Annual Audit and Inspection Letter

Gateshead Metropolitan 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, from the Corporate Assessment that has been undertaken in the last year and from a wider analysis of the Council's performance and its improvement over the last year, as measured through the Comprehensive Performance Assessment (CPA) framework.

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. The letter will be published on the Audit Commission website at www.audit-commission.gov.uk.

Key messages

3 Gateshead Council has improved to a four-star rating in CPA 2006 and has been assessed as improving well. The Council has continued to develop and improve its approach and council services are improving across priority areas, with the rate of improvement well above average. During 2006, the Council improved substantially the performance in some key services compared to 2005, particularly in education, planning, waste management and crime reduction.

4 A Corporate Assessment was carried out during 2006. This identified many strengths in the Council’s approach and yet there are still areas where further improvement is required. This includes further strengthening the prioritisation process; performance, financial and risk management arrangements; consultation and community engagement; and developing more local ways of tackling inequalities and targeting impact. The Council is using the recommendations to inform its continuing improvement.

5 Gateshead Council is also performing well in its arrangements for use of resources. This score has improved on the previous year to level 3. Arrangements are sound, particularly in respect of financial standing, internal control and value for money. However, there were a small number of significant adjustments to the financial statements, and we noted that the Medium Term Financial Strategy needed to be further integrated into the Council’s performance management framework.

Action needed by the Council

6 The Council needs to clarify its service planning framework by using the development of Vision 2030 (the new community strategy) and a new corporate plan to:
   • simplify and clarify priorities and objectives and their links at different levels;
• ensure the full integration of the local area agreement, community strategy, corporate plan and service plans;
• establish clearer links between service and financial resourcing; and
• improve the medium term financial strategy to provide guidance on how priorities can be addressed in the longer term.

7 The Council should further develop performance management by ensuring that targets are clearer and more challenging and focus on outcomes, with measures that clearly identify the desired impact in improving the quality of life for the people of Gateshead.

8 The Council should continue to:
• improve quality assurance on the financial statements;
• monitor the risks relating to equal pay claims, managing the implications of any potential liabilities;
• improve income collection and arrears management, particularly in relation to council tax;
• develop partnership arrangements to ensure that they are cost-effective; and
• improve data quality to ensure that performance information is accurate.

9 In its decision making process, the Council needs to be able to demonstrate the specific decisions that have been taken, the reasons for those decisions and the other options that have been considered, where appropriate, in accordance with the Council’s own Constitution and legal requirements.
How Gateshead Council is performing

The Audit Commission’s overall judgement is that Gateshead Council is improving well and we have classified Gateshead Council as four-star in its current level of performance under the Comprehensive Performance Assessment. These assessments have been completed in all single tier and county councils with the following results.

Table 1

<table>
<thead>
<tr>
<th>Direction of travel against other councils</th>
<th>Performance against other councils</th>
</tr>
</thead>
<tbody>
<tr>
<td>improving strongly</td>
<td>4 star</td>
</tr>
<tr>
<td>improving well</td>
<td>32%</td>
</tr>
<tr>
<td>improving adequately</td>
<td>4 star</td>
</tr>
<tr>
<td>improving adequately</td>
<td>47%</td>
</tr>
<tr>
<td>not improving adequately / not improving</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 star</td>
</tr>
<tr>
<td></td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td>1 star</td>
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<td></td>
<td>3%</td>
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<td></td>
<td>0 star</td>
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<td></td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Audit Commission
The detailed assessment for Gateshead Council is as follows.

**Our overall assessment - the CPA scorecard**

### Table 2 CPA scorecard

<table>
<thead>
<tr>
<th>Element</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direction of Travel judgement</td>
<td>Improving well</td>
</tr>
<tr>
<td>Overall</td>
<td>4 star</td>
</tr>
<tr>
<td><strong>Current performance</strong></td>
<td></td>
</tr>
<tr>
<td>Children and young people</td>
<td>3 out of 4</td>
</tr>
<tr>
<td>Social care (adults)</td>
<td>3 out of 4</td>
</tr>
<tr>
<td>Use of resources</td>
<td>3 out of 4</td>
</tr>
<tr>
<td>Housing</td>
<td>3 out of 4</td>
</tr>
<tr>
<td>Environment</td>
<td>3 out of 4</td>
</tr>
<tr>
<td>Culture</td>
<td>2 out of 4</td>
</tr>
<tr>
<td>Benefits</td>
<td>3 out of 4</td>
</tr>
<tr>
<td>Corporate assessment/capacity to improve</td>
<td>4 out of 4</td>
</tr>
</tbody>
</table>

**Notes:**

1 = lowest, 4 = highest

The Corporate Assessment was rescored in 2006, under the new framework ‘The Harder Test’, as 3 out of 4. However, this score will not be used in the overall CPA judgement until all authorities have been subject to the new methodology. Consequently, the previous assessment score of 4 has been used.

**Improvement since last year - our Direction of Travel report**

Council services are improving across priority areas, with the rate of improvement well above average. There are improvements to the wider community, especially for children and young people with educational attainment at fifth best in the country, and for adult social care with more choice and more people supported at home. Crime levels have reduced, with fewer burglaries and less violent incidents. The Council has made progress in tackling overall deprivation through regeneration, creating new jobs and tackling unemployment. Services to diverse communities have improved, for example introducing a travellers’ strategy.
Access to services has improved and the Council is progressing in moving services closer to local neighbourhoods. User satisfaction has dropped slightly but remains high, particularly on cultural services. Good progress is being made in achieving the priorities and targets set out in its partnership plans. The Council has improved its ability to deliver its plans with external funding attracted, and robust action plans to reduce high sickness absence rates. Financial management has improved and there are effective arrangements in place to support sustained improvement levels.

Evidence of the Council improving outcomes

During 2006, there was substantial improvement in performance in some key services compared to 2005, particularly in education, planning, waste management and crime reduction. The Council improved 78 per cent of key performance indicators (PI), which was the 11th best level of improvement of all councils. It had 44 per cent of PIs in the best performing 25 per cent of councils, which is substantially more than the average of 28 per cent. Performance against Council-set targets has also improved, with 71 per cent of PI targets met.

External assessments have confirmed the quality of specific services. Children and young people are a priority for the Council and the recent Joint Area Review assessed services for children as good and improving.

Children and young people appear safe and the health of children and young people is generally good. Perinatal and infant mortality rates are below the national average and are decreasing. Teenage pregnancy rates have fallen at a greater rate than the national average. Agencies work well together to protect most children at risk and there is a good range of services in place to support children, young people and families in need. Early years' provision is particularly good and most children are doing very well at primary school. Young people achieving five or more A*-C grades in their GCSE examinations is impressive and this performance is amongst the top levels nationally. However, there is a wide variation in achievement between schools at both primary and secondary levels. Some young people leaving care do not feel their views are valued in relation to their housing options.

Housing management was judged as 3 out of 4 and the Gateshead Housing Company was assessed as two-star, with promising prospects for improvement. Council tenants’ satisfaction has increased, through their continued involvement in shaping services and the better information provided to them about services. However, there remain areas that the Council needs to improve, such as in supporting people.

The Supporting People Inspection (reported in May 2006) was assessed as a one-star service with promising prospects for improvement. It found that structures were well established and operating effectively. The Supporting People programme was well integrated into the Council's and its partners' strategies and operations, but there were no documented terms of reference. Although immediate priorities were clear, there were no key objectives for the programme in the five-year strategy and how they were to be monitored. Risk management was also underdeveloped.
A Corporate Assessment was carried out in 2006. It reported that the Council was performing well, with good political and managerial leadership, clear and challenging ambitions. A wide range of achievements were evident in the Council’s priority areas, with recognisable improvements for local people. The Council is good at identifying linkages between priority areas, and ensuring that its actions and those of its partners reinforce impact in as many areas as possible. The achievements are impressive given its local context of deprivation. Yet there are still areas where further improvement is required. This includes further strengthening its prioritisation process; its performance, financial and risk management arrangements; consultation and community engagement; and developing more local ways of tackling inequalities and targeting impact. The full text of the corporate assessment is available on the Audit Commission website at www.audit-commission.gov.uk.

The Council is achieving against the priorities in the Local Area Agreement. Most performance measures are improving, particularly in the key themes of children and young people, safer and stronger communities, healthier communities and older people.

The Council has made substantial progress in delivering against its Best Value Review action plans with 526 of the 623 milestones achieved to date and only 27 behind on the planned timetable.

The Council has made progress in tackling deprivation in Gateshead through its emphasis on regeneration. Much has been achieved in terms of physical change, creating a sense of place and confidence amongst the communities. This is reflected in projects such as the Angel of the North, The Sage Gateshead and the Millennium Bridge. New jobs have been created in line with the Council’s emphasis on economic regeneration and reducing worklessness.

The Council is working with the wider community and its partners to develop better services and to address specific issues like child obesity and teenage pregnancy. Customer service has been given more prominence through the customer services strategy, resulting in information kiosks being set up throughout the borough and the development of three customer services centres. Neighbourhood management is being piloted in one area and rolled out across all neighbourhoods. Lessons learnt from the pilot have led to more responsive services, increased multi-skilling of staff, cost efficiencies and improved customer satisfaction. Five area executive forums provide the focus on the service needs of local issues and priorities. The Local Strategic Partnership is performing better in achieving its targets, with the Government Office’s overall assessment of the partnership being ‘Green’.

The Council has adopted a more focussed approach to minority issues. This includes work with Jewish and Muslim communities. It has also drafted a travellers’ policy after extensive consultation with the travelling community and the community bridge project has increased the participation of people with disabilities in mainstream opportunities, including employment and leisure. Initiatives also include diversity forums with young black and minority ethnic groups and the African Support Group, which supports failed asylum seekers awaiting deportation.
Value for money is now high on the Council’s agenda. The Council has improved its approach and is now performing well. Awareness of the costs and performances of services has improved. Where there are high cost services, these are generally linked to priorities and performing well. Where performance is not strong there are plans to address either high costs of underperformance. Procurement has improved significantly and is now assessed as meeting most of the requirements of the national procurement strategy. Good use has been made of external funding to address local priorities and improve overall value for money.

Progress is being made to implement improvement plans to sustain future improvement

The Council has worked with its partners and the wider community to establish clear and challenging ambitions for the area. These ambitions have been based on widespread consultation and involvement, and hence relate well to local need. There is a single improvement plan, which draws together improvement actions from a range of sources. The 2005/06 improvement plan is robust. It sets out what the Council wants to achieve to deliver its vision and its six key objectives. The plan contains targets that are generally measurable, realistic and have delivery dates specified, and it sets out responsibilities for achieving those targets.

The Improvement Plan flows through into the service plans, and area based plans. The latter are intended to co-ordinate the delivery of the Council’s priorities at a neighbourhood level. There are also various cross-cutting strategic plans. It is a complex arrangement of plans. Although there is general agreement and support for what the Council is trying to do, the complexity of the various plans and strategies has resulted in partners and the public not always being clear about all the priorities of the Council and how they relate to each other.

The Council’s performance management arrangements have been strengthened from a reasonable base, with a robust process now in place. However, the Council has yet to fully develop measures of its impacts across all services, although this is advanced in some areas such as children and young people and aspects of community safety.

The Council also has firm plans to deliver improvements through its Local Public Service Agreement and through the stretch targets in the Local Area Agreement. Only six of these twelve stretch targets have being fully achieved to date, with four partially achieved. Similarly, 34 per cent of the milestones in the 2005/06 improvement plan were not met by the agreed date. Six-monthly monitoring reports to Cabinet do not always make clear the link between progress made against the actions set out in the plan and what remedial action, if any, will be adopted to ensure the milestones are met.
The Council has worked hard to increase capacity to deliver its plans. Financial management is sound and is designed to support delivery of the strategic priorities. The Council has increased the focus and investment in poorly performing areas such as sickness absence and has made difficult decisions such as closing homes to refocus adult social care on supported care in the home. It has set itself challenging targets to reduce expenditure in some areas, partly to redirect £12 million between 2005/06 and 2007/08 to meet objectives set out in the Council’s improvement plan. The Council has attracted significant external funding and other support from a range of partners to deliver better services.

**Service inspections**

An important aspect of the role of the Relationship Manager is to work with other inspectorates and regulators who also review and report on the Council’s performance. Relationship Managers share information and seek to provide ‘joined up’ regulation to the Council, and assessments received during the year from other regulators have been reflected in the scorecard and Direction of Travel assessments shown above.
Financial management and value for money

We have reported separately on the issues arising from our 2005/06 audit and have provided:

- an unqualified opinion on the Council's 2005/06 accounts;
- a conclusion on the Council's VfM arrangements to say that the necessary arrangements were in place; and
- a report on the Best Value Performance Plan confirming that the Plan had been audited.

Use of resources

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.

For the purposes of the CPA we have assessed the Council’s arrangements for use of resources in these five areas as follows, reporting improvements in several areas and in the overall score.

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Use of resources assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Element</strong></td>
<td><strong>Score</strong></td>
</tr>
<tr>
<td>Financial reporting</td>
<td>2 out of 4</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Element</td>
<td>Score</td>
</tr>
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</tr>
</tbody>
</table>
| Financial management          | 2 out of 4 | Performing adequately  
The Council has taken effective action over the past two years to ensure that its medium-term financial strategy (MTFS), revenue budgets and capital programme are soundly based and are designed to deliver its strategic priorities.  
The MTFS approved in December 2006 provides clearer links to corporate, service and other internal plans, but still needs to be further integrated into the Council’s performance management framework. |
| Financial standing           | 3 out of 4 | Performing well  
Spending is contained within budget and the Council has demonstrated more clearly the basis for the level of reserves held. |
| Internal control              | 3 out of 4 | Performing well  
There is a good risk management process in place, with arrangements clearly documented and appropriate Member involvement.  
The assurance framework to support the statement on internal control has been enhanced, and an Audit Committee has been established with appropriate terms of reference. |
| Value for money (VfM)         | 3 out of 4 | Performing well  
Value for money is high on the Council’s agenda.  
There is a much stronger awareness of the costs and related performance of services. Where costs are high, performance is generally also very strong and linked to a priority area. Where performance is not strong there are plans to address either costs or underperformance.  
Work to deliver efficiencies and drive the value for money agenda is now showing sustained results. |
| Overall assessment            | 3 out of 4 | Performing well |

(Note: 1 = lowest, 4 = highest)
14 Annual Audit and Inspection Letter | Financial management and value for money

Financial position

35 The Council’s financial position remains sound overall. Reserves are sufficient to meet any unforeseen circumstances, and the Council has a good record for containing expenditure within budget, although performance in income collection and arrears levels could be further improved.

General fund spending and balances

36 The Council’s 2005/06 budget planned to draw on the general reserve by some £5 million. The outturn position was much more favourable with contributions to the general reserve of £2.3 million increasing the balance to £10.5 million at 31 March 2006. Earmarked reserves were £52.7 million at 31 March 2006.

37 The latest figures for 2006/07 (up to 31 December 2006) predict an overspend against original budget of around £2 million but officers believe the actual results for the year will show an improved position. The current estimate is that the general reserve will be £9.1 million at 31 March 2007. The special dividend of £10.4 million in relation to Newcastle International Airport has been transferred to the Gateshead Development Pool to support prudential borrowing and to help deliver the Council’s priorities. This is the main contribution to the estimated increase to £59.6 million in the Council’s earmarked reserves at 31 March 2007.

38 Equal pay claims represent a significant risk to many local authorities. The Council acted swiftly to mitigate the risks through a compensatory payments scheme and has implemented a new pay structure. However, the 2007/08 budget report highlights that if certain liabilities in relation to equal pay claims materialise, there may need to be a fundamental review of earmarked reserves to protect frontline services.

39 The Council is continuing to budget prudently. The achievement of efficiency savings remains a fundamental element of the budget strategy and £5.3 million has been identified as savings in 2007/08. Savings are used to support growth areas and redirect resources to priorities.

Housing revenue account

40 The Council’s housing stock is managed by the Gateshead Housing Company, an Arms Length Management Organisation (ALMO). The financial position is sound. Housing Revenue Account (HRA) balances increased from £1.5 million to £6.7 million as at 31 March 2006. The increase was due to a surplus of £5.2 million in the year, compared to a budgeted surplus of £2.4 million. The 2006/07 budget predicts a surplus of £0.6 million on the HRA, which would increase the balance to around £7.3 million.

Income collection and arrears

41 In recent years we have reported increasing levels of arrears for key sources of income, including council tax and business rates (NNDR). Collection rates have improved, but further action is needed.
Table 4  Income collection and arrears

<table>
<thead>
<tr>
<th>Progress on collection rates</th>
<th>Progress on arrears</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council tax</strong></td>
<td></td>
</tr>
<tr>
<td>Collection increased from 93.15 per cent to 95.9 per cent in 2005/06 but the target of 96 per cent was missed.</td>
<td>Arrears increased by £0.5 million in 2005/06 to £9.8 million.</td>
</tr>
<tr>
<td><strong>Business rates</strong></td>
<td></td>
</tr>
<tr>
<td>Collection increased from 98 per cent to 98.9 per cent in 2005/06, exceeding the target of 98.5 per cent and improving to above average compared to authorities nationally.</td>
<td>Arrears increased by £0.2 million in 2005/06 to £2.4 million.</td>
</tr>
</tbody>
</table>

Source: 2005/06 accounts and best value performance indicators

Performance information

42 Our audit of data quality identified strengths in the Council's approach, and recognised that management arrangements for data quality continue to be developed and enhanced, with a clear framework for data quality, set out in policies and procedures.

43 However our checks on selected performance indicators identified several errors. The Council is taking action to ensure that the management arrangements being put in place to ensure data quality are fully embedded across the Council.

44 In delivering plans to further improve data quality arrangements, we have recommended that the Council needs to:

- further clarify the roles and responsibilities of members in relation to data quality;
- consider how the Council ensures the quality of data where information is provided by external parties;
- ensure that the correct performance indicator definitions are used and data is collated accurately; and
- carry out a new programme of risk-based spot checks to ensure that performance indicators are calculated properly.

45 The Audit Committee has asked to receive progress reports against the agreed actions arising from our work.
Other performance work

To inform our work on the VfM conclusion and use of resources assessment, we have carried out specific work in a number of areas based upon our detailed assessment of risk. The overall conclusions and key areas identified for improvement are summarised in the following table. Plans are in place, or are being developed, to respond to our recommendations.

Table 5  Outcomes from specific reviews

<table>
<thead>
<tr>
<th>Area</th>
<th>Main conclusions</th>
</tr>
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</table>
| Probit in partnerships | The Council has been developing its approach to partnerships and their governance over the last year, and arrangements are already well embedded and robust in several areas. Our review recommended that:  
  • the draft register of partnerships should be developed and used to evaluate current partnership working, to ensure that it is cost-effective and meeting the priorities of the Council; and  
  • corporate guidance on partnerships should cover the role and use of the partnership register, links to risk management arrangements and stress the need to apply the guidance to existing as well as new partnerships. |
| Procurement           | Overall, the Council has made significant progress since our work on the previous procurement strategy. The corporate procurement infrastructure is now in place and delivering improvements. The Council is meeting many of the strategic objectives and timescales set out in the National Procurement Strategy, and is taking action on areas that need to be further strengthened. |
| E-procurement         | The Council has recognised the benefits that a well planned and implemented e-procurement programme can bring, and has made good progress in moving forward with its e-procurement agenda. Sufficient capacity, in time and resources, has been made available to implement e-procurement effectively. |
Area | Main conclusions
--- | ---
Children and young people’s services | The Council and its partners are making good progress towards the challenging agenda set by the Children Act. This progress has been underpinned not only by the Children's Trust pathfinder, through effective relationships with partner organisations and a common vision for children and young people. Development around information sharing, workforce development, performance management and joint commissioning are still developing. In many of these areas the next 6 to 12 months will be critical to sustaining the momentum already achieved.

IT risks survey | We carried out a survey to assess the level of awareness of the risks relating to the use of IT and the controls in place, covering business disruption, financial loss, reputational damage, awareness of legislation and loss of public or user confidence. We received over 450 responses, and found that there appears to be a high level of understanding by IT staff and users of IT risks and security. In most areas, the Council scores highly and better than the national average. The key message from the survey is that most systems, policies and procedures appear to be in place to minimise IT risks. However, the survey indicated areas where further improvements can be made. As the survey is based on the perceptions of users and IT staff, the issues that arise may often relate to the need to improve communication, provide more information and training, and raise awareness. However, it may also point to areas where improved procedures are required. The main issues highlighted by the survey were:
- change control procedures;
- business continuity arrangements;
- promoting the anti-fraud strategy; and
- knowledge of key areas of relevant legislation.
Officers are taking action to address these findings.

Responding to the Civil Contingencies Act

The Civil Contingencies Act 2004 (the Act) aims to deliver a single framework for civil protection in the United Kingdom capable of meeting the challenges of the twenty-first century. Although national preparations are needed, the Act also places greater emphasis on local preparedness including the role of police, fire, local authorities and health bodies and government agencies. Most of the duties under the Act came into force from November 2005.
We carried out a cross-cutting strategic overview of arrangements within Tyne and Wear, with an initial focus on the preparedness of local authorities, police and fire. We concluded that these agencies have built on longstanding local emergency planning arrangements, experience and co-operation, enabling a relatively smooth transition to the new arrangements. However this is a challenging agenda as the Act has wide ranging implications and much work still needs to be completed.

We made a number of recommendations to the partners involved in our review, around the areas of co-operation, information sharing, risk assessment, performance management, emergency planning, business continuity and communications. One key area was that the role of members in relation to civil contingencies should be further developed through more regular briefings, awareness raising, and the delivery of appropriate training. An action plan is now in place to respond to our recommendations. The Audit Committee has asked to be kept updated on progress against the action plan.

Other issues

During the course of the audit, I have investigated elements of the decision making process for the Council’s 2006/07 budget setting process in response to issues raised with me.

I have discussed matters arising from this review with officers and recommended that the Council needs to introduce improvements in its approach. The Council needs to ensure that it is able to demonstrate that for specific decisions that have been taken as part of the budget setting process, the reasons for those decisions are recorded along with other options considered, where appropriate, in accordance with the Council’s own Constitution and legal requirements. The Council has agreed to review its approach.
Conclusion

This letter has been discussed and agreed with officers. A copy of the letter will be presented at a joint meeting of the Cabinet, Overview and Scrutiny, and Audit Committee in April 2007.

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

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

Lynne Snowball
Relationship Manager and District Auditor

March 2007