

ANNUAL AUDIT AND INSPECTION LETTER 2006/07

1. INTRODUCTION

- 1.1 Each year the Council receives an Annual Audit and Inspection Letter that summarises the work undertaken by the Audit Commission and the District Auditor for the preceding year.
- 1.2 The purpose of this report is to provide Members with an external overview of performance for the year and to raise any significant issues that require particular attention.

2. LETTER FOR 2006/07

- 2.1 A copy of the Audit and Inspection Letter for 2006/07 is attached as Appendix 1. A copy of the Letter will be published on both the Council and the Audit Commission's website
- 2.2 The report concludes that the Council has made good progress in meeting its own priorities and compares well with the authorities both in levels of performance and improvement in performance. It has prepared its accounts well and on a timely basis, and continues to perform well in the use of resources assessment. The report also draws attention to a few areas where there is scope for further improvement.

3. PORTFOLIO HOLDER COMMENTS

- 3.1 The Policy and Resources Portfolio Holder comments that he is grateful as usual for the Audit Commission's comments and thanks them for their kind words relating to the continued excellence of the Council. The Portfolio Holder is also grateful to all employees for their work in making the Council excellent.

4. CRIME AND DISORDER, ENVIRONMENTAL AND EQUALITY AND DIVERSITY IMPLICATIONS

- 4.1 There are no crime and disorder, environmental or equality and diversity implications arising directly from this report.

5. RECOMMENDATIONS

- 5.1 It is recommended that the Annual Audit Letter for 2006/07 be noted.

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Background Papers:

Annual Audit and Inspection Letter

March 2008



Annual Audit and Inspection Letter

New Forest District Council

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles.

- Auditors are appointed independently from the bodies being audited.
- The scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business.
- Auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998, the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

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.

Copies of this report

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Key messages

- 1 This letter provides an overall summary of the Audit Commission's assessment of the Council. The letter includes our review of how well the Council has progressed (our Direction of Travel report) and our assessment of how well the Council has managed its finances (the Use of Resources scores).
- 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 as follows.
 - In 2006/07 the Council made good progress in implementing its own priorities, with the majority of key objectives being achieved.
 - The Council demonstrated improvement in two thirds of its key performance indicators (PIs), and nearly half are in the best 25 per cent, which is above average when compared to other councils.
 - The Council has once again prepared its accounts on a timely basis, before the statutory deadlines. Similarly the accounts were again well presented and were supported by detailed working papers. We provided an unqualified opinion on the 2006/07 accounts and an unqualified value for money conclusion on 28 September 2007.
 - The Council has also continued to perform well in our use of resources assessment.

Action needed by the Council

- 4 The key actions for the Council are that it needs to:
 - continue to focus on reducing the time spent by homeless households in temporary accommodation through implementation of the Council's action plan;
 - keep under review plans to achieve local and national recycling targets;
 - address the slippage and under spend against the capital budget. Having implemented the new capital programme processes and procedures, the Council should ensure that the planned improvements are realised; and
 - develop its corporate risks register, incorporate significant partnership risks in the risk register, and provide risk management training and guidance to appropriate staff - building on the advice received from an external consultant.

Purpose, responsibilities and scope

- 5 This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the most recent Comprehensive Performance Assessment (CPA), the findings and conclusions from the audit of the Council for 2006/07 and from any inspection work undertaken since the last Annual Audit and Inspection Letter.
- 6 We have addressed this letter to members as it is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money.
- 7 This letter also communicates the significant issues to key external stakeholders, including members of the public. We will publish this letter on the Audit Commission website at www.audit-commission.gov.uk. In addition the Council can publish it on its website.
- 8 This letter includes the latest assessment on the Council's performance under the CPA framework, including our Direction of Travel report, and the results of any inspections carried out by the Audit Commission under section 10 of the Local Government Act 1999. It summarises the key issues arising from the CPA and any such inspections. Inspection reports are issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.
- 9 As your appointed auditor I am responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, I review and report on:
 - the Council's accounts;
 - whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion); and
 - whether the Council's best value performance plan has been prepared and published in line with legislation and statutory guidance.
- 10 We have listed the reports issued to the Council relating to 2006/07 audit and inspection work at the end of this letter.

How is New Forest District Council performing?

- 11 New Forest District Council was assessed as Excellent in the Comprehensive Performance Assessment carried out in 2003/04. These assessments have been completed in all district councils and we are now updating them, 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



Source: Audit Commission

The improvement since last year - our Direction of Travel report

- 12 Services are improving in areas the Council has identified as priorities and areas the public say are important to their communities. New Forest DC was assessed as 'excellent' in the comprehensive performance assessment (CPA) carried out in 2003/04. Since the CPA assessment, the Council has continued to build on its position by implementing its corporate improvement plan and focusing on the delivery of improvement against the four priorities in its Corporate Plan 2003/07. These are: managing our finances; crime and disorder and community safety; housing; and clean streets and public spaces. The Council has extended its Corporate Plan for another year until March 2008 to allow input from the community via the Future Matters Issues and Options work and from the new Administration following the local elections. Progress can be demonstrated against the priority areas over the past year.

Managing our finances

- 13 Indicators for 2006/07 show improvements in most areas in the last year. The Council has remained in the best 25 per cent nationally for the percentage of council tax collected when compared to single tier and district councils. It has phased out bank giro and weekly council tax payments to encourage more efficient collection. Performance has dropped slightly from the best 25 per cent to above average in the collection of national non-domestic rates. The payment of invoices by the agreed date or within 30 days has improved and remains above average when compared to other councils. The number of council tax and housing benefit prosecutions is below average, as the Council targets higher value fraud and uses a range of penalties other than prosecution.
- 14 Housing benefit performance has improved and is very good overall. The time taken to process new housing benefit claims has reduced, maintaining the Council in the best 25 per cent. The average time to process changes of circumstance is in the best 25 per cent. The recovery of overpayments is still in the best 25 per cent. The accuracy of processing has also improved and is now in the best 25 per cent.
- 15 The Council met the majority of its performance plan key targets for 2006/07 in respect of 'managing our finances'. These include participating in a review of the tax and benefits service across Hampshire. The Council has also brought forward its final accounts by a month to enable more timely financial planning.

Crime and disorder and community safety

- 16 Indicators for 2006/07 show that the Council is making progress towards its crime and disorder and community safety priorities with its partner organisations in the Community Safety Partnership. Crime and Disorder Reduction Partnership (CDRP) data shows that the occurrence of crime in the New Forest continues to be low overall, with the highest number of crimes relating to criminal damage and vehicle crime. The New Forest CDRP has prioritised these two areas in its strategy for 2007/08, and developed action plans to reduce the incidence of these crimes. However, an improvement has not yet been achieved. Whilst actual levels of crime are lower than average, results from the British Crime Survey show that the fear of crime is average for the region. The Community Safety Partnership aims to reduce the fear of crime and create safe communities. The use of closed circuit television (CCTV) is a priority in reducing the fear of crime, and the Council has audited its CCTV provision and implemented the recommendations. A recent survey indicated that the fear of crime has reduced.
- 17 The Council met nearly half of its performance plan key targets for crime and disorder and community safety in 2006/07, and is working with its partners to meet the remainder. The Council has developed an action plan for its contribution to the community safety elements of the Hampshire wide local public service agreement and to the developing local area agreement.

Housing

- 18 The Council's housing performance in its role as a landlord is improving and is generally above average compared to other councils nationally. It is making progress in delivering new affordable homes, but it's performance is below average. Housing homeless households continues to be an area of concern.
- 19 In the Council's role as 'landlord', performance in re-letting homes has improved and stayed in the best 25 per cent of councils. Rent collection has dropped slightly, as has the percentage of urgent repairs completed in time, so that for both of these indicators the Council is now above average rather than in the best 25 per cent. The average time taken to complete non-urgent repairs has reduced, with the Council now in the best 25 per cent. Performance has improved by increasing the percentage of expenditure that is spent on planned, rather than responsive, minor and routine repairs. The average SAP rating of the Council's homes has improved, retaining above average performance. A survey of tenant satisfaction in 2006/07 found that the majority were satisfied with the overall service and with the opportunities for participation, placing the Council in the best 25 per cent nationally.
- 20 The Council delivered 38 new affordable homes in 2006/07 against its target of 75, following delays in starting the work as a result of funding and other issues. The number of completions is forecast to increase to 100 for 2007/08 as a result. However, this puts the Council's performance below average compared to other councils nationally in 2006/07. The percentage of private sector homes vacant for six months or more is very small, with the Council in the best 25 per cent. The percentage change in the proportion of non decent homes compared to other councils nationally has improved to above average performance. The number of new homes built on previously developed land has increased to the best 25 per cent.
- 21 The time spent by New Forest's homeless households in bed and breakfast or in hostel accommodation is longer than that experienced by homeless households elsewhere, with the Council remaining in the worst 25 per cent nationally. The number of households accepted as priority homeless in 2006/07 also remained in the worst 25 per cent nationally. The Council is actively working to prevent homelessness, and has a range of mechanisms in place to do this. In order to increase the amount of accommodation available, it has reviewed its private sector leasing scheme, and is piloting its own scheme for leasing properties in the private sector. If this is successful it will expand their scheme. It is also reviewing its hostel provision with a view to improving their utilisation.

- 22** The Council recognises that performance in the delivery of new affordable housing and for meeting the needs of homeless households is below average. The environmental constraints of the district and high land values contribute to the difficulties in developing affordable housing. The demand for affordable housing is high. This combination of factors contributes to the length of stay of homeless families in bed and breakfast or hostel accommodation. The Council strives to maximise opportunities to develop new affordable housing through effective asset management and its work with the Local Development Framework.
- 23** The Council met all of its key targets in 2006/07, apart from the number of affordable homes developed, and the development of an older people's strategy. Targets met include completing a housing market assessment with partners, and establishing a cross boundary forum with neighbouring local authorities to work on affordable housing issues with the National Park Authority. It has also developed a ten year maintenance and improvement programme to meet the decent homes standard by 2010 and the ongoing maintenance needs of the council's housing stock.

Clean streets and public spaces

- 24** Performance continues to be good overall in standards of cleanliness in the streets and public spaces, compared to other councils nationally, with the percentage of land littered to a significant or heavy extent remaining below average. There is high satisfaction with the cleanliness of public space, as there was in 2002/03 when the last survey was carried out, with the Council remaining in the best 25 per cent. The Council is carrying out a complete service review of street cleansing operations in order to improve performance. It is in the best 25 per cent in its score against a checklist of enforcement best practice for environmental health.
- 25** Waste collection and recycling performance is mixed but deteriorating overall. Local residents are very satisfied with waste collection and recycling, as they were in 2002/03 when the last survey of service users was carried out, placing the Council in the best 25 per cent nationally. Performance in the amount of household waste collected per head dropped in 2006/07 but it is still above average when compared to other authorities in the same waste group. Waste collected continues to be higher than average in 2007/08, despite efforts to reduce the amount of waste generated and improve recycling. The cost of waste collection remains below average.

- 26 The percentage of households served by a kerbside collection of recyclables continues to be above average. Performance in 2007/08 has improved and is now in the best 25 per cent. But recycling again falls short of meeting the government and Council's own target of 30 per cent. The amount of recycling and composting has increased but the Council is not keeping pace with other councils in its waste group, and performance has slipped to below average. Performance in 2007/08 has subsequently improved due to an increase in glass recycling and rolling out the clear sack scheme to all properties in the district. The Council is on target for 2007/08 for the percentage of household waste composted. The garden waste recycling scheme has been promoted through the distribution of leaflets to all residents, and participation has continued to increase.
- 27 The Council has met all of its key targets in relation to clean streets and public spaces for 2006/07. This includes the construction of a public convenience, reviewing the frequency of its grass cutting and implementing area working and cross county contracts with Hampshire County Council for clearing abandoned vehicles.

Wider community outcomes

- 28 The Council contributes to wider community outcomes through the implementation of its Community Strategy with its partners in the local strategic partnership. It is consulting on a new Sustainable Community Strategy for 2008/12, following the one year extension of the 2004/07 strategy to allow for joint working between the Local Strategic Partnership, the New Forest National Park Authority and the Council in order to join up the Sustainable Community Strategy and Local Development Framework processes. These, together with the Corporate Plan, have been shaped by the feedback from the consultation on the Future Matters Issues and Options Report during 2006/07. Good progress was made with the implementation of the Community Strategy action plan during 2006/07, delivering over 80 per cent of the partnership based actions where the Council was in control of the resolution. This includes working to meet the challenges presented by the Hampshire Local Area Agreement and other government initiatives. In 2007/08 the Council has achieved three responsible tourism awards. This is the first time three have been won at the same time, and was from an original 1,700 nominated entries. The judges were unanimous in their praise for the New Forest.
- 29 The Council continues to make good progress in improving access and the quality of services for all its citizens, focusing particularly on 'hard to reach' groups and those previously excluded. The Council is hosting a community worker to promote the work of the Equalities Network, which was formed with the local strategic partnership to gather views from minority groups and those who are 'hard to reach'. The initiative recruited nearly 100 people from minority and hard to reach groups to the Network, and improved the Council's understanding of why it was difficult to reach these residents. The Council has an Equalities Strategy, and some service improvement plans include equality impact assessments. Fifty-nine staff have completed multicultural awareness training sessions, and plans are in place for members to attend.

- 30 In 2005/06 the Council achieved all of its key targets in relation to equal opportunity and diversity. This included achieving 60 per cent of level 3 of the government's national equality standard, and the full level 3 in 2006/07. It is also working to raise it's achievement from level 3 to level 4 of the standard by 2008/09.

Local area agreement

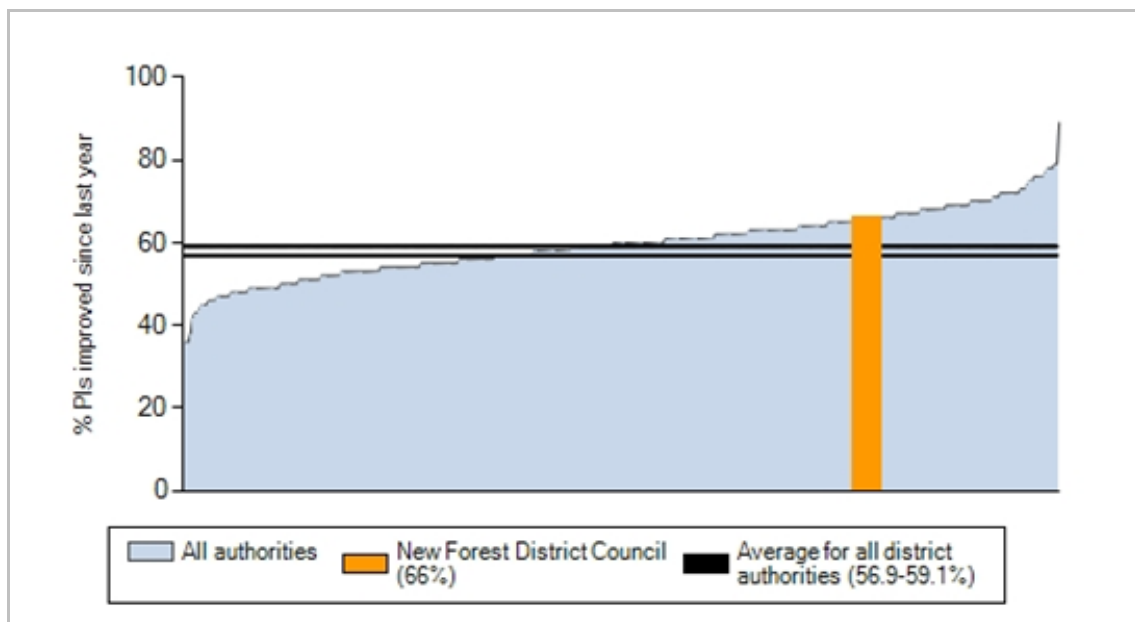
- 31 The Hampshire Local Area Agreement (LAA) is progressing well with good engagement and cooperation from all partners, including District Councils. The LAA runs from April 2006 to March 2009. The original agreement and action plan was signed in February 2006 and the outcomes, indicators and targets have been updated for 2007/08. The LAA helps focus the attention of partners on 8 priority outcomes and 4 Flagship initiatives drawn from the Hampshire Sustainable Community Strategy and the 11 District Sustainable Community Strategies.
- 32 Hampshire Partners are setting up a Hampshire Senate This will bring together and streamline LAA and Hampshire Strategic Partnership (HSP) governance and is intended to improve leadership and accountability. The HSP with partners is currently refreshing its Sustainable Community Strategy – 'Shaping our future together' 2007-2017 to be signed off by June 2008. District Councils are engaged and contributing effectively to this.

How much progress is being made to implement improvement plans to sustain future improvement?

- 33 In 2006/07, which is the most recently audited year for best value PIs (BVPIs), the Council's performance as measured by a basket of key indicators was good overall.

Proportion of performance indicators that have improved in the last year

Figure 2



- 34 Sixty-six per cent of the key performance indicators (PIs) improved and 48 per cent were in the best 25 per cent, which is above average when compared to other district councils. Fewer PIs were in the worst 25 per cent than last year. Overall satisfaction with the Council remained in the best 25 per cent as it was in 2003/04 when the last survey was completed.
- 35 Those PIs in the worst 25 per cent mainly relate to the planning and homelessness services. In planning, performance in 2005/06 had deteriorated as a result of the transfer of a significant proportion of the Council's planning team to the New Forest National Park Authority in 2006. Performance in this area in 2006/07 has subsequently improved. In homelessness, the issues relate to the length of stay of homelessness households in bed and breakfast and hostel accommodation. The Council is aware of the issues in homelessness and has developed an action plan to improve performance.

- 36** The Council has robust plans for improving, and improvement planning is being implemented well. The Council continues to demonstrate improvement through the effective delivery of its annual Performance Plan: 'Performance Matters'. The performance plan outlines how the Council will achieve its Corporate Plan. There is increased focus on performance, with performance against the key PIs and the key annual targets now reported quarterly to the Corporate Management Team. Progress is reported in 'Performance Matters' annually. The Council has reviewed its senior management structure and the lines of accountability, disbanded a departmental structure and established two executive directors overseeing cross-cutting corporate themes. This has increased the accountability of the Heads of Service for the performance in their areas. In 2006/07 the Council made good progress in implementing its Performance Plan, with the majority of key objectives and milestones being achieved.
- 37** The Council has adequate financial and staffing capacity to deliver its plans. It enhances its capacity through good partnership work. Service plans have identified resources required and this is linked to the expenditure planning process. The pace at which the Council is maintaining performance against other councils is being maintained.

Service inspections

- 38** The Council has not had any service inspections this year.

The audit of the accounts and value for money

Audit of accounts

- 39 The Council approved its accounts before the statutory deadline of 30 June 2007. The financial statements were well presented, and supported by comprehensive working papers.
- 40 As your appointed auditor I have reported separately to Final Accounts Committee acting as 'those charged with governance' (TCWG) on the issues arising from our 2006/07 audit. I have issued:
- my audit report, providing an unqualified opinion on your accounts and a conclusion on your vfm arrangements to say that these arrangements are adequate on 28 September 2007;
 - my opinion on your whole of government accounts consolidation pack on 1 October 2007, confirming that the 'consolidation pack' was consistent with the statutory statement of accounts for the year ended 31 March 2007; and
 - my report on the Best Value Performance Plan confirming that the Plan has been audited.
- 41 There were four presentational adjustments made to the draft accounts that had no impact upon the general fund balance at the 31 March 2007. These were reported to the Final Accounts Committee prior to the opinion being given.

Use of Resources

- 42 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).

- 43 For the purposes of the CPA we have assessed the Council's arrangements for use of resources in these five areas as follows.

Table 1

Element	Assessment
Financial reporting	3 out of 4
Financial management	3 out of 4
Financial standing	3 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 = lowest, 4 = highest)

- 44 These 'headline' scores are the same as last year and the Council continues to perform well in the use of resources meeting above the minimum requirements overall. This is a creditable achievement as the assessment process gets tougher each year.
- 45 Next year, the assessment process will be tougher once again. The 2008 key lines of enquiry have been consulted upon and published by the Audit Commission. These give more emphasis, mainly at level 4, to areas such as: sustainability, working in partnership and using IT to secure value for money improvements; strategic asset management and joint procurement. These areas signal the changes which will be given more emphasis in the use of resources assessment under Comprehensive Area Assessment, the new performance framework for local services.
- 46 The following table sets out our overall conclusions for 2007 and then concentrates on those areas where the Council needs to improve if it is to meet the new standards next year.

Table 2 Use of resources: Summary of findings and areas for improvement next year

<p>Financial reporting</p> <p>Theme score 3</p>
<p>The 2006/07 financial statements were prepared and approved by the Council, and certified by the auditor, within statutory deadlines. The standard of working papers was good. The accounts submitted for audit were adjusted for four items, including one material reclassification within the balance sheet. A number of minor changes to the accounts were agreed with officers during the audit.</p> <p>To maintain a level '3' score next year, the Council will need to:</p> <ul style="list-style-type: none">• demonstrate that it is considering the views of a range of stakeholders in making its decision as to whether to publish an annual report; and• publish summary financial information that meets the needs of a range of stakeholders.
<p>Financial management</p> <p>Theme score 3</p>
<p>The Council's financial management framework is robust and soundly based. The medium-term financial strategy is driven by the corporate business plan and linked to the Council's key strategic objectives. There are effective arrangements in place for the monitoring of performance against budgets and the management of the Council's asset base.</p> <p>To maintain a level '3' score next year, the Council will need to:</p> <ul style="list-style-type: none">• evaluate the sensitivity to change of critical factors such as the demand for services, costs or income and their impact on the corporate business plan;• use operational measures of activity to identify where budgets might need changing to achieve improved services (eg to improve the time taken to process housing benefit claims) and then evaluate whether the desired change has been achieved; and• develop a set of local performance measures that demonstrate how the Council's use of assets contributes to its corporate objectives.

Financial standing

Theme score 3

Effective arrangements are in place to manage spending within available resources and to control reserves and balances. The Council reported a net committee expenditure under spend of £0.9m and £1.1m respectively (against original budget) for 2005/06 and 2006/07.

To achieve a level 3 score for financial standing next year the Council needs to maintain its current performance in this area.

Internal control

Theme score 3

The Council has developed sound internal control arrangements that are embedded within its operational procedures. Risk management remains the main area for improvement that the Council should address.

In order to maintain a level 3 score the Council will need to:

- develop, maintain and review its corporate risk register, linked to strategic business objectives, include risks from significant partnerships and provide risk management training and guidance to appropriate staff;
- include risk assessments in reports to support strategic policy decisions and project initiation documents;
- ensure that members with responsibility for corporate risk management receive reports on a regular basis and take appropriate action to manage corporate business risks and report to full council where appropriate; and
- consolidate business continuity plans into an overall plan that can be reviewed on a regular basis.

Value for Money (vfm)

Theme score 3

The Council provides good value for money. Performance has continued to improve and is maintained at a level that is above average compared to other councils whilst costs remain below average. Customer satisfaction levels are high in waste collection and the cleanliness of public space, which are Council priorities and areas of high expenditure.

Internal reviews are targeted at high cost services and have led to improvements in value for money. The impact on users is assessed during changes to service delivery. The Council has developed a framework to coordinate and improve its focus on efficiency, and is delivering its cumulative efficiency review targets. It takes a strategic approach to seeking external funding to address local priorities and has a track record of obtaining it.

In order to consolidate its performance at level '3', the Council will need to:

- improve performance in the planning and homelessness services where performance has been below the average of other councils;
- realise the benefits of the new processes and procedures relating to the capital programme which have been introduced to address the slippage and under spend against the capital budget; and
- realise the benefits of the procurement strategy.

Looking ahead

- 47 The public service inspectorates are currently developing a new performance assessment framework, the Comprehensive Area Assessment (CAA). CAA will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. It will put the experience of citizens, people who use services and local tax payers at the centre of the new local assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable. It will recognise the importance of effective local partnership working, the enhanced role of Sustainable Communities Strategies and Local Area Agreements and the importance of councils in leading and shaping the communities they serve.
- 48 CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate annual area risk assessment and reporting performance on the new national indicator set, together with a joint inspectorate annual direction of travel assessment and an annual use of resources assessment. The auditors' use of resources judgements will therefore continue, but their scope will be widened to cover issues such as commissioning and the sustainable use of resources.
- 49 The first results of our work on CAA will be published in the autumn of 2009. This will include the performance data from 2008/09, the first year of the new Local Area Agreements.

Closing remarks

- 50 This letter has been discussed and agreed with the Chief Executive and will be presented at the cabinet on 2 April 2008. Copies need to be provided to all Council members by 31 March 2008.
- 51 Further detailed findings, conclusions and recommendations on the areas covered by audit and inspection work are included in the reports issued to the Council during the year.

Table 3 Reports issued

Report	Date of issue
Audit and inspection plan	March 2006
Interim audit memorandum	N/A no significant issues to report
Annual Governance Report	September 2007
Opinion on financial statements	September 2007
Value for money conclusion	September 2007
Final accounts memorandum	N/A no significant issues to report
Auditors report on the BVPP	December 2006
Annual audit and inspection letter	March 2008

- 52 The Council has taken a positive and constructive approach to audit and inspection work, and I wish to thank the Council's staff for their support and cooperation during the audit.

Availability of this letter

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

Kate Handy
Relationship Manager and District Auditor

March 2008