

Extract from District Executive Minutes – 3rd April 2008

163. Annual Audit Inspection Letter (2007/08) (Agenda Item 6)

The Leader of the Council welcomed Robert Hathaway, the outgoing Audit Commission Relationship Manager and Comprehensive Area Assessment Lead (CAAL). He commented that during the last three years there had been a good working relationship between the Relationship Manager and the District Council.

Mr Hathaway referred to the Annual Audit and Inspection Letter and informed Members that as a Comprehensive Performance Assessment (CPA) had taken place in January this year the Annual Audit and Inspection Letter had not commented on service delivery or included a direction of travel report. Whilst he was not able to tell Members the outcome of the CPA he confirmed that the report would indicate progress had been made.

He drew attention to the key messages of the Audit Letter as set out on page 4 of the letter (page 8 of the agenda). In particular he mentioned that the Council had:

- made clear progress in delivering its corporate aims and overcoming a number of challenges;
- delivered important results for citizens in areas such as environmental quality and community safety;
- significantly improved in terms of the national performance indicators;
- maintained the score of 3 for its use of resources – commenting that this was actually an improvement on the previous year as each year the tests that had to be met were harder.

He commented that one of the challenges that local authorities would be facing in the future was partnership working with other local authorities and organisations.

In concluding this part of his presentation Mr Hathaway commented that during the last three years the Council had worked hard to align political and service objectives and had developed into a mature professional organisation.

The Chief Executive referred to the Performance Indicators (PI's) and commented that the last assessment had shown that only 19% of the District Council's PIs were in the top quartile against a national figure of 30%. Whilst he was still awaiting the statistics for the last year, and the national figure was not yet known, he believed that there would be an improvement in the number of PI's in the top quartile and the District Council would be moving towards the 30% figure.

Robert Hathaway introduced Brian Bethell, District Auditor and Terry Bowditch, Audit Manager. He gave a short presentation on the Comprehensive Area Assessment (CAA) which, he explained, would replace the Comprehensive Performance Assessment (CPA) from April 2009.

He explained the:

- new joint inspectorate framework for local services - which primarily is about places and people and would provide an independent view of whether people were getting value for money from their local services;
- key components i.e.
 - national indicators - which would be judged on the level of public satisfaction;
 - joint risk assessment;

- use of resources - which would look at organisational capacity and management of resources; and
- the direction of travel - which would be a joint inspection judgement;
- process for carrying out joint risk assessment – he commented that the introduction of the area risk assessment would be a big change for local authorities and other organisations;
- inter-relationship between local services – the aim of the assessment would be to look at services from the users point of view and the report would comment on improvement from both a local and country-wide setting ;
- new annual direction of travel assessment would be carried out by the joint inspectorates;
- new annual use of resources assessment would be a judgement by the appointed auditor;
- CAA and other ‘performance’ frameworks;
- areas of reporting – he commented that the area risk assessment would be area based, whilst the National Indicator Set, Use of Resources and Direction of Travel would be organisational based reports;
- the timetable from Winter 2007/8 to October/November 2009 when the first round of CAA reporting would take place.

In concluding his presentation Mr Hathaway commented that the challenge for the Inspectorate would be how to recognise improvement in areas when the LAA was led, for the most part, by the County Council.

At the request of the Audit Chairman the Committee Administrator undertook to forward a copy of the presentation slides to all members of the Council.

Members commented on several issues, including the following:

- The deletion of numerical assessment scores - it was felt a numerical score was a valid aid in helping Councils to strive for excellence. Scores also gave Councils a clear focus and the national indicators were often the driver for performance improvement. Concern was expressed that the Council may be dragged down by the poor performance of its partners and that the deletion of numerical scores would not assist cultural change as there would be no teeth and no ownership of the whole area. Mr Hathaway agreed that this was the down side of the area assessment, which would comment on the way organisations and services worked together to achieve the LAA objectives. He explained that the assessment would be based on the views of the public. He confirmed that the organisational reports would be scored.
- Government’s Frontline Councillors initiative - which it was felt could not be achieved if councillors were not in touch with constituents at ground level. Mr Hathaway commented that democratically elected councillors would address local issues through the LAA by working together for the good of an area.
- The Government’s white paper on Strong and Prosperous Communities – Members sought clarification on how the new assessment regime fitted with the Secretary of State’s white paper as the presentation had not mentioned the Regional Development Agency (RDA) or the Local Strategic Partnership (LSP). Mr Hathaway confirmed that the white paper sat well with area based local authorities, however, the challenge for local authorities will be how to balance large area spend with local area spend. Referring to the work of the RDA, Mr Hathaway commented that it was a significant and influential organisation and it would be important for the area assessment to comment on partnership work with the RDA. With regard to the LSP he commented that they would need to develop

their own culture and improvement programme and the assessment would look for synergy between the area LSPs and that any decisions made were evidence based.

- The Sustainable Communities Strategy (SCS) – Comment was made on the long-term actions of the SCS. However, as such things as the provision of major infrastructure was outside local government influence it was hoped that the CAA could be used to influence Government decisions. Mr Hathaway commented that the Inspectorate would need to recognise realistic targets and to that extent could expose issues relating to delivery. Mr Bethell commended that from 2009 onwards the assessment of the use of resources would be wider and more rigorous and would cover sustainability issues.

In concluding the debate the Leader of the Council thanked the Audit Commission officers for the presentation.

- RESOLVED:**
- (1) That the contents of the Audit and Inspection Letter for 2007/8 be noted.
 - (2) That the Audit Commission's recommendation that areas for improvement, as identified in the report, be set out in the revision to the Council's Corporate Improvement and Development Plan, be accepted.

Reason: To accept the Annual Audit and Inspection letter and agree its contents.

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