

# Annual Audit Letter

Stafford Borough Council

Audit 2008/09

December 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

**This report summarises the findings from our 2008/09 audit. It includes messages arising from the audit of your financial statements and the results of the work I have undertaken to assess your arrangements to secure value for money in your use of resources.**

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## Overview

- 1 The Council's finances have been under significant pressure over the last year. At one point during 2008/09, you were forecasting a potential deficit of £1.8 million by March 2009. The problem arose largely because of a significant drop in the Council's income from activities such as car parking and planning applications, caused by the recession, as well as higher demand for concessionary fares on bus services. You took firm action to control spending, but you still needed to use £0.5 million from your general reserves to close the budget gap. The severity of the recession will have a significant impact on public spending nationally. Therefore, looking ahead, you need to ensure that your medium term financial plans are much more robust, by planning for different scenarios and variations in income.
- 2 Some of your services perform well and provide good value for money, but some do not. One of your corporate priorities is to be considered a high performing council, and you therefore need to ensure this applies consistently across all your services. When you tendered for your new waste management contract you took steps to ensure that you would be getting good value for money. You did this by looking carefully at costs and performance and comparing these with other councils. As a result there has been a significant improvement in the borough's recycling rate over the last year, and an increase in public satisfaction with the service. However, you are not applying this rigorous approach to managing costs and performance across all of your services. Some of your key services, such as benefits and strategic housing, are underperforming and you need to address this.

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## Use of resources and value for money

- 3 This is the first year in which you have been assessed using the more demanding and more outcome focused approach for Use of Resources. As this is the first year of the new approach no comparisons can be made with previous years' scores. Overall for 2008/09 I assessed you as 'performing adequately' in your arrangements for Managing Finance, Governing the Business and Managing Resources.
- 4 I am required to use this work to help me conclude whether you put in place proper arrangements for securing economy, efficiency and effectiveness in your use of resources. This is known as the value for money conclusion. I issued a qualified value for money conclusion stating that you have adequate arrangements to secure economy, efficiency and effectiveness except in your arrangements to understand your costs and performance across all of your activities.

- 5 My overall conclusion is that whilst you can demonstrate value for money in some priority areas you do not know if this is the case across all of your services. You recognise that you need to get better and are starting to make some progress. Key areas for improvement include:
- ensure a robust and consistent approach to managing costs and performance across all services, to enable you to improve value for money in underperforming areas;
  - develop a strategic approach to commissioning, procuring and sharing services, that focuses on getting the best value for money;
  - strengthen medium term financial planning; and
  - develop a strategic approach to workforce planning.

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### Financial statements

- 6 I issued an audit report including an unqualified opinion on your financial statements on 29 September 2009. I am pleased to report that there has been a significant improvement in the production of the financial statements and in the working papers produced to support them.
- 7 I did not identify any material misstatements and management amended the non-material errors identified. Overall you have adequate arrangements for securing internal control. However, during the course of our audit work we brought to your attention a number of concerns in relation to concessionary fares, cash & bank and the completeness of invoices.

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### Shared working

- 8 Going forward, you are aware that you need to further streamline services. As a result of this you are currently discussing the potential to develop shared working with Cannock Chase District Council for the majority of corporate services as a minimum. You are also exploring the possibility of sharing front line services too, with consideration being given to a joint management structure at Head of Service level. You are aware that this is a longer term initiative but are clear that you will remain focused on providing high quality services in line with your strategic vision and the needs of the local population.

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### Inspections

- 9 The Audit Commission carried out an inspection of your strategic housing service in March 2009. It concluded that your strategic housing service is poor and has uncertain prospects for improvement. Access to the service is limited for many customers and the approach to diversity and equality is weak. Services for homeless people are poor, and the work to improve private sector housing conditions is ineffective. The track record of delivering improvements in the strategic housing service is weak.

## Key messages

- 10 There are some positive aspects of the service: there are clear plans to expand the supply of housing in the borough to meet local needs, services to women suffering from domestic violence are good, and performance management arrangements have been strengthened. In response to the recommendations in the inspection report, the Council has produced a plan for improving the service.
- 11 We have recently carried out an inspection of the Council's benefits service. This will be reported in early 2010.

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## Actions

- 12 I have highlighted areas for improvement where you may wish to ensure that implementation plans are put in place to address the matters raised.

# Organisational assessment and managing performance

- 13 A new output of the area assessment process is an Organisational Assessment which draws upon a Managing Performance element and the findings of auditors from their work on Use of Resources (UoR) and elsewhere. The Managing Performance and UoR assessments are combined to give an overall organisational assessment judgement for the Council.

**Table 1 Organisational assessment - performs adequately**

	Scored judgement
Managing performance (performs adequately)	2
Use of resources (performing adequately)	2

Description of scores

1. An organisation that does not meet minimum requirements, Performs Poorly
2. An organisation that meets only minimum requirements, Performs Adequately
3. An organisation that exceeds minimum requirements, Performs Well
4. An organisation that significantly exceeds minimum requirements, Performs Excellently

## Managing performance (performing adequately)

- 14 Overall, the Council is making good progress in some of the areas that are important to local people, such as recycling household waste and reducing crime and disorder. Overall, residents are positive about the quality of life in Stafford. However, the Council is not good at meeting the needs of all the different communities in the borough, and it has been slow to ensure that all of its priority services are performing at a good standard.

## Prosperity for all

- 15 You have a good track record of supporting business and jobs growth in the borough. This success has been recognised with an independent ‘Beacon’ award and additional money from the government. The Council has given some of this money to the Citizens Advice Bureau so that it can help local people who have been affected by the recession. The Council has also received additional money from the government to help it prepare for longer term housing growth in the borough.

## Organisational assessment and managing performance

- 16 However, some of the Council's services that support this priority are not performing well. Planning applications are taking a long time to process, which means that developments can sometimes be delayed. Stafford also takes longer than many other councils to process benefit claims, and this has been the case for some years. As a result, vulnerable people have to wait longer than they should before they receive their money, which can cause them significant difficulties. The Council is committed to improving these services but, at the time we carried out our assessment, it did not have clear plans for doing this.

### Cleaner, greener, safer communities

- 17 Crime levels in the borough are reducing, and have been for some years, and this is due in part to the Council working closely with the Police, Fire Service and other organisations. Burglaries and vehicle theft, in particular, have gone down significantly. Levels of anti-social behaviour have also declined and most residents say that they are not affected by anti-social behaviour. Residents are positive about quality of life in the borough – four out of five people express general satisfaction with their local area, and a similar proportion say that people from different backgrounds get on well together.
- 18 The proportion of household waste that the Council sends for recycling has significantly increased – more than half of household rubbish in the Borough is now recycled. As a result, public satisfaction with recycling has improved. The Council has also improved the performance of its street cleaning services, and although public satisfaction with street cleaning has declined it is still above average when compared with other parts of the country. The improvements in these services show that the Council has effectively taken on board the recommendations made in our inspection of environmental services in 2006. Victoria Park in Stafford has retained its Green Flag award (Green Flag is the national award for high environmental standards in parks and open spaces).

### Health and wellbeing

- 19 The Council has worked well with the NHS and other public sector bodies to set up a number of Signpost Centres in Stafford. These are community drop-in centres which are located in the more deprived neighbourhoods, where local people can access a range of support and advice to help them with things like getting back into work and improving their health. One Signpost Centre is already up and running on the Highfield Estate, and two new centres in other parts of Stafford have recently opened. It is too soon to say if these centres have been successful in achieving their aims, but the Highfield Centre already gets more than 800 visits a month from local residents. This partnership working between the Council and the NHS is helped by having some health service staff located in the Council offices, working alongside Council staff.

- 20** The Council's new leisure centre in Stafford opened earlier this year, and many more people are now using the facilities there compared to the old leisure centre. Public sector organisations across Staffordshire have agreed that one of the issues they need to tackle is obesity amongst primary school children. The Primary Care Trust (PCT) is working with Stafford Borough Council to fund a junior gym at the leisure centre in Stafford, which is aimed at helping overweight children to be more active and healthy. The Council already provides free swimming to under 16s throughout the year, as well as promoting a range of other sport activities for children. The Council and PCT are also reviewing the various schemes they have in place to promote healthy weight, to see if there is more they could be doing.
- 21** There are clear plans to expand the supply of housing to meet the needs of local people and those moving into the area, and the Council exceeded its target for building new affordable homes last year. However, there are aspects of the Council's housing service which are not meeting the needs of local people. Services for homeless people are poor, it is difficult for people in the more rural parts of the borough to access housing services, and work to improve the conditions of privately-owned houses is not effective.

### Leading and delivering for our community

- 22** Although housing services can be difficult for some people to access, the Council has improved public access to its services in other areas. It has a telephone contact centre which is able to deal with a wide range of enquiries. The contact centre receives over 50,000 calls a year and most of these enquiries are dealt with there and then without having to pass callers on to other people.
- 23** However, the Council has not done very much to ensure that services meet the needs of all the different communities in the borough and it still scores low on the Equality Standard for Local Government.

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### Strategic housing inspection

- 24** We carried out an inspection of your strategic housing service in March 2009. It concluded that your strategic housing service is poor and has uncertain prospects for improvement. Access to the service is limited for many customers. Its one office location is only open during 'traditional' office hours and out of hours arrangements are poorly advertised. There are no specific service standards for services and the complaints process cannot be used to drive service improvement. Poor promotion of some services means that service delivery is not fair and open. The approach to equality and diversity is weak. The Council does not have a clear understanding of community needs. There are gaps in knowledge about some housing needs and significant gaps and weaknesses in the Council's strategic plans for dealing with housing issues.

## Organisational assessment and managing performance

- 25 Services for homeless people achieve a low level of preventions, are poorly coordinated, lack adequate accommodation and a formal protocol for dealing with vulnerable young people. The work to improve private sector housing conditions is ineffective with a low level of help for those in poor housing conditions and with few empty properties being brought back into use. The service to help disabled people live independently in their homes has improved recently but is still poor. The Council has a poor understanding of how the costs of its strategic housing service compare to other providers and the approach to providing value for money is undeveloped.
- 26 There are some more positive aspects of the service. Up to date information on housing needs, the condition of the privately owned housing stock and the accommodation needs of gypsies and travellers provide good information for planning services. There are clear plans to expand the supply of housing to meet the needs of local people and those moving into the area. The Council has a strong track record in delivering housing and achieved the provision of more affordable housing in 2008/09 than its target. There are good services available to help women who are suffering from domestic violence and an effective approach to ensuring decent and safe standards in privately rented housing.
- 27 Prospects for improvement are uncertain. There is a positive approach to culture change in the Council towards a more inclusive approach with a focus on performance management. There is clarity about what the service is trying to achieve and of weaknesses that need to be addressed. Plans are well developed and provide a good framework for the service and the profile of the service within the Council has improved. The Council has protected the service from revenue savings that it is making elsewhere, and has sought to maximise the capacity of the organisation within existing resources. Strong progress has been made in meeting the Council's overall housing targets.
- 28 However, the overall track record of delivering improvements in the strategic housing service is weak and little progress has been made in key areas of access and customer care, diversity and value for money. Capacity issues mean that there is a degree of risk around delivering policy and programmes and there are weaknesses in operational leadership.

# Value for money and use of resources

I considered how well Stafford Borough Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people, and gave a scored use of resources judgement.

I also assessed whether the Council put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

## Use of resources judgements

- 29** This is the first year of the new Use of Resources (UoR) Key Lines of Enquiry (KLOE). These are more broadly based than previously and embrace wider resource issues such as people and workforce planning. The KLOEs are now focussed around three themes: managing finances, governing the business and managing resources. They focus more on value for money achievements, outputs and outcomes rather than on processes, and are therefore more strategic and less criteria driven.
- 30** In forming my scored use of resources judgements, I have used the methodology set out in the use of resources framework. Judgements have been made for each key line of enquiry (KLOE) using the Audit Commission's current four point scale from 1 to 4, with 4 being the highest. Level 1 represents a failure to meet the minimum requirements at level 2.
- 31** Overall for 2008/09 I assessed the Council as 'performing adequately' (Level 2) in its arrangements for Managing Finances, Governing the Business and Managing Resources. My conclusions on each of the areas are set out in Appendix 1.

**Table 2 Use of resources theme scores**

Use of resources theme	Scored judgement
<b>Managing finances</b> How effectively does the organisation manage its finances to deliver value for money?	2
<b>Governing the business</b> How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for local people?	2
<b>Managing resources</b> How well does the organisation manage its natural resources, physical assets, and people to meet current and future needs and deliver value for money?	2

### Overview

- 32** With its finances under significant pressure the Council took action last year to restrict spending and identify efficiency savings. This has enabled the Council to keep levels of council tax below average, but whilst it can demonstrate value for money in some priority areas the Council does not know if this is the case across all of its services.
- 33** When it tendered for its new waste collection contract, the Council took steps to ensure that it was getting good value for money from this contract. It did this by looking carefully at costs and performance, and how these compared to other councils. The Council has not applied this approach to its other services, so it does not always know if it is getting good value for money. It recognises it needs to get better here and is starting to make some progress.

### Managing finances

- 34** The Council faces significant financial pressures over the medium term. It had to close a large gap in its 2008/09 budget through a combination of stopping spending and taking its working balances down to their prudent minimum level. Underlying sound budget management has enabled the Council to respond to this crisis with a plan to make significant further savings in 2009/10, and the 2009/10 budget is balanced. There are significant levels of earmarked reserves, although these have not yet been systematically reviewed to assess their contribution to corporate priorities. Significant weaknesses in the Council's understanding and use of cost data has led to slow progress in tackling areas of weak value for money (VFM), although there are some service areas where VFM has been actively addressed and improved. The council has a good track record of delivering efficiency savings. The quality of financial reporting has improved, although there are some shortcomings in the quality of public reporting.

### Governing the business

- 35** Arrangements for commissioning and procuring services are adequate. Partnership working has resulted in good outcomes in some areas, but strategic joint commissioning with partner organisations is underdeveloped. Approaches to diversity and equality are also underdeveloped. The Council is exploring options for shared services with Cannock Chase District Council, but this is at a very early stage. Data quality arrangements are effective. The council has strengthened its performance management arrangements, and its performance culture, but it does not have a consistent track record of improving underperforming services. Governance arrangements are generally sound, with recent improvements to partnership governance. Internal control and risk management arrangements are also sound.

### Managing resources

- 36** The Council has taken a number of steps to ensure it has a productive and skilled workforce, but it does not undertake workforce planning in a planned or systematic way. It has improved the way it supports staff through organisational change. It has a wide range of policies in place to support more effective people management, and sickness absence is actively managed, although sickness levels have recently increased sharply in a number of service areas. Flexible working arrangements are basic - developments here await the introduction of Single Status. Performance on staff equality indicators has been mixed.

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### VFM conclusion

- 37** I assessed your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources KLOE are the relevant criteria for the VFM conclusion at each type of audited body. My conclusions on each of the areas are set out in Appendix 1.
- 38** I issued a qualified conclusion stating that Stafford Borough Council had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources except that it did not put in place adequate arrangements for a sound understanding of its costs and performance and did not achieve efficiencies in its activities.

# Financial statements and annual governance statement

**Stafford Borough Council's financial statements and annual governance statement are an important means by which the Council accounts for its stewardship of public funds.**

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## Audit opinion

**39** I issued an unqualified opinion on the Council's accounts on 29 September 2009. In my opinion the accounts presented fairly the Council's position and its income and expenditure for the year.

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## Significant issues arising from the audit

- 40** Your accounts were prepared to a good standard and were approved properly. However, following the completion of the audit there was a delay in publishing the accounts on the council's website. The accounts were not available on the website until 2 November 2009. You should ensure that future years' accounts are published on its website promptly.
- 41** Your Finance Team undertook considerable work to improve the production of the accounts including the working papers that support them. I was pleased to note a significant improvement in the supporting working papers which helped me to deliver my audit.
- 42** Your accounts meet the minimum requirements of the Statement of Recommended Practice but there are a number of statements and disclosures where further clarification or additional information would have aided the reader of the accounts. The introduction of international financial reporting standards (IFRS) will also increase the number and nature of disclosures in the accounts.
- 43** You have retained a significant balance of earmarked reserves for a number of years (rising from £6.4 million to £6.9 million over the past three years). Given the current economic conditions and the level of the council's general fund reserve you should review these reserves to ensure that there are clear plans in place for their use or move them into the general fund.
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## Material weaknesses in internal control

- 44** Overall the council has in place adequate arrangements for securing internal control. However during the course of my audit I noted a number of weaknesses that I reported in my Annual Governance Report.
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### Concessionary fares

- 45 Your accounts include approximately £2 million of expenditure on the concessionary fares scheme. The scheme is administered on your behalf by Staffordshire County Council who invoice you quarterly. These invoices are authorised in line with your Standing Orders, Financial Instructions and Scheme of Delegation. However, you have not received any assurance that Staffordshire County Council has administered the scheme appropriately.

### Bank and cash

- 46 As well as your main Barclays bank account you hold bank accounts with various institutions. Other than the main account there are no separate ledger codes or bank reconciliations performed.
- 47 Included in your bank reconciliation were cheques totalling £104k that had not been presented and were over six months old. You need to undertake regular reviews of cheques to determine if they are still required or can be written-off.

### Completeness of invoices

- 48 One of my key audit considerations is the completeness of expenditure i.e. have all transactions and events that should have been recorded actually been recorded. When undertaking a review of the completeness of expenditure I noted that you do not hold a listing of all invoices received.
- 49 Invoices are received at various authority sites but are only registered on your purchase ledger system when they are received in finance for payment. This raises the risk that invoices will have been received by you but not included in the accounts.
- 50 My testing of payments after the year end did not identify any errors and I was satisfied that there were no material transactions omitted. I understand that the new document management system will have the facility to register invoices when they are received by the Council.

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### Financial standing

- 51 The last year has seen the country enter a significant economic recession. The consequence locally is an increasing demand for public services and the likelihood of reduced levels of central government funding. Together, these provide a significant challenge for local councils as they seek to continue to provide services to local residents, whilst maintaining a sound financial position.
- 52 The Council reported net operating expenditure for the year of £26.679 million and an overall deficit of £530,000. This was met from the general fund balance which reduced to a balance of £1.0 million.

## Financial statements and annual governance statement

- 53** The Council is being affected by the economic downturn, which is likely to impact adversely on future income collection. There is also likely to be an increase in the level of applications for benefits being made, placing pressure on the benefits service and providing higher levels of eligible claims. Together these provide a significant challenge for the Council as it seeks to continue to provide services to local residents, whilst maintaining a sound financial position.
- 54** The Council has recognised these pressures in its medium term financial strategy and is monitoring its financial position closely. The budget monitoring up to the end of October 2009 highlights that this position is being contained with a favourable variance of 0.6 per cent from budget and I will continue to monitor its financial position.

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### Treasury management

- 55** In October 2008, a number of Icelandic banks went into administration. A large number of councils and other public bodies were directly affected by the collapse of the Icelandic institutions. The Council was alerted to the risks associated with these banks and changed their investment practices proactively, ensuring that they did not have any monies invested in any Icelandic banks at the time of their collapse.
- 56** The Council invests almost entirely in UK banks and building societies for periods less than one year.
- 57** We have undertaken an overview of the Council's treasury management arrangements. The Council has continued to review its Treasury Management policies in order to ensure this area of activity is controlled and to avoid exposure to any unacceptable levels of risk in the future.

### International Financial Reporting Standards (IFRS)

- 58** Looking forwards, in 2010/11 in line with other areas of the public sector, the basis of the Council's financial statements will change from UK GAAP (Generally Accepted Accounting Principles to International Financial Reporting Standards (IFRS). This will require the restatement of the balance sheet at 1 April 2009 to an IFRS basis to provide comparative information.
- 59** You have a project plan for the implementation of IFRS which is overseen by a steering group of members and officers from across the Council. Progress against the project plan is reported to each meeting of the Audit and Accounts Committee.
- 60** The project plan has identified the most significant issues as being leases and property plant and equipment. The Council has recognised that certain information required to produce IFRS compliant accounts is not available from current systems and has appointed external advisors to provide guidance. It is important that the Council clarifies its position with a view to restating its balance sheet at 1 April 2009.

### Whole of Government Accounts

- 61 The Whole of Government Accounts (WGA) cover approximately 1,300 separate bodies. They aim to provide commercial-style accounts for the public sector and are prepared by the Treasury.
- 62 To support these accounts, I am required to submit a consolidation pack which summarises the Council's financial statements in a consistent way with all other Local Government bodies.
- 63 I submitted this consolidation pack with a statement confirming that it was consistent with the Council's audited financial statements on 29 September 2009.

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### National fraud initiative

- 64 The Council participates in the National Fraud Initiative. This is a national exercise that matches electronic data within and between audited bodies to prevent and detect fraud including police authorities, local probation boards and fire and rescue authorities as well as local councils.
- 65 I reviewed the Council's progress in relation to investigating the matches identified. The Council had commenced work on a number of the matches reported, but I noted that work had yet to commence in one area relating to creditors, where a significant proportion of matches had been reported. In the matches that had been investigated no material frauds were identified. Work is on-going to address the remaining matches.

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### Looking forward

- 66 Looking towards 2010/11, in line with other areas of the public sector the basis of the Council's financial statements will change from being on UK GAAP (Generally Accepted Accounting Principles) to IFRS (International Financial Reporting Standards).
- 67 I have monitored your progress on this and am satisfied that you are on track to meet these challenges. You have set up a project team and have a clear timeline and have conducted a risk assessment. I have been engaged with your initial preparations and will continue to work alongside you to ensure a successful transition.

# Closing remarks

## Audit and Inspection fees

68 The audit fees are reported below with proposed and actual figures included. The inspection fee is additional to the annual audit fee. All fees were agreed with the Council prior to commencing any work. The proposed and actual fees are reported in detail within Table 3.

**Table 3**      **Audit and inspection fees**

	<b>Actual</b>	<b>Proposed</b>	<b>Variance</b>
Financial statements and annual governance statement	£84,846	£84,846	£0
Value for money	£31,026	£31,026	£0
<b>Total audit fees</b>	<b>£115,872</b>	<b>£115,872</b>	<b>£0</b>
Comprehensive Area Assessment	£5,972	£5,972	£0
Strategic Housing Services Inspection	£6,720	£6,720	£0
<b>Total</b>	<b>£129,564</b>	<b>£129,564</b>	<b>£0</b>

69 I have discussed and agreed this letter with the Chief Executive and the Deputy Chief Executive. I will present this letter at the Audit Committee on 20 January 2010.

70 Further detailed findings, conclusions and recommendations in the areas covered by our audit are included in the reports issued to the Council during the year.

**Table 4**

<b>Report</b>	<b>Date issued</b>
Audit Plan	May 2008
Opinion Audit Plan	December 2008
Strategic Housing Inspection	July 2009
Report to Those Charged with Governance (Annual Governance Report)	September 2009
Opinion on the accounts	September 2009

Report	Date issued
Value for Money Conclusion	September 2009
Annual Audit Letter	December 2009
Organisational Assessment	December 2009

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### Independence

- 71 I can confirm that the audit has been carried out in accordance with the Audit Commission's policies on integrity, objectivity and independence.
- 72 The Council has taken a positive and constructive approach to our audit. I wish to thank the Council staff for their support and co-operation during the audit.

Grant Patterson  
District Auditor  
December 2009

# Comprehensive Area Assessment for Staffordshire

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**73** Comprehensive Area Assessment (CAA) is a new way of assessing local public services in England. It examines how well local government and other public bodies work together to meet the needs of the people they serve. The results of these assessments have been made available from December 2009 on the Audit Commission's Oneplace website ([www.audit-commission.gov.uk/caa](http://www.audit-commission.gov.uk/caa)).

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## Comprehensive Area Assessment

- 74** For the first time, local public services will be held collectively to account for their impact on better local outcomes. CAA provides a mechanism to ensure that the needs of the local population are met through agencies working closely together to deliver improved outcomes.
- 75** The area assessment takes the single tier and county council boundary as the starting point and will focus on the prospects for better outcomes (including health outcomes) for the people living in that area. The review will draw on a range of sources of evidence and will carry out additional investigation where analysis highlights this is necessary. This could involve any of the partners.
- 76** As part of the approach to CAA new key lines of enquiry (KLOE) have been developed together with a new approach to Use of Resources (UoR) judgements. These judgements are broader than previously and have been applied consistently across all sectors. The CAA Lead has been discussing emerging findings with public sector bodies in Staffordshire as part of this process. The full findings are published on the Audit Commission's OnePlace website but the high level themes that Stafford Borough Council will be involved in as an active partner are as follows.
- A protected, enhanced and respected environment
    - Most of Staffordshire is clean and well kept. Recycling levels are very high. The access to some services such as hospitals has improved. But people are not as satisfied with the bus service or information about it. There are more conservation areas and there is a well-used website to help people reduce carbon dioxide emissions.

- A vibrant, prosperous and sustainable economy
  - The recession hit Staffordshire hard with more jobs lost than anywhere else in the West Midlands. But this was from a relatively strong base. And between May and July 2009 the number of people out of work and claiming benefits has gone down. Increasing skills and the number of jobs is a clear priority and there has been some success in doing this. New jobs have been attracted to the county. But in the parts of the county where unemployment is higher, educational attainment is weaker. The partnership is working hard to close the gap but it is a long term issue requiring a stronger locality approach. First time entrants to the youth justice system have decreased. The housing needs of the growing population are not being met by new building, especially for the over 65s.
- Improved health and sense of well being
  - There are big differences in the health of people across the county. It is good that less people die from stroke, heart disease, cancer and smoking compared with other parts of the country. Children in Staffordshire have a better standard of dental health and fewer women smoke when pregnant. But adult obesity is an issue across all of the districts. Child obesity is increasing and is a particular issue in Staffordshire Moorlands. While the number of teenagers becoming pregnant is below the national average for the county as a whole, it is much higher in parts of Cannock Chase and Tamworth.
- Strong, safe and cohesive communities
  - Crime levels in Staffordshire have fallen. The County Council, district councils, fire and rescue service and Police are working well together to reduce crime and antisocial behaviour. Improvements are likely to continue. But the problem varies across Staffordshire. Anti-social behaviour is seen as a big problem in Cannock Chase and Tamworth. Districts and local partners are working to address this. Fires have reduced. Road traffic accidents are reducing. Over three quarters of people feel that different communities get on well together in Staffordshire, though the figure is lower in Cannock Chase and Tamworth. Generally, surveys show that the partnership has some way to go to strengthen the involvement of local people in their local community. Children in care and vulnerable adults supported by local councils are being adequately protected.

### Key areas of focus in 2010

- 77** Following this year's area assessment for Staffordshire, in the coming year the inspectorate bodies are likely to be focussing particularly on how the issue of inequalities within the county are being tackled. This work will focus particularly on addressing the health inequalities across Staffordshire.
- 78** We will also continue to closely monitor how the changing housing needs across the county are being met, particularly in the light of the forecasted increase in the elderly population.

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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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