

Annual Audit and Inspection Letter

Huntingdonshire District Council

Audit 2007/08

March 2009



Contents

Key messages	3
Purpose, responsibilities and scope	4
How is Huntingdonshire District Council performing?	5
The audit of the accounts and value for money	10
Looking ahead	12
Closing remarks	13

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
-

Key messages

- 1 The following Direction of Travel summary highlights key issues.

Huntingdonshire District Council is improving outcomes in most areas that matter to local residents. Improvements continue to be made in environmental services, particularly in recycling and composting, and in keeping the district clean. Crime levels continue to reduce and remain low. The Council works well in many partnerships. It works effectively with its partners to improve job opportunities for local residents and acts well with other councils on enforcement issues and promoting recycling. Access to services has improved with the opening of a new customer service centre. Enhanced focus on migrants and new arrivals is assisting them to access Council services more effectively. The Council performs well in delivering value for money. But numbers of affordable houses completed has decreased.

Progress is being made on sustaining improvement. A range of plans have been adopted which clearly link to Council and community priorities. Objectives are being achieved, for example delivering choice based lettings. Plans and service development are based on needs identified through consultation. Capacity is being strengthened through joint working. Actions to address poorer performing services, such as planning, have delivered improvements.

Action needed by the Council

- 2 Maintain focus on service performance in order to improve the rate of improvement and tackle areas of comparative under performance.
- 3 Develop a stronger focus on outcomes measures.

Purpose, responsibilities and scope

- 4 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 2007/08 and from any inspections undertaken since the last Annual Audit and Inspection Letter.
- 5 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. We have made recommendations to assist the Council in meeting its responsibilities.
- 6 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 is planning to publish it on its website).
- 7 Your appointed auditor is 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, the auditor reviews and reports 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.
- 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 We have listed the reports issued to the Council relating to 2007/08 audit and inspection work at the end of this letter.

How is Huntingdonshire District Council performing?

10 Huntingdonshire District Council was assessed as Excellent in the Comprehensive Performance Assessment carried out in 2004. These assessments have been completed in all district councils and we are now updating 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



Source: Audit Commission (percentage figures may not add up to 100 per cent due to rounding)

The improvement since last year - our Direction of Travel report

What evidence is there of the Council improving outcomes?

11 Performance overall in Council priorities is good. The Council has six aims for its communities, which reflect those of the local strategic partnership, and three aims for the Council itself, each with a series of objectives. These aims are:

- a clean, 'green' and attractive place;
- housing that meets local need;
- safe, active and inclusive communities;
- healthy living;
- developing communities sustainably;
- a strong, diverse economy;
- to improve our systems and practices;

How is Huntingdonshire District Council performing?

- to learn and develop; and
 - to maintain sound finances.
- 12** The Council is improving in its priority of ‘a clean, green and attractive place’ with some high performance. Recycling and composting levels are amongst the best 25 per cent of councils nationally, achieving 55.1 per cent, improving from 51.7 per cent in 2006/07. The cleanliness of the district continues to be kept to a high standard. The amount of household waste collected and the cost of waste collection are above average, but reducing. The Council, working with its county waste partners, has in place a major programme of education and marketing promotion to advise residents of ways to reduce waste, re-use and recycle more.
- 13** Performance on housing is mixed. Ninety six affordable homes were completed in 2007/08, which is significantly less than the 223 achieved in 2006/07. But 284 are due for completion in 2008/09. The Council has increased its affordable housing percentage from 29 per cent to 40 per cent for new developments, but numbers delivered will be influenced by economic conditions. The Housing Corporation has allocated over £8 million in the district for 2008/11 to support new affordable homes. Council owned land has been given for affordable housing in Huntingdon where an eco-scheme will be built; funded by a Growth Area Fund. The average length of stay in hostel accommodation has remained constant at 11 weeks for 2006/07 and 2007/08, even though significantly more individuals have been accommodated than in 2006/07. Performance remains below average when compared to other councils.
- 14** The Council is performing well in its priority of a ‘safe community’ and overall improvements are being made. The level of crime compared with national figures is low and, according to local surveys, most people feel safe in Huntingdonshire. Over the last 12 months total crime in the district has fallen by 10 per cent, with a 12 per cent reduction in criminal damage; a 23 per cent reduction in burglary and a 9 per cent reduction in vehicle crime. Performance in most indicators is good. The Council is working to resolve specific safe issues. For example work is currently being undertaken to build a skateboard park in Stukeley Meadows targeted at young people who have been skate boarding in the town centre.
- 15** Improvements are being achieved in the speed of processing planning applications. Following poor performance all three indicators improved in the last year, with performance in 2007/08 above average for dealing with major and other applications. However, performance is amongst the worst 25 per cent of councils for the speed of processing minor applications. The Council has been formally designated as a standards authority for major applications for 2007/08. Improvements have been achieved through the implementation of a targeted improvement plan.

How is Huntingdonshire District Council performing?

- 16 The Council is improving job opportunities to meet its priority of developing a strong, diverse economy. The Council opened the Creative Exchange in St Neots in November 2008 which provides individual work spaces for creative businesses. The building is the result of a partnership between the Council, Longsands College, the Department for Communities and Local Government and the East of England Development Agency. The project cost £2 million. The first lettings have been agreed and businesses have moved in. The Council is working with partners on an annual food and drink festival, undertaking visitor perception surveys to measure the health of towns, working with partners to deliver community learning projects and directly assisting local accommodation providers to improve accommodation in the district. As a result a range of opportunities for businesses and visitors and improved skills are being delivered which helps support the local economy.
- 17 Investment in leisure facilities is increasing usage and contributing to health improvements. The Council is three quarters of the way through a large scheme at Huntingdon Leisure Centre with £1.3 million invested. Phase one has been completed which has converted the ground and first floor of the sports hall. The number of badminton courts has been reduced and a new fitness suite and children's zone built. Since opening the new facilities have exceeded targets and income. Usage levels in 2007/08 reached new record levels, with 1.7 million public visits across its leisure sites.
- 18 The Council is contributing effectively to the community priority of 'healthy living'. The Council is providing under-represented groups with the opportunity to participate in sport and active recreation. A range of targeted activities has seen a 22 per cent increase in disabled participants over 2006/07. Activities include a holiday activity programme tailored for disabled participants; disability multi-sport festivals; and support to 'Active and Able' multi-sport clubs. The Council provides targeted schemes enabling vulnerable people to participate in physical leisure activities. There has been an increase of 41 per cent over 2006/07 taking part in exercise referral, health walks, cardiac rehabilitation and a community sports and recreation project.
- 19 The Council is improving access and services to those made vulnerable by their circumstances. Access to services for migrants and new arrivals is improving. The Council produced a booklet called 'Living and Working in Huntingdonshire' providing key information for people who have just moved to the UK to help them feel welcome and help them to settle into the local community. It is available in English, Polish, Portuguese and Lithuanian. New arrivals are also able to find out information on a variety of services and activities within the district via information surgeries being provided in partnership with employers and during lunch hours or change of shifts. The Markets are now wheelchair accessible and the Council has reconfigured its car parks to ensure disabled bays are close to shops/facilities. The Council is improving access through improvements in customer services. A new customer service centre opened in Huntingdon in summer 2007. Work has been completed on improving the Council website, enabling customers to book leisure services. A wider range of local residents are able to access services.

How is Huntingdonshire District Council performing?

- 20 Effective engagement is being made with young people when developing plans and services. As part of the Summer Fusion Project young people took part in creative exercises giving them an opportunity to have their say on future developments at the Huntingdon Riverside Park. As a result the Council is considering including a teenage play area as well as the play area for younger children. Young people conducted peer consultation to find out what young people liked and disliked about their town or village. This, combined with a larger young people consultation across the district, was fed into the consultation for the review of Huntingdonshire Sustainable Community Strategy.
- 21 Overall performance as measured by performance indicators is positive, with 67 per cent of the Council's performance indicators in 2007/08 improving against an all district average of between 57 and 59 per cent. This reflects its improvement over the last three years, with 66 per cent of indicators improving. In 2007/08, 33 per cent of the Council's performance indicators were amongst the best in the country, an improvement on 2006/07 and matching the average for district councils.
- 22 The Council is making adequate progress on equalities. It achieved level two of the Local Government Equality Standard in 2006/07. Eight equality and diversity training days for employees have been undertaken since April 2007, including two manager refresher training sessions and 30 Equality Impact Assessments were completed during 2007/08. The Council is working towards the 'achieving' level of the new equality framework by March 2010.
- 23 Value for money is good. The Council scored three for value for money (performing well) in its Use of Resources assessment 2007/08. Benchmarking data indicates an overall positive relationship between the cost of the Council's services and the quality provided to local residents. The Council has a good track record of improvement for priority services and has maintained its council tax charge within the lowest 10 per cent of district councils. Where the Council has high levels of spend it has been able to adequately demonstrate that these are linked to its priorities and there are high levels of customer satisfaction with the services being provided, for instance, with leisure services. The Council also introduced a Partnership Framework during 2007/08 against which all partnerships are assessed to ensure that partnerships are not duplicating activities and they are providing value for money.

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

- 24 The Council has developed a range of plans for improvement. Strategies and plans adopted during 2007/08 include an environmental strategy for the next five years: Growing Awareness; and strategies for play; culture; economy; customer service; communications and marketing; and consultation and engagement. Key strategies include action plans and link to Council and community priorities as set out in the corporate plan: Growing Success. The play strategy has enabled the Council to draw down £300,000 of grant from the Big Lottery to be used for the funding of four play schemes in the district. The local economy strategy has recently been reviewed, with partners, to ensure it is still relevant with the change in the economic climate. It is clear how the Council plans to deliver improvement.

How is Huntingdonshire District Council performing?

- 25 Plans are updated to reflect changing needs. The corporate plan 2007/08 sets out community and Council aims and identifies priority objectives to be achieved during the year. The plan was refreshed in September 2008 to include 37 short, medium and long term objectives to help achieve aims and ambitions for Huntingdonshire's communities and the Council itself. In addition the Council has identified a smaller number (eight) of objectives which were considered to be a priority for the immediate future. This was based on the results of the Council's annual survey which identified issues including the affordability of housing and skills levels. The Council plans to review its corporate plan every three years to ensure its priorities are still the right ones.
- 26 The Council is clear about the contribution it is making towards the wider local area agreement (LAA) priorities and targets. The Council has clearly linked LAA priorities to its own priorities, for example the Council's new priority (agreed in 2008/09) of helping to mitigate and adapt to climate change feeds into the LAA indicator of promoting energy efficiency and use of renewable energy to householders. LAA indicators are linked into the Council's divisional scorecards and reported quarterly to Management Team. This ensures a strong focus on area priorities.
- 27 Key objectives are being achieved. Ninety per cent of key actions and milestones in the customer service strategy action plan are on track to be achieved within required timescales. Seventy six of 107 actions in the corporate equality policy are fully completed and 26 are ongoing. The Council has achieved a number of milestones, including the opening of the customer service centre and establishing choice based lettings.
- 28 Additional capacity is being delivered through effective joint working with partners in the county. There is an active joint waste partnership which has developed the same fixed penalties across the county for fly-tipping. Partners share enforcement capacity sharing resources and surveillance cameras across boundaries. A joint contract with Fenland District Council for dry recyclables has reduced costs. The Council jointly funds a health improvement practitioner with Cambridgeshire Community Services and has a service level agreement with Cambridgeshire PCT to set up a smoking cessation in the workplace project. This helps the Council achieves its priorities.
- 29 Plans are in place to improve ICT. The Council recognises that it needs to invest in, and use, ICT effectively to enhance capacity. A revised ICT strategy, approved in January 2009, identifies a number of areas for improvement. Projects to address areas for improvement have been funded and a programme of work has been drawn up and is underway. These include enabling payments to be made via the website and using ICT to support increased remote and mobile working.

The audit of the accounts and value for money

- 30** Your appointed auditor has reported separately to the Corporate Governance Panel the issues arising from our 2007/08 audit and has issued:
- an audit report, providing an unqualified opinion on your accounts and a conclusion on your vfm arrangements to say that these arrangements are adequate on 29 September 2008; and
 - a report on the Best Value Performance Plan confirming that the Plan has been audited.

Use of Resources

- 31** 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).
- 32** 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

Element	Assessment
Financial reporting	2 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

The key issues arising from the audit

- 33** The Council has made improvements in its Use of Resources arrangements and performance during 2007/08 to demonstrate an improved assessment rating in the internal control theme. However, there has been a decrease in the score for financial reporting from level three to level two.
- 34** The key area of improvement that the Council made in respect of its internal control arrangements was the embedding of training on managing business risks to members and specifically officers. All Heads of Service have received training on risk management and have quarterly meetings with the Council's Insurance and Risk Officer to discuss their risks.
- 35** The Council also made significant progress during the year to develop and implement an assurance framework.
- 36** The Council's performance against the financial reporting theme declined from the prior year. The key reasons for this were that not all disclosure notes were available at the start of the audit, namely the new requirement to make full financial instruments disclosures had not been fully met. Also, as a result of the audit a number of non-trivial adjustments were made to the accounts. Work is on-going with key officers at the Council to ensure that the risk of these issues recurring in subsequent audits is minimised.
- 37** Our assessment of the value for money theme highlighted that satisfaction with the Council is high for most key services. Where the Council has high levels of spend it has been able to adequately demonstrate that these are linked to its priorities and there are high levels of customer satisfaction with the services being provided.

Looking ahead

- 38 The public service inspectorates have developed 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.
- 39 CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate area assessment and reporting performance on the new national indicator set, together with an organisational assessment which will combine the external auditor's assessment of value for money in the use of resources with a joint inspectorate assessment of service performance.
- 40 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 National Indicator Set and key aspects of each area's Local Area Agreement

Closing remarks

- 41 This letter has been discussed and agreed with officers. A copy of the letter will be presented at the Corporate Governance Panel on 23 June 2009. Copies need to be provided to all Council members.
- 42 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 2 Reports issued

Report	Date of issue
Audit and inspection plan	March 2007
Annual Governance Report	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Annual audit and inspection letter	March 2009

-
- 43 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

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

Nigel Smith
Comprehensive Area Assessment Lead

March 2009

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2009

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

www.audit-commission.gov.uk
