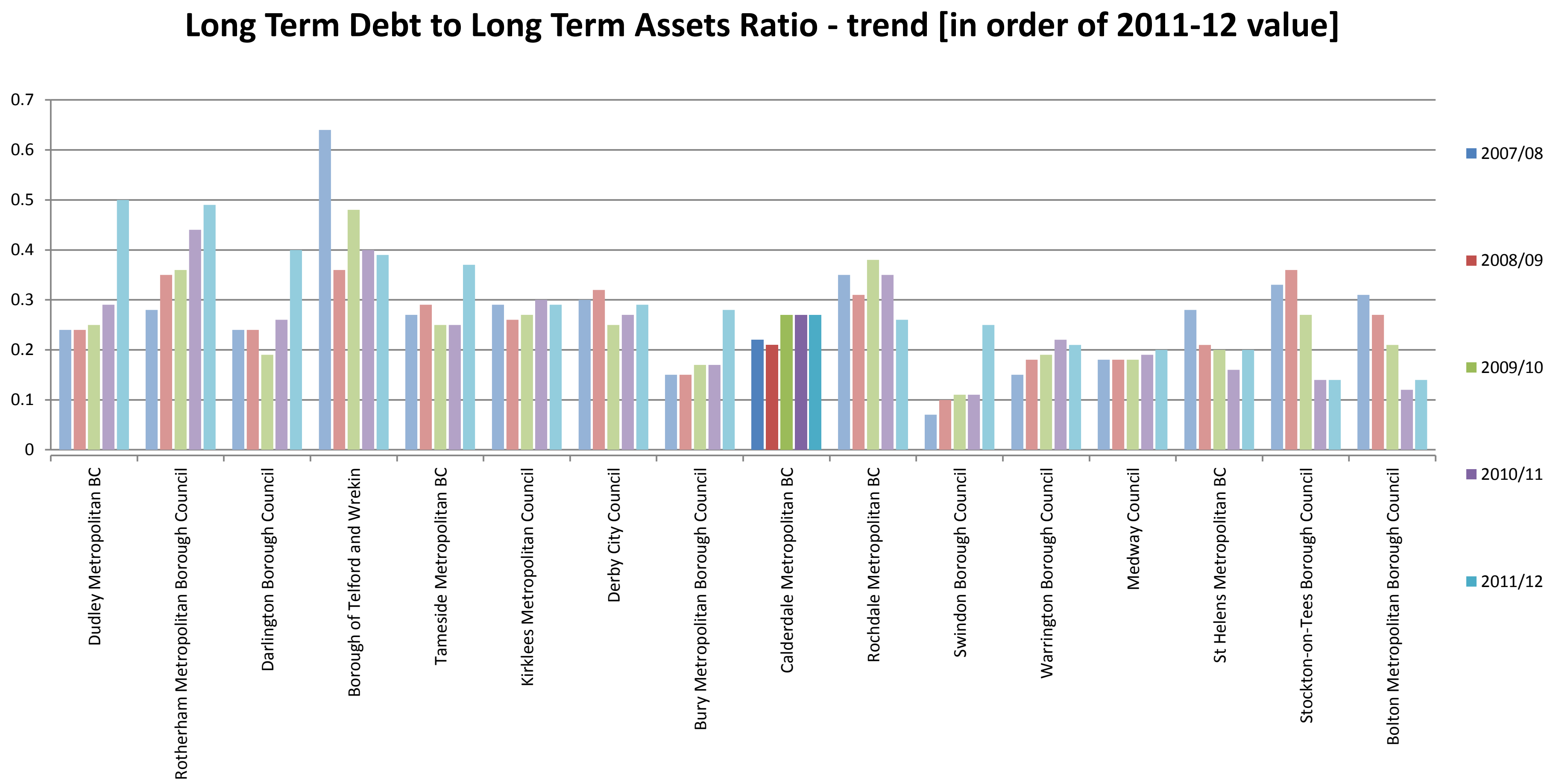
The Council's 2011-12 long term borrowing to long term assets ratio is 0.27 and is around the midpoint of the benchmarked group.



Source: Audit Commission

Key Indicators of Financial Performance

Long Term Debt to Long Term Assets - Trend

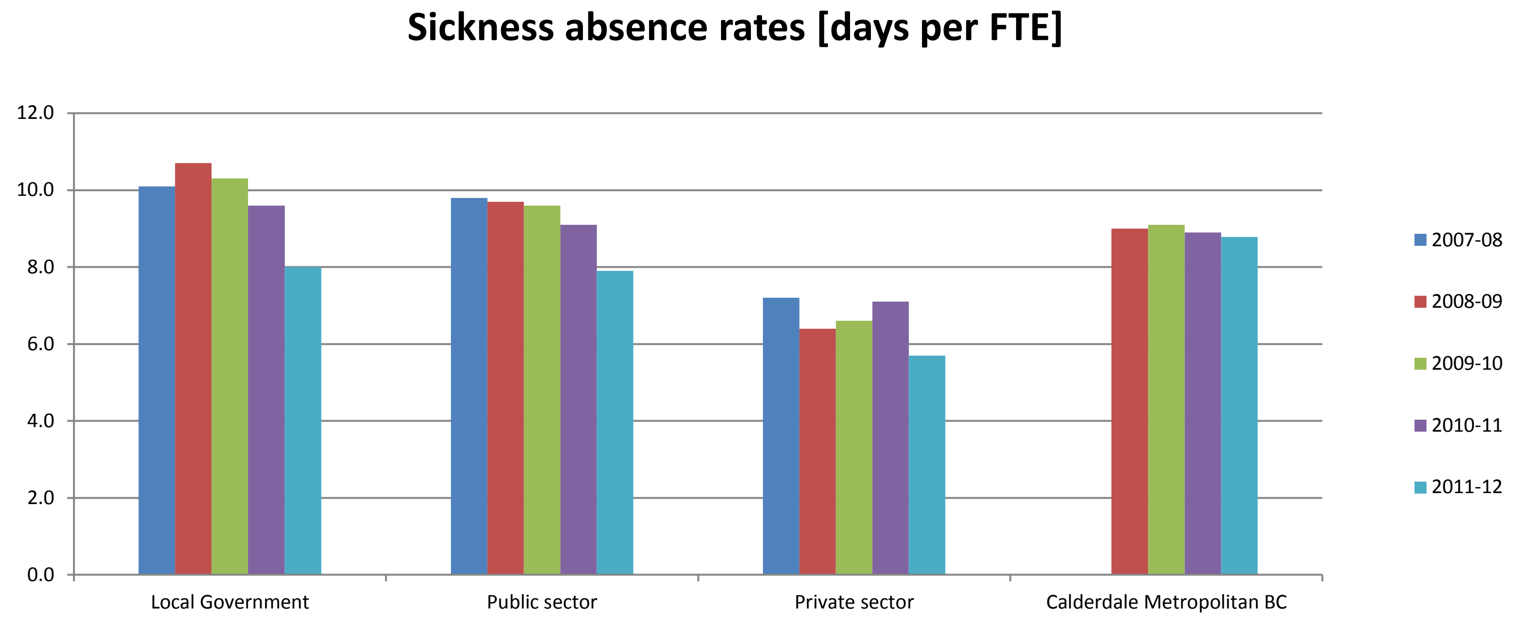


Source: Audit Commission

Sickness Absence Rates - Trend

Findings

The Council's sickness absence rates have remained fairly static over recent years and remains above the council's target of 8 days per FTE at 8.8 days.



Source: Audit Commission

Key Indicators of Financial Performance

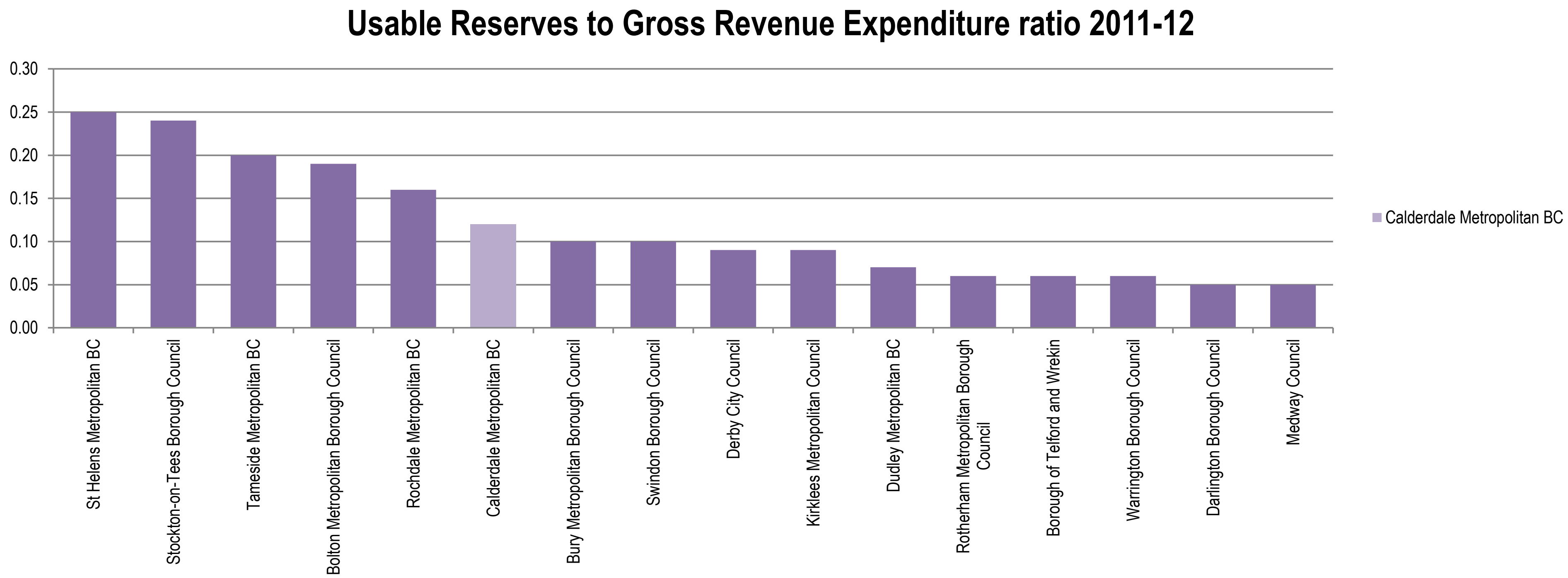
Usable Reserves to Gross Revenue Expenditure - 2011/2012

Definition

This ratio shows the Council's reserves which are available for use as a proportion of gross revenue expenditure. A higher ratio indicates the Council has a greater ability to fund expenditure from available reserves.

Findings

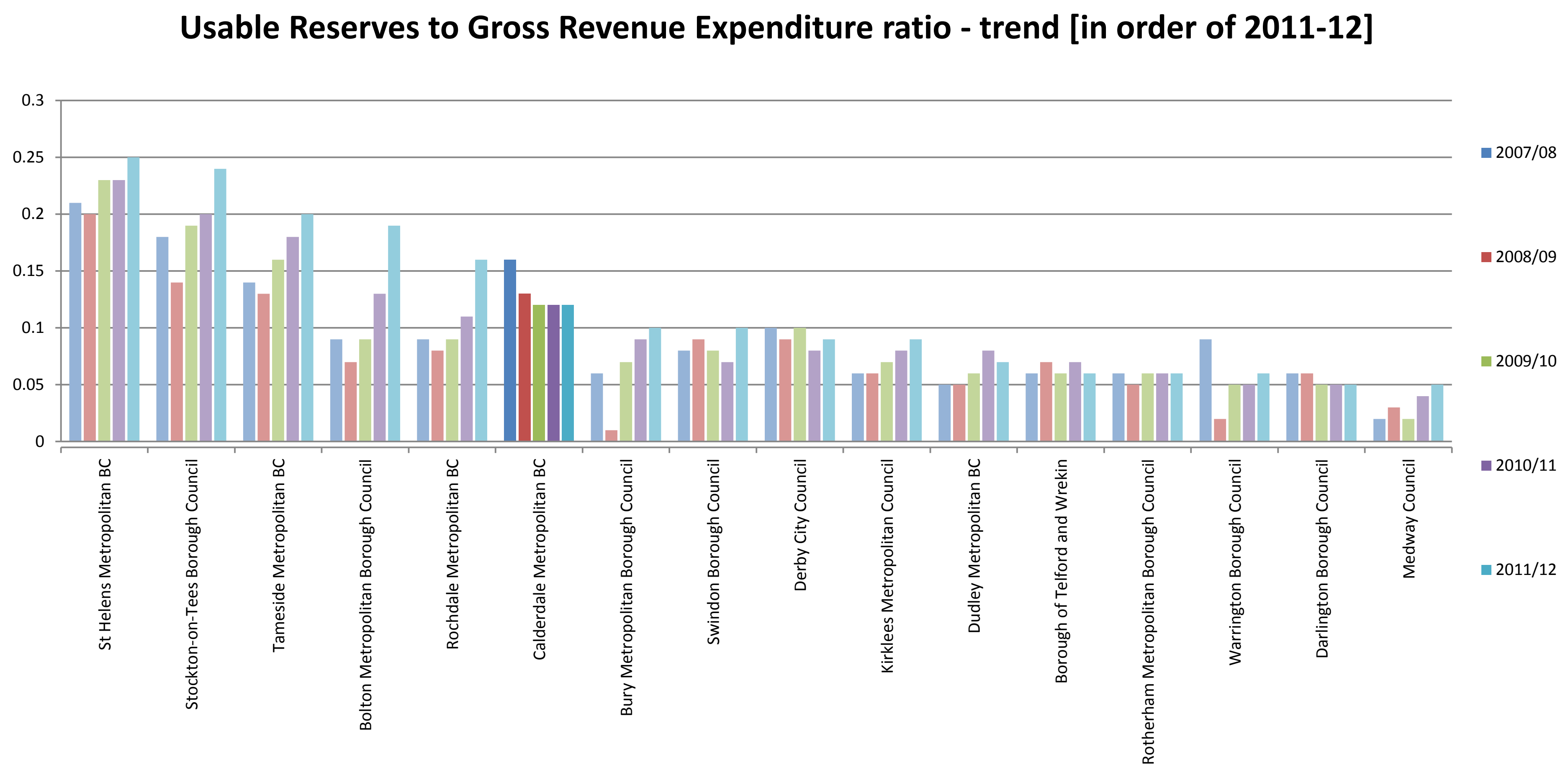
The Council's 2011-12 usable reserves to gross revenue expenditure total 0.12 placing it the 6th highest in the benchmarked group



Source: Audit Commission

Key Indicators of Financial Performance

Usable Reserves to Gross Revenue Expenditure - Trend



Source: Audit Commission

Key Indicators of Financial Performance

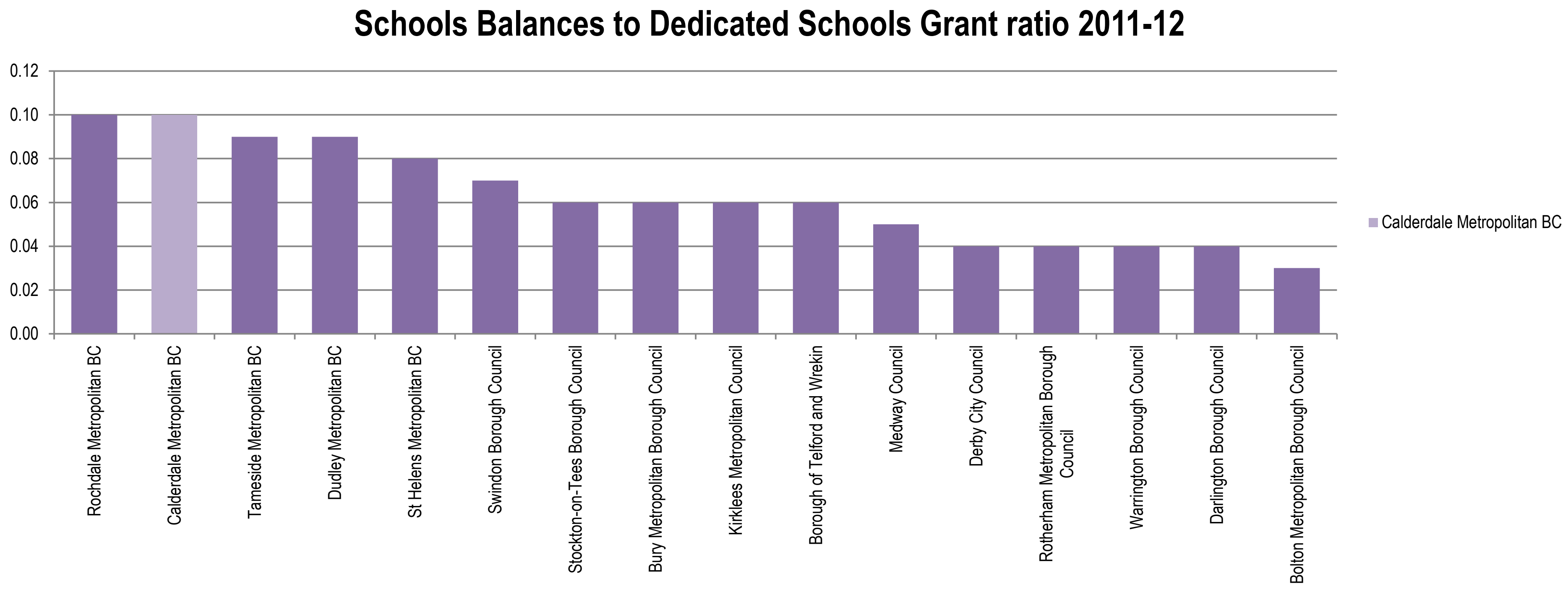
Schools Balances to Dedicated Schools Grant – 2011/2012

Definition

This shows the share of schools balances in relation to the total DSG allocation received for the year. For example a ratio of 0.05 means that 5 per cent of the total DSG allocation remained unspent at the end of the year.

Findings

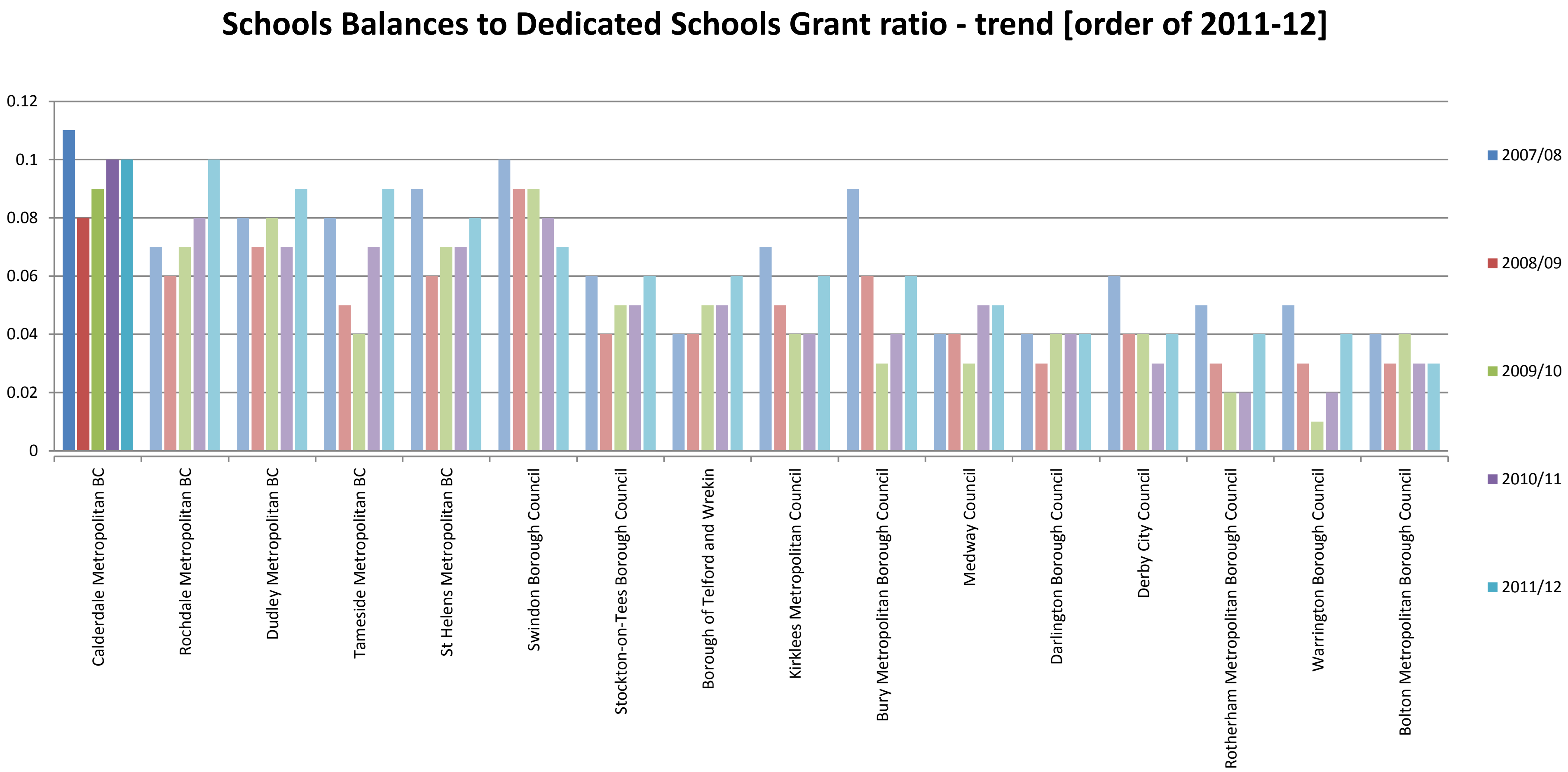
The level of the Council's 2011-12 schools balances to DSG is 0.10, the highest of the benchmarked group.



Source: Audit Commission

Key Indicators of Financial Performance

Schools Balances to Dedicated Schools Grant - Trend



Source: Audit Commission

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