

Report to Audit and Governance Committee

Report Reference: AGC-023-2013/14
Date of Meeting: 6 February 2014



**Epping Forest
District Council**

Portfolio: Finance and ICT

Subject: Audit Commission National Local Government Reports and Studies

Responsible Officer: Steve Tautz (01992 564180)

Democratic Services: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

(1) That the national local government reports and studies recently published by the Audit Commission be considered, and any appropriate action be identified for the Council to address implications arising from recommendations made by the Commission.

Executive Summary

This report provides details of national local government reports and studies recently published by the Audit Commission, that are relevant to the Council's responsibilities, functions or areas of service provision.

Reasons for Proposed Decision:

National local government reports and studies published by the Audit Commission are routinely presented to the Audit and Governance Committee, in order to ensure that any implications arising for the Council are identified, and that appropriate action is considered.

Other Options for Action:

No other options are appropriate in this respect. Failure to consider best practice approaches and recommendations identified by the Audit Commission, or to take corrective action where necessary, could have negative implications for the Council's reputation and for judgements made about the progress or governance of the authority.

Report

1. The Audit Commission's national studies programme aims to improve local public services through an independent authoritative analysis of national evidence and local practice. The Commission has a duty to undertake studies designed to make recommendations for improving the economy, efficiency and effectiveness of certain bodies, and to improve the financial and other management of local public bodies. The Commission's national reports address strategic issues affecting specific sectors as well as the public sector as a whole, identifying practice that works, highlighting emerging findings and examining national trends to influence local practice and national policy.

2. The Audit and Governance Committee receives all national local government reports and studies published by the Audit Commission, that are of relevance to the Council's

responsibilities, functions or areas of service provision. Relevant reports and studies published by the Commission are also initially considered by the Corporate Governance Group, in order to identify implications or possible action for the Council arising from findings highlighted or recommendations made by the Commission.

3. The following relevant local government reports and studies have recently been published by the Audit Commission. The Corporate Governance Group considered these reports on 18 December 2013, and its views in respect of the findings of the Commission will be reported to the Committee.

'Income from charging - Using data from the Value for Money Profiles' (September 2013)

4. This Audit Commission briefing is drawn from its Value for Money Profiles, and presents the Commission's analysis of the £10.2 billion that English councils raised through charging for services in 2011/12. The briefing paper is attached as Appendix 1 to this report.

'Business rates - Using data from the Value for Money Profiles' (October 2013)

5. This Audit Commission briefing is drawn from its Value for Money Profiles, and presents the Commission's analysis of English councils' collection rates and the costs of collecting business rates. The briefing paper is attached as Appendix 2.

'Tough Times 2013: Councils' Responses to Financial Challenges from 2010/11 to 2013/14' (November 2013)

6. The Audit Commission's latest 'Tough Times' report shows that councils have demonstrated a high degree of financial resilience over the last three years, despite a 20% reduction in funding from government and a number of other financial challenges.

7. A survey of auditors appointed by the Commission, found that 89% of councils experienced no significant difficulties in delivering their agreed budget in 2012/13 (compared with 88% in 2011/12). The majority of councils (71%) delivered their budgets without needing to take unplanned actions. Two thirds of councils (63%) added to their reserves, while one third (37%) reduced them. In aggregate, councils increased reserves by £0.9 billion in 2012/13 (7%), a smaller increase than in 2011/12.

8. The Commission's research found that the three strategies most widely adopted by councils in response to their financial challenges since 2010/11 were: reducing overall staff numbers; delivering some services more efficiently; and reducing or restructuring the senior management team.

9. Extracts from the Audit Commission's report reflecting a summary of its findings and conclusions, is attached as Appendix 3. The full report is available on the Commission's website, at: <http://www.audit-commission.gov.uk/2013/11/toughtimes2013/>.

10. The Committee is requested to consider the recently published Audit Commission reports and studies, and to identify any appropriate action to address implications arising from recommendations made by the Commission.

Resource Implications:

Resource requirements arising from specific actions to implement best practice or recommendations made by the Audit Commission will be identified separately.

Legal and Governance Implications:

There are no legal implications or Human Rights Act issues arising from the recommendations of this report, which ensure that the Council considers best practice and approaches identified by the Audit Commission.

Safer, Cleaner, Greener Implications:

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner and Greener initiative, or any crime and disorder issues within the district. Implications arising from the implementation of any recommendations made by the Audit Commission will be identified separately.

Consultation Undertaken:

The local government reports and studies recently published by the Audit Commission have been considered by the Corporate Governance Group. The views of the Corporate Governance Group in respect of the findings of the Commission will be reported to the Committee.

Background Papers:

Audit Commission national local government reports and studies - 'Income from charging' (September 2013), 'Business rates' (October 2013), 'Tough Times 2013' (November 2013).

Impact Assessments:

Risk Management

Failure to consider recommended approaches and best practice identified by the Audit Commission, or to take corrective action where necessary, could have negative implications for the Council's reputation and for judgements made about the progress or governance of the authority. Risk management issues arising from the implementation of recommendations made by the Audit Commission will be identified separately.

Equality

There are no equality issues arising from the recommendations of this report, which ensure that the Council considers recommended approaches and best practice. Equality implications arising from the implementation of recommendations made by the Audit Commission will be identified separately.