

DC Annual Audit and Inspection Letter

March 2007



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Gedling Borough Council

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local services for the public. Our remit covers around 11,000 bodies in England, which between them spend more than £180 billion of public money each year. Our work covers local government, health, housing, community safety and fire and rescue services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we ensure that public services are good value for money and that public money is properly spent.

Status of our reports

This report provides an overall summary of the Audit Commission's assessment of the Council, drawing on audit, inspection and performance assessment work and is prepared by your Relationship Manager.

In this report, the Commission summarises findings and conclusions from the statutory audit, which have previously been reported to you by your appointed auditor. Appointed auditors act separately from the Commission and, in meeting their statutory responsibilities, are required to exercise their professional judgement independently of the Commission (and the audited body). The findings and conclusions therefore remain those of the appointed auditor and should be considered within the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission.

Reports prepared by appointed auditors are:

- prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission; and
- addressed to members or officers and prepared for the sole use of the audited body; no responsibility is taken by auditors to any member or officer in their individual capacity, or to any third party.

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Our overall summary

- 1 This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the findings and conclusions from the audit of the Council and from any inspections that have been undertaken in the last year. The letter includes our review of how well the Council has progressed (our Direction of Travel report) and the auditor's assessment of how well the Council has managed its finances (the Use of Resources scores). These latter components will be an important feed into any future decision regarding the potential for a rescoring the Council's Comprehensive Performance Assessment (CPA) category.
- 2 The report is addressed to the Council, in particular it has been written for councillors, but is available as a public document for stakeholders, including members of the community served by the Council.
- 3 The main messages for the Council included in this report are:
 - Direction of travel - services are improving in areas the Council has identified as priorities. Using a basket of indicators selected by the Audit Commission to assess direction of travel the Council has improved just over half the indicators since last year and has around a third of all indicators amongst the best performers. The Council performs well in recycling and has improved its performance in planning, building control and waste. However, the speed with which the Council processes benefits claims has deteriorated. Access to services has been slow to improve. The Council has robust plans for improvement.
 - The Council has again performed well overall on the use of resources scored judgement.

Action needed by the Council

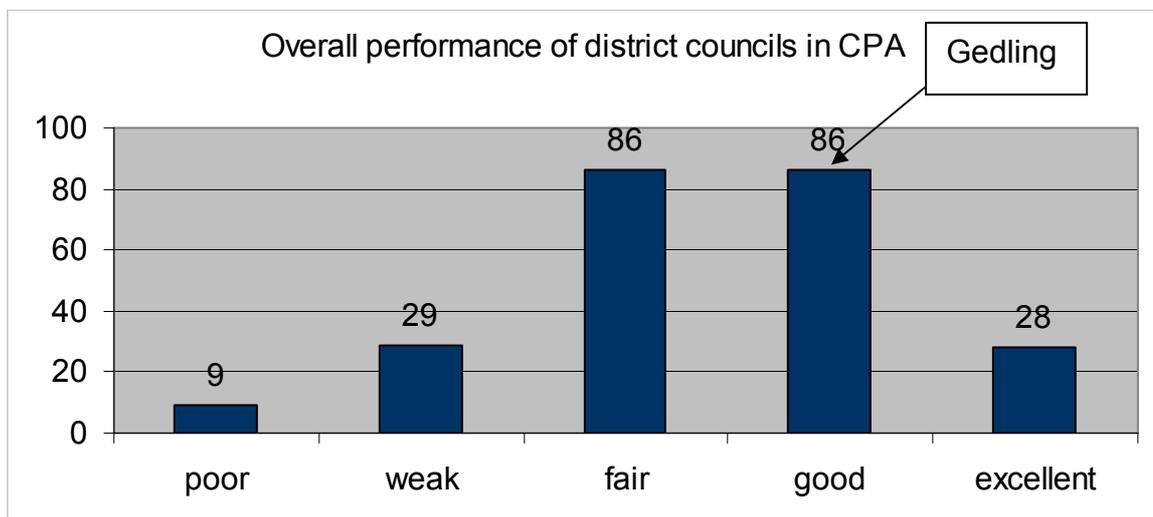
- 4 The Council needs to ensure that its services are accessible to all sections of the community and that the needs of vulnerable people are being met. In particular attention should be given to:
 - Improving performance on the speed of processing benefits claims.
 - Ensuring that all Council buildings are accessible to disabled people and meet the requirements of the Disability Discrimination Act.
 - Set targets for reducing the amount of time spent by homeless families in bed and breakfast accommodation.

How is Gedling Borough Council performing?

- 5 Gedling Borough District Council was assessed as good in the Comprehensive Performance Assessment carried out in 2003. These assessments have been completed in all district councils and we are now starting to update these assessments, through an updated corporate assessment, in councils where there is evidence of change. The following chart is the latest position across all district councils.

Figure 1 Overall performance of district councils in CPA

Gedling Borough Council was assessed as 'good' in 2003



Source: Audit Commission

The improvement since last year - our Direction of Travel report

- 6 The Council's overall performance is improving but its performance improvement is not as strong as other councils. When using the Audit Commission basket of performance indicators selected for Direction of travel reports, the Council has improved its performance in just over half of these compared to the average improvement in other district councils of 58 per cent. It continues to perform in the best quartile in over a third of all PIs which is around the district average of 31 per cent. 58 per cent of all services are performing above the median.

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- 7 The Council is making progress in each of its priority areas. Services in planning, building control and waste management continue to improve with the processing of applications rising from the worst to the best quartile in two years. Waste collection and rates of recycling continue to improve from an already high base.
- 8 Improvements in community safety have been less easy to identify and are more mixed. The Council is working in partnership with a range of specific Area Based Initiatives which are based on the whole quality of life agenda but a joined up performance management framework is not in place to effectively report on progress against targets. However, successful outcomes that have been recorded include the reduction in vehicle crime hotspots, burglaries and car crime. This has been achieved through successful partnerships between the Council and the police, the Council's CCTV and radio schemes. In addition the Council's own survey shows a 20 per cent reduction in the number of people who think crime is a problem.
- 9 The Council has invested in improving facilities for young people and is working with partners including schools to ensure these are targeted in the right areas. Facilities such as a skate board park, ball courts and shelters are providing venues for young people to participate in sporting activities and socialise in a safe environment. Partnerships with schools have led to new facilities providing joint access for pupils and the community. However, a lack of considered outcomes for the projects means that the Council is unable to gauge if the facilities provided are meeting the needs of the community.
- 10 Some services that are not a key priority continue to be a challenge for the Council. Processing of benefits claims has moved down a quartile with the average time to process new claims now in the worst quartile. Length of stay in bed and breakfast accommodation is also now in the worst quartile. Reasons for the deterioration in performance are understood by the Council and remedial measures have been introduced in some areas such as the use of contractors in the benefits service. The Council is confident that performance in most of these areas will improve significantly over the coming year and recent data on benefits performance shows rapid improvement. This, however, is not the case with the provision of housing for homeless applicants where the Council is working in partnership with local housing associations to provide longer term solutions.
- 11 Slow progress has been made to improve access for all of its citizens especially for harder to reach groups. This was also reported in last year's assessment. New initiatives such as using the monitoring information from the Leisure Card to target under represented groups and the race awareness forum attached to the LSP are in the early stages of development and no outcomes from these initiatives can be seen. Longer standing groups such as the Gedling Access Group and the Youth Council are continuing to influence Council priorities but no outcomes in relation to improved access from these activities were provided. The Council has made improvements to access for disabled people through continuing to make changes to Council buildings although 34 per cent still fail to comply with the DDA. The Council has met the target for enabling transactions to be carried out electronically and is providing improved access to the internet sites of other Council from its website.

- 12 The Council is continuing to improve value for money whilst improving the quality of its services. The Council has been able to achieve this as a result of its continued emphasis on monitoring costs and performance together and the embedding of the performance framework. Action has been taken to improve the management of capital which has resulted in a reduced under spend and more focussed capital funding linked to priorities. Benchmarking and comparative analyses with other councils enhances the framework. The Council has a comprehensive efficiency plan which is on target to achieve the corporate total required.
- 13 The Council has robust plans in place for improving its services. The main vehicle for improvement is the Community Strategy for 2006 to 2008 which sets out the vision and priorities for the area. This is supported by theme specific delivery plans and links to other key strategies. The Council's Budget and Service Plan monitors performance against all improvement tasks and reports against key milestones.
- 14 The Council's improvement planning is robust and there is a proactive process in place to drive forward its implementation. The Council's budget process is used to ensure all new improvement priorities are agreed by members together with costs. The Council is ensuring the process is carefully managed in advance of the spring elections with discussions taking place early on with all three parties to ensure sign up to the budget and the first year's work programme of the new council. The Council is actively improving its performance management framework through the development of an improved reporting framework which will monitor progress against its key community plan priorities that are being delivered through partnerships and will link with LAA targets.
- 15 The Council has successfully delivered against its improvement priorities. It has implemented the vast majority of the actions arising from the 2003 CPA report and has developed a mid year improvement plan to pick up on areas highlighted in the pilot DCPA and Use of Resources reports issued in 2006. 90 per cent of the tasks in this plan are on schedule to be completed by the target date. For example the Council has successfully delivered this year the:
 - HR Strategy;
 - Workforce Development Strategy;
 - Support for member development; and
 - Equality impact assessments with associated training for managers.
- 16 The Council has recognised the need to improve its corporate capacity further and is taking active steps to do this but has yet to deliver any significant outcomes. In order to do this the Council is embarking on a fundamental restructuring to strengthen its capacity through focussing on its major themes and is employing consultants to assist with the process. This includes the setting up of a Customer Services Team. In addition it is actively promoting joint working especially in the area of waste collection.

Service inspections

- 17 There have been no service inspections conducted at Gedling Borough Council since the last Annual Letter.

Financial management and value for money

- 18 Your appointed auditor has reported separately on 25 September 2006 to the Audit Sub-Committee acting as 'those charged with governance' on the issues arising from the 2005/06 audit and has provided:
- an unqualified opinion on your accounts;
 - a conclusion on your vfm arrangements to say that these arrangements are adequate; and
 - a report on the best value performance plan confirming that the plan has been audited.
- 19 The findings of the auditor are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the auditor in the following areas.
- Financial Reporting (including the preparation of the accounts of the Council and the way these are presented to the public).
 - Financial management (including how the financial management is integrated with strategy to support council priorities).
 - Financial Standing (including the strength of the Council's financial position).
 - Internal Control (including how effectively the Council maintains proper stewardship and control of its finances).
 - Value for money (including an assessment of how well the Council balances the costs and quality of its services).
- 20 For the purposes of the CPA your auditor has assessed the Council's arrangements for use of resources in these five areas as follows.

Table 1 Use of resources scored judgement

The Council performs well on four out of five elements and well overall

Element	Assessment
Financial reporting	3 out of 4
Financial management	3 out of 4
Financial standing	2 out of 4
Internal control	3 out of 4
Value for money	3 out of 4
Overall assessment of the Audit Commission	3 out of 4

(Note: 1=inadequate performance, 2=adequate performance, 3=performing well, 4=performing strongly)

- 21** The rating of 2 (adequate) on financial standing results from the Council not being able to demonstrate that monitoring information is available that evaluates the effectiveness of debt recovery actions, associated costs, and the cost of not recovering debt promptly for material categories of income. The auditor does not have concerns about the Council's financial standing in a broader sense.
- 22** We submitted to the Audit Commission a 'notable practice' entry for the Council's work in tackling anti-social behaviour in mixed tenure areas.

Conclusion

- 23 This letter has been discussed and agreed with the Chief Executive. A copy of the letter will be presented to members of the Audit Committee in June 2007.
- 24 The Council has taken a positive and constructive approach to our audit and inspection I would like to take this opportunity to express my appreciation for the Council's assistance and co-operation.

Availability of this letter

- 25 This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk and also on the council's website.

Beverley Parker
Relationship Manager
March 2007

Appendix 1 – Fee information

- 1 We reported our fees for the 2005/06 audit in the Annual Governance Report issued in September 2006.
- 2 Since then we have completed our certification work on the Council's claims and returns. The cost of the certification work in respect of 2005/06 was £25,641 (estimated fee £24,000).
- 3 We have also completed our inspection work for 2006/07 - the inspection fee for 2006/07 was £5,747 (2005/06 £3,070).