

30/05 - **CPA 2005, VALUE FOR MONEY SELF-ASSESSMENT, INITIAL DRAFT:**

The Strategic Policy Officer submitted a written report, the purpose of which was to present the initial draft Value For Money (VFM) self-assessment document to the Commission for consideration. The self-assessment provided an overview of the Council's costs and performance in 2004/05 compared to the other 15 Councils in the CIPFA family comparator group on the Audit Commission's VFM website. Details of that comparator group were attached as Appendix 2 to the report.

The Strategic Policy Officer then provided Members with a presentation in relation to the VFM self-assessment, discussing issues such as the context of the self-assessment process, the value for money profile, the care needed in using the VFM results, initial assessment issues, the Council's overall value for money, external factors affecting VFM, the performance of core services in relation to VFM and the future timetable for driving the project forward. The Strategic Policy Officer then invited Members' questions on the presentation and the VFM self-assessment.

In response to Members' questions, the Strategic Policy Officer advised that there was significant correlation between the Council's corporate priorities, the outcomes of the value for money assessment and the current service cost and performance monitored by the Council. The Officer emphasised that VFM assessments provided a signpost as to which services may require further review and examination. Members queried whether the other Councils in the CIPFA family comparator group were sufficiently similar. The Strategic Policy Officer **agreed** to raise this issue with the Audit Commission as part of the on-site VFM assessment process. He explained that Harrogate had been grouped with 15 other authorities on the basis of population and demography. However, when looked at further, the comparator group did not seem comparable when considering issues such as the number of leisure centres which in the Harrogate District totalled six, whilst in the comparator authorities such as Taunton or Maidstone, only one leisure centre was Council-operated.

Members queried Harrogate's comparative unapportionable central overheads in Appendix 2. It was noted that Harrogate had the second highest level of central overheads of the comparator group. The Strategic Policy Officer explained that Harrogate Borough Council had followed the CIPFA guidelines in that regard and that Harrogate's central overheads shown in Appendix 2 included £1.25m of back-funding pension costs which skewed costs in relation to those of the other comparator authorities.

The Commission recognised the time restrictions imposed and congratulated the Strategic Policy Officer and his assessment team on the good work undertaken. It viewed the work as very positive and **agreed** that it should form the basis of future work as proposed in the report.

It was **AGREED** that the Commission's views be forwarded to the Cabinet for consideration. In summary these were:

- (1) the Commission use the self-assessment as a basis for future work and work with the Cabinet to plan this effectively;
- (2) the Commission were keen to see the Council develop the approach of bringing financial and performance information together in one report. This could include presenting the value for money information relevant to each Corporate Priority;
- (3) justification for the choice of comparable authorities should be sought from the Audit Commission during the on-site inspection in November 2005.

(7.27 pm – 7.55 pm)