

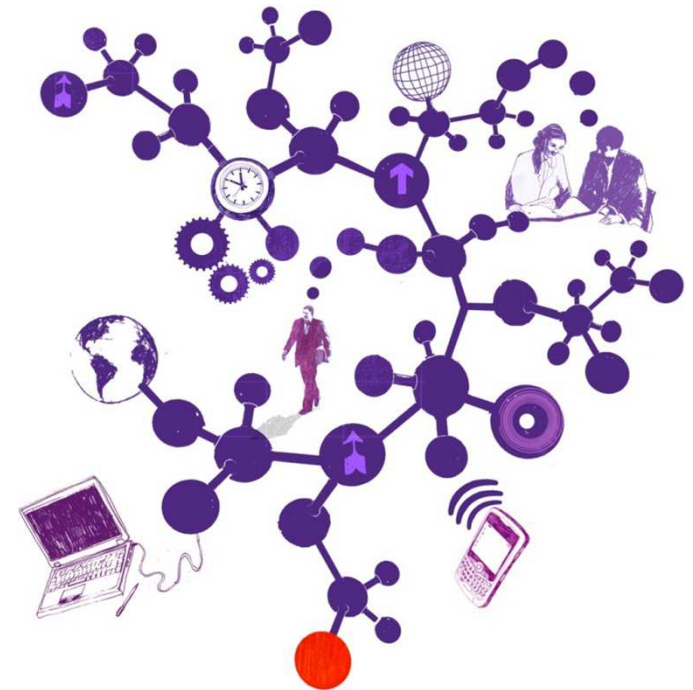


Benchmarking your arrangements for securing Financial Resilience – West Lancashire Borough Council

28 March 2014

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Your financial resilience history

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Value for Money conclusion

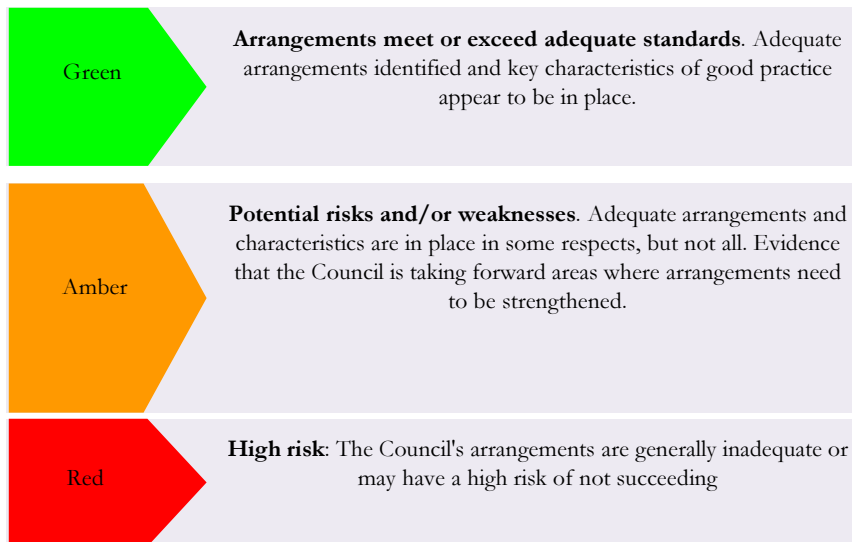
Our work supporting our Value for Money (VfM) conclusion, as part of the statutory external audit, includes a review to determine if Councils have proper arrangements in place for securing financial resilience.

In so doing we consider whether Councils have robust financial systems and processes in place to manage their financial risks and opportunities, and to secure a stable financial position that enables them to continue to operate for the foreseeable future

The definition of foreseeable future for the purposes of these financial resilience reviews is 12 months from the date of our reports to clients.

Our Financial Resilience Ratings

We use a red/amber/green (RAG) rating with the following definitions



Benchmarking for West Lancashire Borough Council

This benchmarking pack should be considered alongside our Financial Resilience report which we reported to Audit Committee on 24 September 2013, and in the light of the issue of our national report on financial resilience in the sector "*2016 tipping point? Challenging the current?*".

The benchmarking compares the Council with the total population of over 130 councils and also with sub-populations as follows:

- Lancashire Councils only;
- District Council type only.

How did you perform?

What is the picture for 2012-13?

We have reviewed:

- key indicators of financial performance;
- strategic financial planning;
- financial governance; and
- financial control.

This shows that West Lancashire Borough Council has performed consistently well across all themes and across all categories within the themes.

Within these thematic areas we have looked at 22 different categories and the graph below shows your performance in these categories. To the left are the overall ratings for the four themes, and to the right are the 22 categories.



How do you compare?

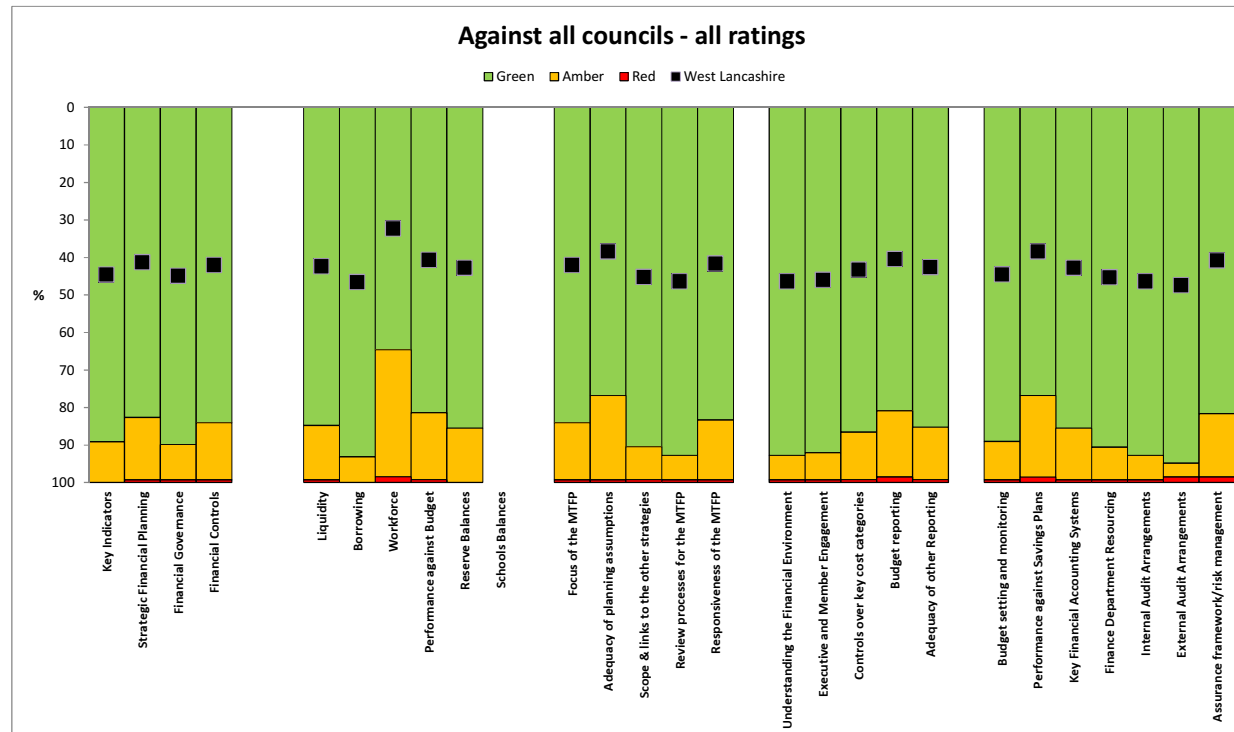
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Benchmarking against all Councils

The graph below shows how the Council performs against the results for all Councils in 2012-13. Your scores are plotted as the black squares overlying the population performance: the colour that your black square lies in indicates the level you achieved.

You can draw the following conclusions about the population

Across all Councils the area of Workforce was the one most commonly rated as Amber. Only for Borrowing and Reserves Balances are there no Councils rated red. This could be seen as a combination of working under the Prudential Code together with a cautious approach to the use of reserves in a time of uncertainty.



How do you compare?

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Benchmarking against Lancashire Councils only

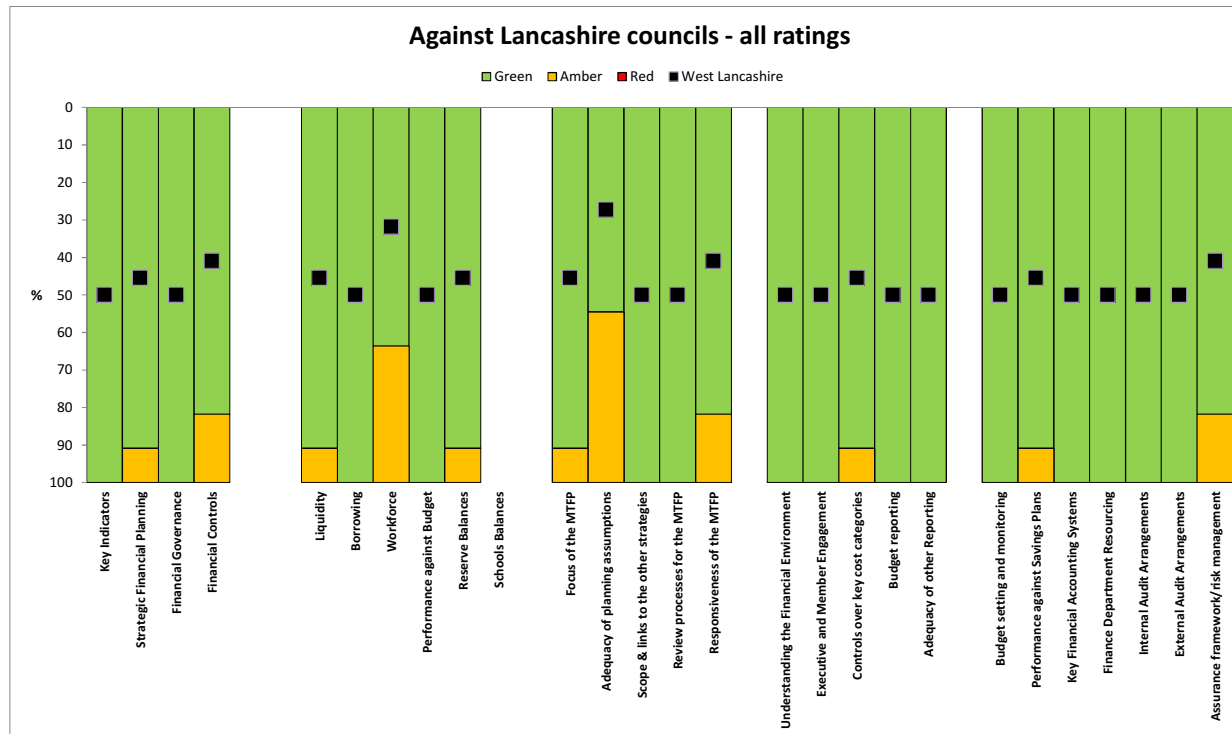
The graph below shows how you perform against the results for the Lancashire councils that we audit.

You can draw the following conclusions about this new population:

Across Lancashire most Councils had good arrangements but Workforce and the Adequacy of Planning Assumptions, were the areas most commonly rated as amber.

You can draw the following conclusions about your performance:

West Lancashire Borough Council is performing well among what appears to be a strong group of Councils.



How do you compare?

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Benchmarking against District Council type only

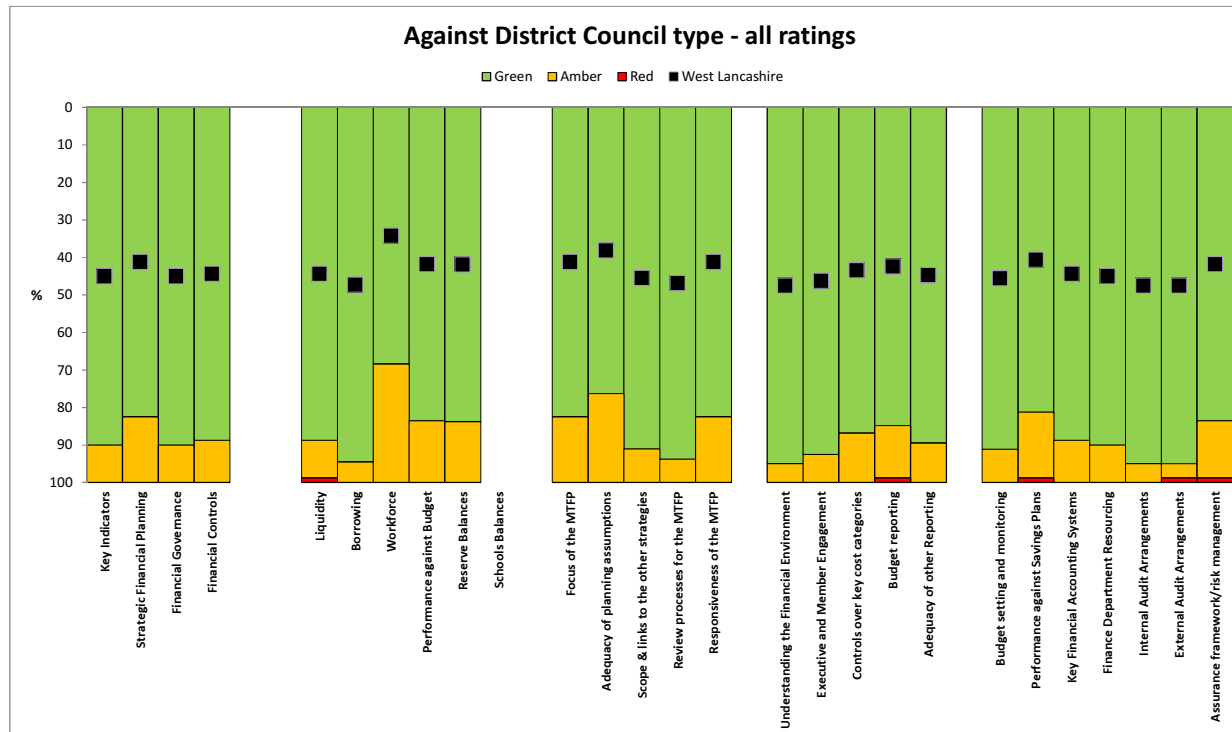
The graph below shows how you perform against the results for our District Council clients.

You can draw the following conclusions about this new population.

Generally District Councils see a wider range of results, with more rated amber across all themes and a number rated red. The next slide contrasts this position with that of County Councils

You can draw the following conclusions about your performance:

West Lancashire is performing well in comparison with District Councils generally.



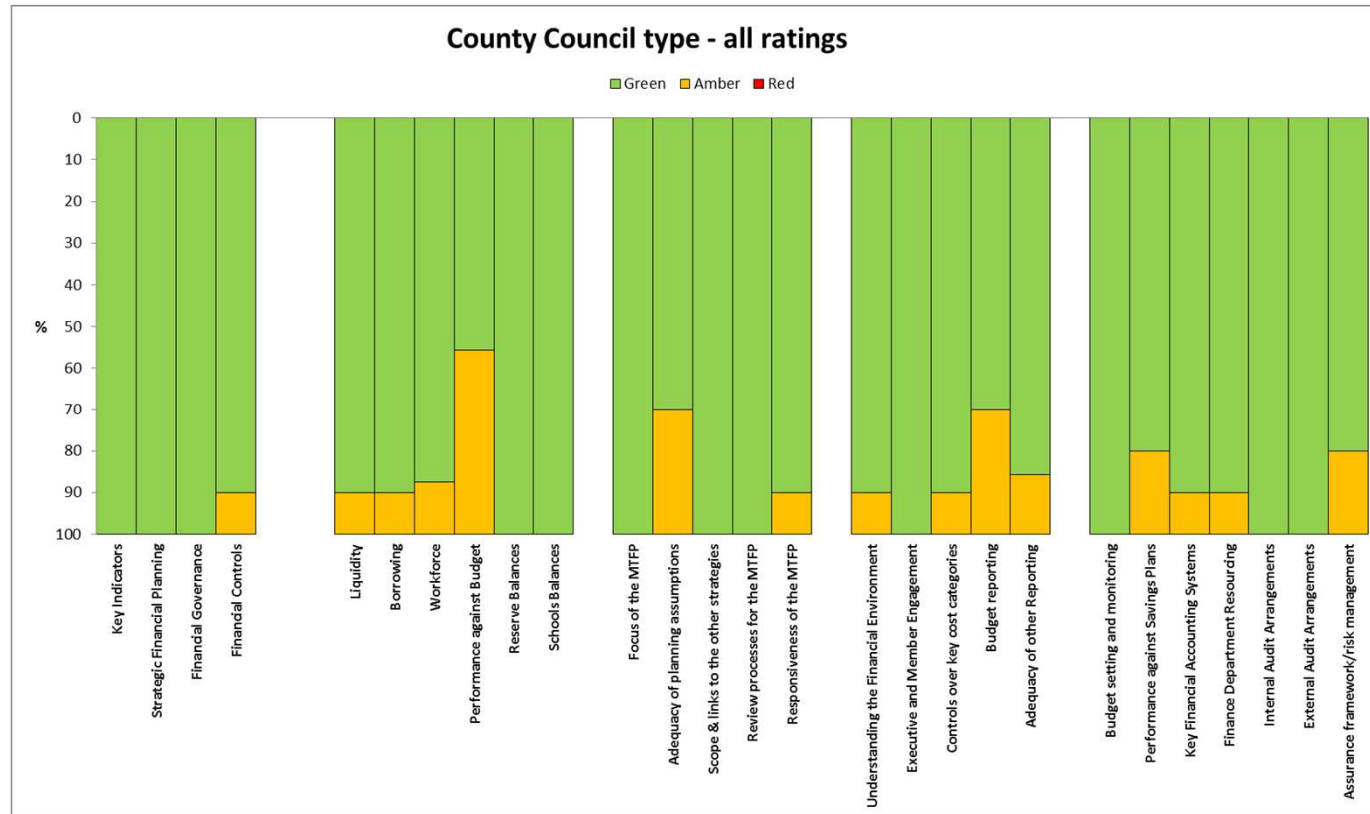
How is it for others?

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Benchmarking other tiers of Local Government

The graph below shows the same distribution for County Councils.

Note that fewer Councils are amber rated and none are red rated. This may reflect greater resources available to upper tier councils. The notable exception is performance within budget where far more are rated amber.



How do you compare?

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Benchmarking comparing the different client types

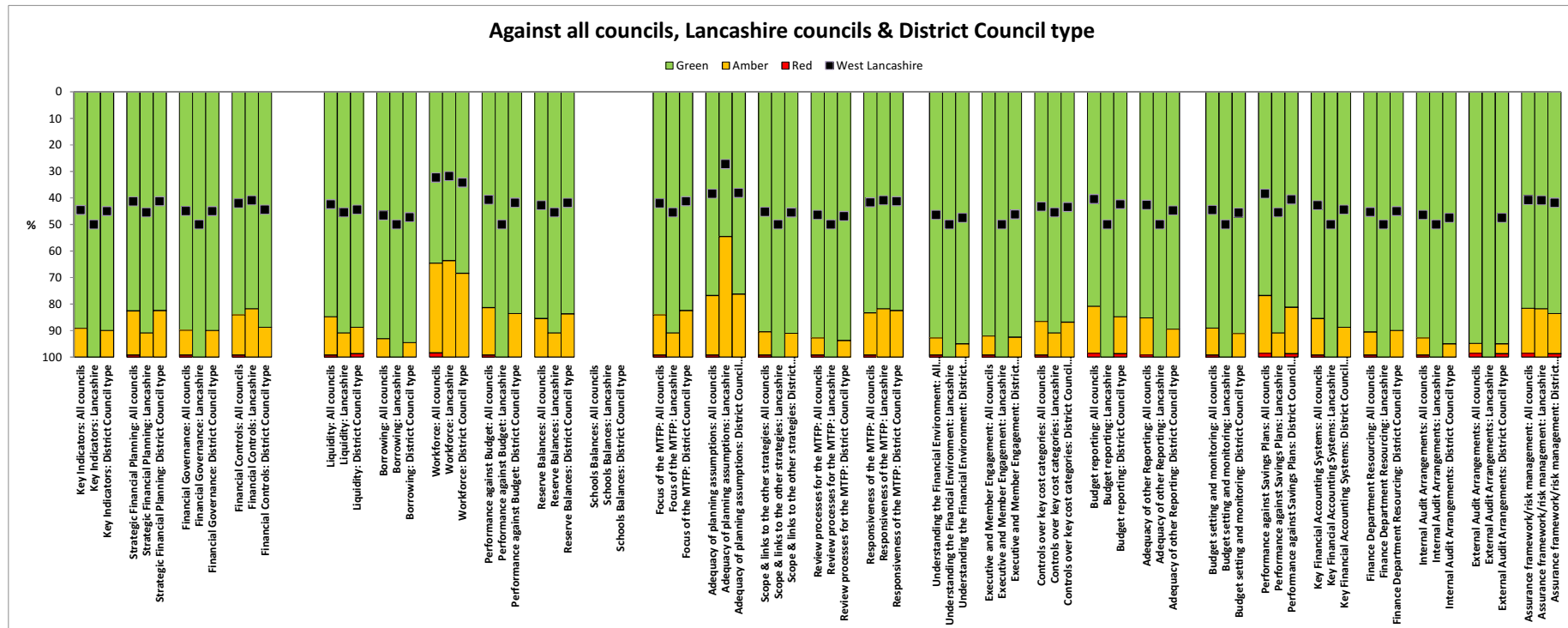
The graph below summarises slides 5, 6 and 7 in a single chart

Overall message

This report needs to be read in the context that our financial resilience reviews fell in the second year of the four-year SR10 period, where some of the potential risks and challenges over the medium term may have yet to materialise for the Council and the wider sector.

West Lancashire Borough Council will maintain its financial resilience if there is clarity over:

- The time-frame for financial planning
- The robustness of the assumptions underlying its forecasts during that timeframe
- The risks and uncertainties that affect those assumptions the potential value of those risk.





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