

Annual Audit and Inspection Letter

Runnymede Borough Council

Audit 2007/08

March 2009



Contents

Key messages	3
Purpose, responsibilities and scope	5
How is Runnymede Council performing?	6
The audit of the accounts and value for money	13
Looking ahead	15
Closing remarks	16

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.
-

Key messages

- 1 Runnymede Borough Council (the Council) performed well overall in 2007/08, as measured by the Audit Commission's basket of performance indicators. Forty eight per cent of performance indicators are at or above the level of the best 25 per cent of councils, and performance is continuing to improve.
- 2 The Council continues to deliver good value for money overall. It is delivering generally above average service outcomes. It has good arrangements in place to ensure value for money is achieved and is working in partnership to deliver services where appropriate.
- 3 The Council has improved access to services for its residents by successfully delivering its new civic centre which houses all the Council's major services and co-locates its Safer Runnymede and CCTV control centre, with Addlestone Police station staff, together with a county library facility and a permanent home for the Citizens Advice Bureau.
- 4 The Council's Crime and Disorder Reduction Partnership (CDRP) has achieved the best crime reduction figures in Surrey, but there remains scope for improvement. In particular, figures for theft from a motor vehicle are amongst the worst 25 per cent when compared to similar areas.
- 5 The amount of waste recycled or composted has increased from 18.6 to 23.3 per cent. This still remains amongst the lowest performing councils nationally. However, user satisfaction levels for this service are amongst the highest nationally (as measured in 2006/07). The Council has improved access to kerbside recycling and is now amongst the best performing councils. The amount of waste collected per head has decreased and remains above average when compared with councils nationally. The cost of waste collection per household has increased but the cost of the service remains amongst the cheapest 25 per cent of councils in 2007/08.
- 6 KPMG issued an unqualified opinion on the 2007/08 Accounts. Our audit work did not identify any significant issues. The Council produces high quality accounts and supporting working papers, which are approved within the deadlines, set out by the Accounts and Audit Regulations.
- 7 The Authority has continued to ensure that its arrangements for the use of resources are robust and has retained a score of four (performing strongly) following the 2008 assessment. KPMG have issued an unqualified opinion on the value for money conclusion.

Action needed by the Council

- 8 Continue to explore initiatives to increase recycling levels across the borough and further build on the reduction in the amount of waste collected per head.
- 9 With the implementation of Comprehensive Area Assessments and a revised Use of Resources assessment it will be vital for the Council to engage with this process at an early stage to ensure that it maintains its Use of Resources score in 2008/09.
- 10 In addition the Council will need to ensure that it has adequate resource and has developed a robust action plan to successfully meet the challenges of implementing new accounting requirements including the 2008 and 2009 SORPs and International Financial Reporting Standards (IFRS).

Purpose, responsibilities and scope

- 11 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.
- 12 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.
- 13 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. (In addition the Council is planning to publish it on its website).
- 14 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.
- 15 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.
- 16 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 Runnymede Council performing?

17 Runnymede Borough Council was assessed as Excellent in the Comprehensive Performance Assessment carried out in 2003. These assessments have been completed in all district councils and we are now updating 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

18 The Council priorities for 2008/09 were:

- access to affordable and decent housing;
- access and transport;
- community safety;
- sustainable community;
- economic prosperity;
- opportunities for young people;
- promoting leisure and culture; and
- healthy and vibrant community.

How is Runnymede Council performing?

Performance overview

- 19 The Council has 48 per cent of the key indicators selected by the Commission at or above the level of the best 25 per cent of councils. This compares with an average of 33 per cent for all district councils.
- 20 Performance continues to improve at a significantly faster rate than other councils. Between 2006/07 and 2007/08, 70 per cent of key indicators improved against an average of between 56.9 and 59.1 per cent for all district councils. The Council is the 178th (out of 388) most improved council over the last year.
- 21 Over the longer term the Councils level of improvement is above average for District Councils. During the last three years the Council has improved 65 per cent of its key indicators against the average of between 57.1 and 58.9 per cent. This ranks the Council as the 133rd most improved out of the 388 councils over this period.
- 22 The Council continues to deliver good value for money overall. It is delivering generally above average service outcomes. It has good arrangements in place to ensure value for money is achieved and is working in partnership to deliver services where appropriate.
- 23 The Council is improving its approach to equalities. The Council is now in the process of securing external accreditation against Level 3 of the Equalities Standard for Local Government. Equalities Impact Assessments are used as a matter of course and are used in tandem with external reviews by voluntary groups to ensure proposed changes meet user's needs. The Council achieved Level 2 which remains the same as last year. Level 1 has been achieved by 13 per cent of councils with 56 per cent having achieved level 2 and 30 per cent have achieved level 3 or above, with 5 being the highest rating.
- 24 The Council is delivering a good planning service. All three speed of planning determination performance indicators are improving and ranked among the best performing councils. The percentage of planning appeals allowed is being reduced and the Council is ranked among the best performing Councils compared to below average last year.
- 25 The Council is performing poorly in some areas of corporate efficiency. Performance on the number of days lost through sickness has improved slightly but remains amongst the worst 25 per cent of councils. Performance on paying invoices has also declined to amongst the worst performing councils. The percentage of National Non Domestic Rate (NNDR) collected remains amongst the best performing councils.

Performance against priorities

Access to affordable and decent housing

- 26 The Council continued to perform well in 2007/08, with 77 per cent of housing PIs improving, and 53 per cent in the best 25 per cent of councils, compared with a district average of 33 per cent. This performance appears to be in line with its corporate priority of providing affordable housing to those in greatest need. Best performance was again achieved in housing management. The Council has also continued to improve its performance in the percentage of private sector homes vacant for six months or more; performance is now above average when compared with other councils.
- 27 The percentage of LA homes which were non decent (2 per cent) is improving and the Council is among the best performing councils. The number of non-LA-owned vacant dwellings returned to occupation or demolished during the year as a direct result of action by the authority is improved since last year but below the year before.
- 28 Runnymede is working in partnership with a housing association and leading developer on a Homebuy Direct initiative for 40 units in Addlestone, enabling new homes to be sold at reduced market values - a response to the market downturn in property prices and restricted mortgage lending.
- 29 The Council continues to improve access to affordable housing for vulnerable people. The Council in partnership with Elmbridge and Spelthorne councils has developed a joint project, 'Search Moves' to enhance its choice based lettings scheme to allow access to available housing options across the three areas. The Councils have standardised banding schemes and will launch the website in July 2009.
- 30 The Council is preventing homelessness by helping those threatened with losing their homes to enter the private rented sector. The Council's 'Rentstart' scheme provides a rent deposit bond to landlords who are willing to house tenants threatened with homelessness. The scheme also assists by managing the letting process including tenancy agreements so that landlords do not have to incur letting agency fees. Future funding of this project has been secured following an agreement with the local Citizens Advice Bureau.

Community safety

- 31 The Council's Crime and Disorder Reduction Partnership (CDRP) continued to build on previous success during the year. In the last three years crimes have reduced 21.3 per cent against the required Government target of 11 per cent. This is the best performance in Surrey and second in the whole of the South East Region. Best 25 per cent performance figures were noted for robberies, violence against a person and sexual offences. Crime was reduced across all categories but theft from a motor vehicle although reducing remains amongst the highest 25 per cent nationally.

How is Runnymede Council performing?

- 32 Working in partnership with the Runnymede Community Safety Partnership the Council is improving the CCTV system across the borough. Following the relocation of the control room to the new 24 x 7 CCTV monitoring centre within the new civic centre in May 2008 the partnership is introducing a text service to help residents contact the control room to access the assistance of the CCTV system. This replaces the existing help points in Chertsey, Addlestone and Egham town centres and car parks.
- 33 In line with the Council's priorities to increase access to transport services and improve community safety the Council has worked in partnership with rail operators to provide CCTV coverage of stations within the borough. This not only increases the feeling of safety but also encourages usage of trains by single travellers who in the past would not have used the stations due to a fear of personal safety.

Access to services and transport

- 34 Performance in 2007/08 in supporting vulnerable people through housing benefit is good. The Council is amongst the best performing council's nationally in dealing with new claims and has above average performance in dealing with changes in circumstances for 2007/08. Time taken to process new housing benefit and council tax claims was 19 days. Time taken to process a change in circumstances has increased to eight days from six days the previous year.
- 35 The Council has successfully delivered its new civic centre which houses all the Council's major services and co-locates its Safer Runnymede and CCTV control centre, with Addlestone Police station staff, together with a county library facility and as a direct consequence been able to secure a permanent home for the Citizens Advice Bureau.
- 36 The Council is tackling congestion across the borough. In partnership with the Runnymede Business Partnership it continues to provide a 'Yellow School Bus' scheme which provides dedicated bus services to four secondary schools for 500 children within the borough. This provides a safe means of transport and is reducing congestion and the number parents making the school run. The partnership has also provided 750 spaces in cycle shelters at schools and the university.

Sustainable community

- 37 Performance in the amount of waste recycled or composted has seen the Council improve from 18.6 to 23.3 per cent. This still remains amongst the lowest performing councils nationally. User satisfaction levels for this area of service are amongst the highest nationally (as measured in 2006/07). The amount of waste collected per head has decreased and the Council remains above average when compared with councils nationally. The cost of waste collection per household has increased but the cost of the service was amongst the cheapest 25 per cent of councils in 2007/08. The percentage of land littered to a significant or heavy extent has been reduced in the last year but remains amongst the worst 25 per cent when compared with other councils.
- 38 The Council has reorganised its refuse collection routes. This has enabled the Council to reduce the amount of fuel used by its collection fleet and to give ownership of a particular part of the borough to each crew. In addition this initiative has realised budgetary savings for the Council. The Council has also now passed 5000 subscribers to its kerbside green waste collection service.

Economic prosperity

- 39 In line with the Council's priority to create an environment where business can prosper, the Council is working in partnership with the Runnymede Business Partnership to promote the use of local business by local people. The Council administers the Loyalty Card Scheme to some 5,000 residents with offers, discounts and promotions at over 90 businesses within the borough.
- 40 The Council is using its strategic landholdings to secure improvements for the wider community. This has included specific planned improvements to assist business development in Egham which have seen town centre and retail improvements providing hotel and supermarket developments. The Council is also investing significant resources into attracting employers to the borough. Opportunities for young people
- 41 The Council ran its second youth festival during the summer of 2008. The festival attracted nearly 1000 young people, an increase from the 300 who attended the first festival. It provided a wide range of activities for the young people to take part in, including music from local bands, skateboarding demonstrations and a five a side football competition.
- 42 The Council is promoting leisure and culture for young people by providing a number of activities for children during school breaks. The Runnymede Open Access Recreation (ROAR) project is a new three-year project funded through the big lottery fund. It provides open access to activities in parks and open spaces for children between 5 and 13; this includes junk modelling, nature walks and fun days. All activities are provided free of charge.
- 43 The Council's 'Two Wards Project' has delivered improvements in two neighbourhoods with various issues such as long term ill health and educational under-attainment. Working with partners over the past three years improvements in housing conditions in the Wapshott and Bowes Road estates, the creation of a new town park. In addition proposals are in place for a new Health and Community Centre within Hythe and the creation of Children's Centres and teen shelter.

Promoting leisure and culture

- 44 The new civic centre development has led to increased use of the local library facility. Since the opening of the new facility in Addlestone the number of adult users has increased three fold and the number of junior users has increased six fold.
- 45 The Council is providing good quality green spaces. For the second year the Council has been awarded 'green flag' awards for being high quality green spaces for Victoria Park, Addlestone and Ottershaw Memorial Field. Both parks offer a wide range of facilities including bowling greens, play parks and paddling pools.

How is Runnymede Council performing?

- 46 The Council is working effectively in partnership with a number of organisations to develop facilities at a number of parks and open spaces across the borough. Following the award of grant funding, work has been completed at Truss Island where facilities for the whole community have been restored. This has included renewal of paths, benches, jetties and fishing platforms. The Council's play equipment renewal programme has delivered more challenging play equipment. At Virginia Water Park the Cabrera Avenue children's play area has been renewed providing new equipment including a climbing unit with slide, free rider swing and climbing wall. New adventure and toddler play areas and a Multi Use Games Area have been installed at Hythe Park, using external funding. Equipment has been replaced at Spring Rise, and new equipment and fencing has been installed at Manor Croft and Walton Leigh.

Healthy and vibrant community

- 47 The Council is encouraging healthy living to vulnerable groups. It runs a Healthy Living Club for the over 50's and a club for those with disabilities at Egham Leisure Centre. The clubs offer sports, exercise and dance classes. Some members are referred by the 'Fit for Life' exercise referral scheme run in partnership with local GP's. Which is aimed at, not only encouraging participation in exercise but also to provide education in helping prevent and manage some serious illnesses. Some of the participants also make use of the Council's dial-a-ride scheme to get to and from the club.
- 48 The Council is working in partnership with MEND to tackle childhood obesity. The Council and its partner is running a ten week course for seven to 13 year olds to teach them how to eat more healthily, improve their fitness and increase self esteem. Through funding from the big lottery fund the council will provide up to 12 places free of charge.
- 49 The Council is improving services for vulnerable people. The Council has recently re-launched the Runnymede handyman service in partnership with Woking Borough Council which helps fit minor aids and adaptations to help people live in the comfort and security of their own homes for as long as possible. Jobs around the home include putting up second stair rails or installing grab rails, making half steps at doorways and even changing light bulbs. Other tasks include installing keysafes for the Council's Careline service and can fit various detectors including smoke alarms linked to the Careline Service, also door chains, spy holes and changing locks.

What plans does the Council have for the future?

- 50 The Council has robust plans in place to drive continuous improvement. The Council has recently agreed its new Sustainable Community Strategy and Corporate Plan. The document called 'Runnymede Making a difference' clearly outlines the Council's aims and objectives for the next ten years. The Council's performance framework is based on the need to drive outcomes for people. The Council has a five-year financial forecast which considers all resource demands, this is supported by an Annual Pay and Workforce plan and Committee based Service Plans. All plans receive significant scrutiny from both senior officers and members.

How is Runnymede Council performing?

- 51 The Council has clearly identified priority national indicators in order to manage and monitor progress across its key priorities. It produces clear management reports to senior management and members which examine areas where delivery is not achieving its expectations.
- 52 The Council continues to consider all options for service delivery to ensure it has the capacity to deliver quality services. The Council is working with neighbouring councils - Elmbridge, Spelthorne and Surrey Heath to look at joint working in a number of areas. In licensing and building control the partners are sharing specialist expertise across boroughs rather than having to buy in skills individually. Strategic maintenance with Spelthorne has developed, along with depot and DSO areas such as vehicle and plant procurement. Opportunities are also being explored by the four authorities in Revenues and Internal Audit.
- 53 The Council is working with partners to manage the effects of the economic downturn. The Council has contributed to a cross county report helping local authorities understand the impacts and actions needed to manage service provision. Following the submission of this report a number of actions have been agreed. One example of this, is where practical, councils should bring forward capital programmes. Runnymede has brought forward the demolition of the old civic offices and police station sites, outline planning permission for 153 units is in place and a clear site with planning permission is likely to be far more marketable in the current climate.

Service inspections

- 54 There have been no service inspections in the period covered by this Annual Audit and Inspection Letter.

The audit of the accounts and value for money

- 55 KPMG your appointed auditor has reported separately to the Authority on the issues arising from our 2007/08 audit and has issued:
- an audit report, providing an unqualified opinion on your accounts and a conclusion on your vfm arrangements to say that these arrangements are adequate on 11 September 2008; and
 - a report on the Best Value Performance Plan confirming that the Plan has been audited.

Use of Resources

- 56 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).

57 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

Element	Assessment
Financial reporting	4 out of 4
Financial management	4 out of 4
Financial standing	4 out of 4
Internal control	3 out of 4
Value for money	3 out of 4
Overall assessment of the Audit Commission	4 out of 4

Note: 1 = lowest, 4 = highest

The key issues arising from the audit

- 58 We issued an unqualified opinion on the 2007/08 Accounts. Our audit work did not identify any significant issues. We identified three audit differences which were all adjusted by management. We also identified a number of very minor presentational issues. These were all amended by the Council and were not considered to be significant enough to warrant reporting on an individual basis.
- 59 We received a set of complete draft accounts prior to the commencement of the audit in accordance with our agreed timetable. Accounts were sent to us on 12 June 2008, in advance of our onsite work commenced on 23 June 2008 and the quality of supporting working papers provided to us was excellent.
- 60 The Authority has continued to ensure that its arrangements for the use of resources are robust and has retained a score of four (performing strongly) following the 2008 assessment. We have issued an unqualified opinion on the value for money conclusion.
- 61 The Authority was assessed as performing well with regards to the data quality assessment.
- 62 Looking forward the Authority is required to produce IFRS-based accounts from 2010/11, including the restatement of its 2009/10 accounts under the IFRS-based Code of Accounting Practice. The Authority should ensure it reviews which standards will have the biggest impact on its financial statements and gathers the necessary information to make any adjustments required. We will continue to work with officers in this area to provide assistance and support as appropriate.

Advice and Assistance work

- 63 We have not performed any advice or assistance work during the 2007/08 period.

Looking ahead

- 64 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.
- 65 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.
- 66 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.

Closing remarks

- 67 This letter has been discussed and agreed with the Chief Executive and Leader. A copy of the letter will be presented at the corporate management committee on 2 April 2009. Copies need to be provided to all Council members.
- 68 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.

Table 2 Reports issued

Report	Date of issue
Audit and inspection plan	March 2007
Interim audit memorandum	April 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Final accounts memorandum (ISA 260)	August 2008
Annual audit and inspection letter	March 2009

-
- 69 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.

Availability of this letter

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

Paul Chambers
Comprehensive Area Assessment Lead

March 2009

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.

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2009

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

www.audit-commission.gov.uk
