

# **Annual Audit and Inspection Letter**

**Huntingdonshire District 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.

### **Copies of this report**

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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:
  - The Council is improving in some priority areas with improvements in over half of its performance indicators. There is clarity about services requiring improvement and the Council is taking action.
  - Improvement to local areas is being achieved through effective partnership working. Access to services is improving. However performance on equalities is mixed. The Council is refining its plans, to help improve focus on improvement priorities. Capacity is being effectively developed to deliver this planned improvement.

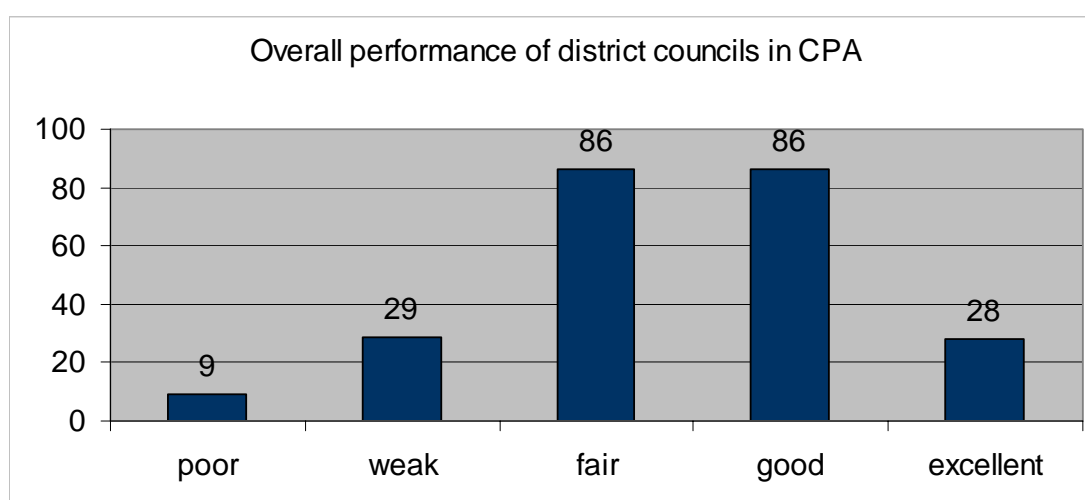
## Action needed by the Council

- Further develop the approach to equalities.
- Ensure that capacity is in place to enable sustained service improvement whilst managing major projects such as the redevelopment of the Council offices.

## How is Huntingdonshire District Council performing?

- 4 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 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**



Source: Audit Commission

## The improvement since last year - our Direction of Travel report

### What evidence is there of the Council improving outcomes?

- 5 Improvement has been made in some priority services. Based upon an Audit Commission basket of indicators, between 2004/05 and 2005/06 58 per cent of performance indicators improved, which matches the average rate of improvement for all district councils. Thirty-one per cent of national performance indicators are in the best performing 25 per cent of councils, with 59 per cent above the median. Improvements have been made in some priority areas that are important to residents. This includes recycling or composting of household waste which at 48 per cent is amongst the best nationally. The speed of processing planning applications is improving but remains below the median in two of the three indicators. However, performance is declining in some services such as the time to process change of circumstances for housing benefits claimants.

## 6 Annual Audit and Inspection Letter | How is Huntingdonshire District Council performing?

- 6 Satisfaction has improved in some areas. Based on the Council's second district-wide survey undertaken in March/April 2006, satisfaction has improved since the 2005 survey. For example 83 per cent of respondents are very/fairly satisfied that Huntingdonshire is a clean green and attractive place to live and 91 per cent very/fairly satisfied with Huntingdonshire as a place to live.
- 7 The Council is clear about services requiring improvement and is taking action. In response to high waste costs, refuse collection routes are being reviewed. The Council is investing in reducing homelessness. It is working with registered social landlords to improve access to homes for homeless families, keeping ten homes for homeless people and investing £1m in affordable housing. The Council has made good progress in improving weaker areas identified in Corporate Performance Assessment. The Council has continued to improve its communications, for example, with a new approach to the resident magazine, 'District Wide'.
- 8 The Council is contributing towards wider community outcomes. It is making improvements to local areas through effective partnership working. The Council has focused on neighbourhood based regeneration on the Oxmoor estate. This has resulted in the £9m Oak Tree Centre primary health care centre; funded by the Council and leased by the PCT. Various initiatives have also led to a reduction in crime including working with partners to introduce street wardens. The Council is also working with local people to plan development. The Ramsey Area Partnership is engaging the community to think about the Ramsey area, focusing particularly on facilities and services for the future. There is the potential to create a high-quality development incorporating homes, community facilities, recreational use and the opportunity for creating new jobs.
- 9 Access to services is improving. A call centre has been in operation since September 2005, as part of its Customer First programme. The centre answers general enquiries as well as specific questions regarding refuse collection, street cleaning, car parking, grass cutting and trees. More services are being added over the next 12 months. Access to services in rural areas is being improved. Residents can access services through its community information centres in Yaxley and Ramsey with 19 agencies running sessions on a regular basis. An outreach service started in September 2006 piloting in three villages within Ramsey and Yaxley catchments area.
- 10 The Council is working closely with young people to help ensure services reflect their needs. The three year Young People's Active Involvement 'project' was completed in March 2006. This included a range of initiatives such as a scheme to encourage young people and parish councils to work together on local issues. The project has been working in five parishes in the first year and has just recruited a further three for the second phase. This project is now managed by Young Lives with funding from national and local grants.
- 11 Performance on equalities is mixed. The Council has only achieved level one of the equality standard for local government. It is working on achieving level two by March 2007. The Council has also engaged with a large number of disability groups to produce its Disability Equalities Strategy.

- 12 The Council continues to perform well on delivering value for money. There is positive link between the cost of the Council's services and the quality provided to local residents. Although the costs for some front-line services such as waste and community housing remain relatively high, this is linked to programmed investment. Higher-cost areas also link clearly to the Council's stated priorities.

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

- 13 The Council is further developing its plans for improvement. The corporate plan is being reviewed. Services have clear targets for improvement. All service plans have targets and use the scorecard approach. However there are a large number of local targets at local level (around 500). Key reports are monitored by Overview and Scrutiny and by Cabinet. This is providing greater clarity and focus on where the Council wants to improve.
- 14 Plans are in place to open a temporary customer service centre in Huntingdon in July 2007. This will coincide with the start of the redevelopment of the Council headquarters. The Council has recruited a customer service manager and has plans to open centres in St Ives and St Neots. Its focus has been on the redevelopment of its headquarters building (£15.9m construction cost) and the replacement of its depot (£4.6m construction cost) within an approved overall project cost of £24.7m. The Council is now moving on from developing new buildings to deliver improved access to services.
- 15 Capacity is being effectively developed and deployed to deliver priorities. A new leader and new management team has given energy and drive and added to capacity. The Council has appointed one of its heads of service to be a project manager to deliver the accommodation plans. A restructuring within Operations has broadened its agenda and focused on a more proactive approach. Services have been brought together to achieve efficiencies and to give better corporate direction. The Council has focused capacity on accommodation, the corporate plan and Customer First programme. A new Overview and Scrutiny panel has been introduced covering corporate and strategic issues, which is allowing the other two panels to focus on their work. Improved forward planning is improving focus and councillors have received training on performance management.
- 16 Financial capacity is being developed. Financial savings have been identified for the next two years, without any staffing cuts. For example savings are being made through business process re-engineering as part of Customer First programme.
- 17 There are no significant weaknesses in arrangements for securing continuous improvement or failures in corporate governance that would prevent improvement levels being sustained.

## Financial management and Value for Money

- 18 Your appointed auditor has reported separately to the Corporate Governance Panel 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**

<b>Element</b>	<b>Assessment</b>
Financial reporting	3 out of 4
Financial management	3 out of 4
Financial standing	3 out of 4
Internal control	2 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)*

- 21 This level of performance equates to the Council performing consistently above minimum requirements (performing well) on the Audit Commission scale.

22 The key issues arising from the audit, as reflected in the above judgements where appropriate, are as follows:

- The Council has improved its performance against the financial reporting KLOE, moving from adequate to good performance.
- The Council should develop and implement an assurance framework and ensure that this is used to inform the Council's Statement on Internal Control.
- The Council needs to implement monitoring and reporting against planned savings and efficiency plans.
- The Council needs to complete and implement its partnership framework to ensure that it addresses risk assessments relating to its partnerships and that the financial performance of partnerships is subject to review.

## Conclusion

- 23 This letter has been discussed and agreed with Huntingdonshire District Council. A copy of the letter will be presented at the Corporate Governance Panel on 28 March 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](http://www.audit-commission.gov.uk), and also on the Council's website.

Nigel Smith  
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