

# Annual Audit and Inspection Letter

Braintree District Council

Audit 2007/08

March 2009



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## 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.
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# Key messages

- 1 Clear priorities are laid out in the four-year Corporate Strategy 2008-2012 and the Council is delivering against its priority areas and key services for local people are improving. The Corporate Strategy is underpinned by the Corporate Action Plan, Performance Plan and Improvement Plan. The 2008/09 Corporate Improvement Plan sets out clear ambitions and actions to improve the corporate management of the Council. Projects in the Corporate Action Plan are either complete or on target.
- 2 Across the Council there is good partnership working, delivering the future development needs of the district, and reducing levels of crime and anti-social behaviour.
- 3 Performance indicators improved last year at a rate well above average.
- 4 The Council has developed an effective approach to health inequalities.
- 5 The Council's appointed auditor gave an unqualified audit opinion on the Council's 2007/08 Statement of Accounts and an unqualified conclusion on the Council's value for money arrangements.
- 6 The Use of Resources arrangements at the Council were assessed as Good. Within this assessment we identified examples of notable practice in financial reporting.

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### Action needed by the Council

- 7 Continue to undertake a proactive approach to communicating the Medium Term Financial Strategy to key stakeholders and further embed arrangements surrounding monitoring and reporting the financial performance of partnerships.
- 8 The Council needs to work with partners to improve performance against the target for completion of affordable housing.

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# Purpose, responsibilities and scope

- 9 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.
- 10 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.
- 11 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](http://www.audit-commission.gov.uk). (In addition the Council is planning to publish it on its website).
- 12 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.
- 13 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.
- 14 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 Braintree District Council performing?

15 Braintree District Council was assessed as Good in the Comprehensive Performance Assessment carried out in 2004. 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

### Summary

16 Braintree District Council is making good progress against its published plans and successfully addressing areas of poorer performance. Performance indicators improved last year at a rate well above average. Planning and environmental services are improving but the volume of waste collected only reduced slightly. There is good partnership working, delivering the future development needs of the district, and reducing levels of crime and anti-social behaviour. Local Committees are delivering outcomes for local people but clear outcomes from the Local Area Agreement are not yet apparent. Although the Council is making progress on the delivery of affordable homes, completions are slightly behind target. There is a good approach to identifying and meeting the needs of diverse groups. Customer access is improving by using IT and other means. Value for money remains good.

17 The Council has clear longer term ambitions and is clear about what it wants to do, and how it needs to improve. There are clear links between plans for developing wider ambitions with a combined draft Core Strategy for the Local Development Framework and Sustainable Community Strategy.

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

- 18** The Council agreed its new four-year Corporate Strategy 2008-2012 in February 2008. The Council's priorities are:
- the environment is clean and green;
  - business is encouraged and the local economy prospers;
  - everyone can enjoy a healthy lifestyle;
  - housing and transport meet local needs;
  - people take pride in their local areas; and
  - we deliver excellent, cost-effective and valued services.
- 19** The Council is delivering against its priority areas and key services for local people are improving. Projects in the Corporate Action Plan are either complete or on target.
- 20** In 2007/08 Braintree District Council delivered an improvement in 73 per cent of performance indicators. This is well above the average for all district councils, placing the Council 18th out of 388 for improvement over the year 2007/08. The proportion of PIs amongst the top performers was at the national average for district councils at 33 per cent.
- 21** The Council is making good progress in achieving its environmental priority. Recycling and composting improved from 35.5 per cent to 42.76 per cent last year which is amongst the best in the country. Council data shows a further improvement during 2008/09. Plans are underway to extend the coverage of recycling across the district by October 2009. Street cleansing remains good, but the Council only made a slight improvement in reducing the volume of waste collected. Overall, the Council is contributing to the local area agreement target for recycling.
- 22** Services to people with housing needs are improving. The time taken to process benefits claims and the time taken to process change of circumstances both showed improvement last year. The time taken to process new claims fell from 30.9 to 22.8 days and the time taken to process change of circumstances fell from 13.2 to 6.3 days. As a result, those most in need are receiving their payments more quickly.
- 23** The Council is working well with partners to address housing issues. It is working with a neighbouring council to encourage landlords of empty homes to refurbish and let to local people. Although the Council is making progress on the delivery of affordable homes, for example 57 units on Riverside, completions are slightly behind target. The Council in partnership with local housing associations is aiming to create at least 100 new affordable homes in the District. The prediction is for completion of 94 new homes by the end of the year and there are others scheduled for completion in 2009/10. This will help the Council to meet its longer-term targets for affordable housing.
- 24** Leisure facilities are improving. The new Braintree Swimming Pool opened in April 2008. First indications are that it is well used by local people. The Council has also made improvements to facilities at Great Notley Country Park and the Discovery Centre in partnership with Essex County Council. The Council has achieved external recognition in the form of the award of a Green Flag for Halstead Public Gardens. There is good quality and choice for local people.

## How is Braintree District Council performing?

- 25 The speed of processing all types of planning applications improved in 2007/08.
- 26 Determinations of applications within the prescribed times increased from 75 per cent to 87 per cent for major applications, from 74 per cent to 77 per cent for minor applications and to 89 per cent of 'other' applications were determined, compared to 83 per cent in 2006/07. Applicants are enjoying a quicker service
- 27 There is good partnership working to deliver the future development needs of the district. Braintree has been awarded Growth Area Funding of £4 million in conjunction with Chelmsford Borough Council. A range of capital and revenue projects has been identified to deliver projects that support housing and employment growth and the supporting infrastructure. The Council is also working with partners to develop community facilities such as proposals for joint use sports and leisure facilities in Witham. As a result, the Council is well placed to meet future growth.
- 28 The Council has made progress in encouraging business and helping to achieve a prosperous local economy. There are three sites in the District designated as preparation camps for the London 2012 Olympic Games. Funding of £130,000 has been secured through the Local Authority Business Growth Incentive, consultation has started on proposals for town centre improvement schemes in Braintree, Witham and Halstead. The Council is therefore delivering against its business priority.
- 29 Healthier lifestyles are being effectively promoted by the Council and its partners. Good progress is being made. The primary care trust (PCT) funded three months of free swimming for all up to March 2009. There is now closer working between the Council and the PCT to develop joint facilities and address health inequalities. Partnership working is therefore helping to improve the health of local people.
- 30 The Council effectively engages with children and young people. For example, it has worked with the Braintree District Youth Council to provide a range of information and advice, including health matters, to 4,000 young people across the District through the production and distribution of a young people's magazine. It is promoting democratic involvement by young people, enabling them to play a more active part in the life of the district.
- 31 The Council is taking practical steps to help those affected by the economic downturn. It has allocated an additional funding of £15,000 per annum to the Citizens Advice Bureau and established a fund of £50,000 to assist any appropriate support schemes over the next 16 months. It is offering businesses and individuals the facility of paying non-domestic rates and council tax over 12 months rather than 10. Services are therefore being delivered in a way to help those in difficult circumstances.
- 32 The Council works well with partners to effectively address crime and anti social behaviour. Levels of crime are low and reducing in most categories. There is good partnership working between the Council, the crime and disorder reduction partnership and other agencies, for example with task groups addressing problem areas. Joint working between agencies to address anti-social behaviour at Sible Hedingham led to a dispersal order that resolved the problem to the satisfaction of local residents.

## How is Braintree District Council performing?

- 33** Local Committees are delivering outcomes for local people. The Council has allocated funds to each of the three committees to deliver projects at a local level. These include refurbishment of the swimming pool at Earl's Colne Junior School, play equipment, and CCTV and a youth club at Braintree. As a result, the quality of life for local people is improving.
- 34** Clear outcomes from the local area agreement (LAA) are not yet apparent. It is still relatively early days but projects and funding are in place. The Local Strategic Partnership (LSP) has selected LAA targets that meet Council priorities and therefore focus on local projects.
- 35** The Council has a good and improving approach to diversity issues. It attained Level 3 of the Local Government Equality Standard in October 2008. Only a third of councils nationally are at this level or above. New corporate equality plan and race equality schemes are in place.
- 36** Diversity is integrated into service delivery. The new swimming pool provides good disabled access and offers special swimming sessions for faith groups. A joint project with two neighbouring councils has identified needs within the Polish community and as a result there have been workshops on setting up businesses, addressing employment and housing issues and an advice toolkit and website has been developed for Polish speakers. The Council has now added Polish as an option for the language line on the annual canvass form. As a result, migrant Polish workers and families are now better able to feel a part of the local community. Work with specific groups such as Braintree Access Group on equalities issues is ensuring that the views of users are taken into account when providing services. These initiatives help deliver tangible benefits for diverse communities.
- 37** Customer access is improving, for example through good use of IT. Council data shows that call-waiting times are down, with a large number of enquiries being resolved at the first point of contact. More use is being made of the website and this now offers better on-line access. Important Council meetings are web cast. It is easier for people to register to vote by introducing e-registration as part of the annual canvass and to pay their bills such as Council Tax and Business Rates through a new on-line payments system. The Council uses text messages to inform residents of waste collection dates. A review of service provision in outlying areas has identified other possible locations for customer access throughout the district. There are better reception arrangements and increased customer focus by staff. There is a new Customer Services Strategy, but revised customer service standards are not in place.
- 38** Value for money remains good. The Council achieved a score of 3 for the annual Use of Resources assessment in 2008, the same as 2007. A number of business efficiency reviews have been undertaken which aim to provide better value for money and service delivery. For example, the waste management business efficiency policy review identified £373,000 of efficiencies and service improvements to be delivered between 2009 and 2011. However, some costs remain high. For example, the cost of waste collected rose from £63.24 to £65.34 during 2007/08. The Council is aware of the reasons for this, and is starting to address the problem. It is seeking to improve efficiency and costs following the transfer of its housing stock. It is identifying residual costs and identifying these as efficiencies and the savings redistributed.

## How is Braintree District Council performing?

**39** The Council is reinvesting into developing the community. Some of the capital receipts (£11 million) from the transfer of housing stock have been re-invested in community projects in partnership with Greenfield's Housing. Examples of projects include funding of sheltered homes, community improvements and affordable housing. As a result, the community is directly benefiting from the proceeds of the transfer.

### How much progress is being made to implement improvement plans to sustain improvement.

**40** The Council has clear longer term ambitions including through partnership activity. The new Corporate Strategy reflects the longer term challenges facing the Council. The strategy is based on public consultation and issues of local and national importance that affect the quality of life. This helps to ensure that the strategy meets the needs of Braintree.

**41** Council spending plans are aligned to the LAA. In 2007/08 Braintree pooled £256,000 and aligned £8 million of its budgets to plans for delivering the LAA. The partners in the LAA have agreed a set of priorities and targets and the Council has included those to which it is able to contribute in its Corporate Plan.

**42** Plans to support improvement are robust. The Corporate Strategy is underpinned by the Corporate Action Plan, Performance Plan and Improvement Plan. The 2008/09 Corporate Improvement Plan sets out clear ambitions and actions to improve the corporate management of the Council. These are supported by plans that have robust performance and project management arrangements to help ensure focus and delivery. The Council understands what it needs to do to improve and how it will do it.

**43** There are clear links between plans for developing the area and wider ambitions for the community. The existing Community Strategy is being revised and developed into a combined Core Strategy for the Local Development Framework (LDF) and Sustainable Community Strategy. This sets out the wider ambitions for the community through the LSP and LAA and links them to the LDF. As a result, wider community ambitions are integrated into the plans for developing housing growth in the district.

**44** The Council and its partners have restructured the LSP. The structure and governance arrangements have been changed and the sub-groups are more closely aligned to needs. This will help to make the LSP more effective in future. A Partnerships and Performance Manager has been appointed and a Partnership Performance Management and Evaluation Framework is in place. This includes a method to evaluate significant partnerships. As a result, these improvements should help the LSP to focus on delivering outcomes for local people.

**45** The Council is developing performance management arrangements to better manage the business activities of the Council. The new Performance and Efficiency Board has helped members to better challenge performance. There is now more frequent and detailed reporting of performance information to both officers and members. This makes it easy to measure progress against stated priorities. Key performance data and achievement of targets are closely linked to personal development plans and annual performance review process. This is helping the Council to better identify areas of concern and take the necessary action.

## How is Braintree District Council performing?

- 46** Capacity has been improved, for instance through staff recruitment and retention measures in the planning service. As a result, performance has now recovered. Sickness absence levels rose from 9.89 days to 11.13 days in 2007/08. Effective action has addressed this, with data for 2008/09 showing improvement in this area. Staff training and development is helping to improve capacity. The Council has introduced new self-development activities including the British Computer Society Level 2 qualification and a modern apprenticeship programme linked with a temporary staffing pool. These activities are well received by staff and helping to improve the skills base of the Council. In 2008, the first Staff Awards Ceremony was welcomed and appreciated by the staff. They considered that the Council recognised their contribution. Members of staff are positive about working for Braintree, but still have some concerns about capacity and workload pressures
- 47** The Council is looking to strengthen capacity in key areas. It has reviewed project management and performance management arrangements with a view to strengthening these areas. The Council is now establishing a programme management team to provide more resilience in these areas. To develop partnership working on health issues, the Council has jointly appointed a Public Health Improvement Manager and a Health Improvement Coordinator with the PCT.
- 48** Partnership working is helping Braintree to improve capacity. A joint Parking Service between Braintree, Colchester and Uttlesford is to be launched in April 2009. Although Braintree is not progressing plans for any further joint services with Colchester, the shared working to date has provided learning for Braintree. The Council has changed practices as a result of the partnership leading to better practices and performance.
- 49** The Council is actively working to minimise the impact of financial pressures on the 2009/10. Due to the impact of economic pressures, the anticipated budget shortfall is greater than that originally forecast. The Council has identified potential efficiencies and other measures to meet the budget. Although the Council is now starting to review its financial estimates and assumptions for 2010/11 in light of the current economic circumstances, the full impact on capacity and service delivery remains unknown at present.
- 50** Overview and Scrutiny is becoming more effective. Members and officers have noticed a difference in the last year. The committee has moved to a structure of 'Task and Finish' groups. This has led to a clearer methodology and ownership in the reviews by members. Already some outcomes have been achieved, for example, a stronger approach to enforcement and better awareness of the impact of rural isolation on delivering council services. However, other groups are still very much work still in progress. Budget scrutiny has also improved. The committee now has an active role in challenging the setting of the budget throughout the process. As a result it is now better placed to challenge policy and a number of key differences for local people have been secured.

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### Service inspections

- 51** There were no service inspections during 2007/08.

# The audit of the accounts and value for money

**52** Your appointed auditor has reported separately to the Audit Committee on the issues arising from their 2007/08 audit and has issued:

- an audit report, providing an unqualified opinion on your accounts and a conclusion on your vfm arrangements on 30 September 2008 to say that these arrangements are adequate as at 31 March 2008;
- a cross-cutting report on Health Inequalities in March 2008, covering Essex 'Public Services' (all local government bodies, PCTs and Essex County Fire and Rescue), resulting from a piece of work carried out in close partnership with the Audit Commission. The high-level findings from this review were reported in last year's Annual Audit and Inspection Letter, published in March 2008; and
- a report on the Best Value Performance Plan in December 2007 confirming that the Plan has been audited.

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## Use of Resources

**53** 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).

54 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	4 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
<b>Overall assessment of the Audit Commission</b>	<b>3 out of 4</b>

Note: 1 – lowest, 4 = highest

**The key issues arising from the audit**

- 55 The Council achieved Level 4 for the Financial Reporting theme this year due to its notable performance with this year's Statement of Accounts. Complex issues relating to the transfer of housing stock and also new accounting requirements were dealt with in a proactive manner with upfront discussions, despite reduced capacity post housing transfer. The finance team maintained their proactive approach throughout the audit responding promptly to questions and no non-trivial errors were raised in the ISA260 report to 'those charged with governance'.
- 56 The financial management theme improved in the current assessment as a result of the Council undertaking a more proactive approach to communicating the Medium Term Financial Strategy to key stakeholders and embedding arrangements surrounding monitoring and reporting the financial performance of partnerships. This will provide a good basis to build upon under the new Use of Resources approach.
- 57 Data quality arrangements were found to be adequate overall.

## The audit of the accounts and value for money

### Health Inequalities

- 58** Following the issue of our joint Audit Commission and PKF report in March 2008, the Essex Chief Executives Forum collated an Essex-wide response to the Action Plan included in that report. We have undertaken a short review of local action-planning at Local Strategic Partnership (LSP) level, taking the Essex-wide Plan as a starting point and obtaining an understanding of how certain aspects, for example performance management, cascade from Local Area Agreement level through LSP working of the District Council with Mid Essex PCT and other partners, to the individual contribution to targets of Braintree District Council.
- 59** Our review considered a number of structural and other arrangements changes already achieved and also other development plans being progressed. We have concluded that the Council and the LSP are making good progress in this area. We intend to revisit Health Inequalities by way of a more in-depth follow-up review in 2009/10.

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### Advice and Assistance work

- 60** There was no advice and assistance work undertaken during 2007/08.

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# Looking ahead

- 61** 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.
- 62** 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.
- 63** 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.

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# Closing remarks

- 64** This letter has been discussed and agreed with the Chief Executive. A copy of the letter will be presented at the next available Audit Committee. Copies need to be provided to all Council members.
- 65** 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.

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**Table 2      Reports issued**

<b>Report</b>	<b>Date of issue</b>
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

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- 66** 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.

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## Availability of this letter

- 67** 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.

**Ian Davidson**  
**Comprehensive Area Assessment Lead**

31 March 2009

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# 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.

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## Copies of this report

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