

# Annual Audit and Inspection Letter

Dartford Borough 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 members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any member or officer in their individual capacity; or
  - any third party.
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# Key messages

- 1 The Council has delivered improvements across the majority of its priority areas this year. There has been sustained progress in the delivery of its broad regeneration agenda. Opportunities for participating in sporting, cultural and leisure activities have increased as a result of new and improved facilities. Crime overall has reduced, streets are cleaner and environmental improvements to the Town Centre have improved the quality of the street scene.
- 2 The Council continues to make good use of its resources, sustaining level 3 (out of a possible 4) rating, as measured by the comprehensive performance assessment (CPA). Sixty three per cent of authorities achieved this level of performance in 2008. The Council provides good value for money.
- 3 The Council continues to have strong arrangements in place for financial reporting. Financial standing arrangements improved this year, achieving the highest rating (level 4). Dartford was one of only 12 district Councils across the country to have achieved this high level of performance in 2008. Internal control and governance arrangements were graded at level 3, as in the prior year. Within this theme, the Council scored a level 4 on its probity arrangements. Its procedures for assessing risk management in partnerships were developing well.
- 4 Access to services is improving, but the approach to diversity is not fully effective and the quality of equality impact assessments is inconsistent.
- 5 Whilst action has been taken to address previous mixed performance in relation to key planning performance indicators, this has not yet delivered consistent improved performance across the service. In other previously underperforming areas such as recycling, whilst rates have doubled, the amount of waste recycled falls short of the local target and remains below the national average.
- 6 An improved coherent strategic planning framework is now in place, and there has been good progress in delivering the objectives for 2007/08. Capacity to deliver its priorities is being enhanced and the Council makes good use of external funding. But plans to tackle health inequalities are at an earlier stage in development, and demonstrating impacts from current initiatives is less clear.

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## Action needed by the Council

- 7 Whilst aspects of planning performance have improved, this is not yet consistent and sustained across the full service. Continued monitoring of the pace of improvement across the whole service is needed.
- 8 The Council should strengthen its approach to diversity and in particular the quality and consistency of equality impact assessments. This will ensure that there is a clear understanding of the impact of the Council's services on its diverse communities.

- 9 Developing outcome focussed plans to reduce health inequalities, in partnership with others, is essential to ensuring the Council can measure whether its activities are making a difference. The progress and the quality of these developing plans should be monitored.
- 10 As an ongoing issue, the Council should continue to strengthen its arrangements for managing risks in partnerships in which it is involved.

# 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](http://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 Dartford Council performing?

17 Dartford Borough Council was assessed as 'Good' in the Comprehensive Performance Assessment carried out in 2004. 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

### Performance overview

- 18 In 2007/08, 53 per cent of the Council's key performance indicators (PIs) improved, which is below the average rate for district councils (56.9 to 59.1 per cent). The Council has 22 per cent of its key PIs in the best 25 per cent of councils, fewer than the average for district councils of 33 per cent.
- 19 The Council developed a revised set of corporate priorities in April 2008, and these are reflected in both the Corporate Plan 2008/11 and the Dartford and Gravesham Sustainable Community Strategy. The five themes are: economic development; health and well being; safer communities; environment and transport; and housing and stronger communities.
- 20 The Council's Corporate Plan also includes an additional theme of a Council performing strongly. We have amalgamated performance against the 2007/08 objectives under the new theme headings in the proceeding paragraphs.

## How is Dartford Council performing?

### Economic Development

- 21** The Council has made sustained progress in the delivery of its broad regeneration agenda. Following widespread consultations, delivery action plans are in place for the Dartford Town Centre Area Action Plan and the Local Development Framework Core Strategy. £1.5 million of town centre environmental improvements has been delivered and the successful promotion of the Saturday Market has resulted in 95 per cent occupancy. In addition, 25 companies are now based in the iLAB at the Innovation Centre at The Bridge, and over £620,000 of Urban Communities and Local Government (CLG) projects have been delivered in the first quarter of 2008. The percentage of the economically active population in employment has increased, but has fallen short of the Council's target. Work on the Learning and Community Campus at the Bridge commenced on the site in autumn 2008, which will include provision for enhanced community facilities as a result of previous negotiations by the Council and its partners. Such initiatives support the delivery of the regeneration benefits for existing and new communities.

### Health and Well Being

- 22** The Council has delivered a range of community outcomes in line with its broad priority of wellbeing, but its plans to address health inequalities are at an earlier stage. It has successfully submitted three venues for the Pre-Training Camp Guide for the 2012 Olympics and two venues for the Paralympics Training Camp Guide. The golf course at Princes Park has been re-modelled and a new Outdoor Bowls green and pavilion at Stone Lodge have been constructed, all contributing to increasing opportunities for participating in sporting, cultural and leisure activities. 95 per cent of residents are now within 20 minutes of three sports. The final delivery phase of the £1 million project on the Darenth Valley Path has been initiated, which will improve access to open spaces from the Town Centre. In 2008, the Council also upgraded two children's play areas and secured a bid for over £200,000 of Children's Play resources from the Lottery. Attendance at the annual Dartford Festival and Summer Sizzlers Programme increased and whilst there were fewer performances staged at the Orchard Theatre in 2007/08 than the previous year, an increased financial contribution per performance was achieved.
- 23** The Council is in the process of recruiting two officers to work with West Kent Primary Care Trust to help address issues such as obesity and health inequalities. In September 2008, the Council set up a group to review health inequality in the Borough and a work programme is being developed. These initiatives are providing opportunities for more people to improve their quality of life.

### Safer Communities

- 24 The Council is working effectively with partners to reduce crime and anti social behaviour (ASB), but levels of crime and fear of crime remain higher than other similar areas. Overall crime in Dartford has reduced by almost 12 per cent in 2007/08, but North Kent still suffers higher crime rates than elsewhere in the county. While key crime indicators show performance to be improving, levels remain worse than average, driven in part, by proximity to London.
- 25 The Council's joint Crime and Disorder Reduction Partnership (CDRP) with Gravesham has been recognised by the Home Office as resulting in improvement, and the Council's Public Safety Unit<sup>1</sup> (PSU), has been recognised as best practice. Other initiatives to reduce ASB and fear of crime in parks and open spaces include a team of park rangers and an additional Designated Public Place Order specifically for Central Park. The Council's 'Grabacab' scheme has continued to be recognised as reducing late night crime, and the 'Business Crime Reduction Scheme' has been extended to include Swanscombe and Greenhithe. Whilst these initiatives are making positive contributions, more than the average percentage of residents still do not feel safe at night or during the day when compared to similar areas.

### Environment and Transport

- 26 The Council is improving the levels of waste it collects and recycles, but its performance remains worse than average, when compared to other councils. The Council is participating in the Joint Waste Management Committee for Kent and began a waste minimisation and quality recycling campaign in November 2008. Improvements to recycling services have resulted in a doubling of recycling rates to 24 per cent. However, this falls short of the local recycling target of 30 per cent. The cost of waste collection is in the lowest 25 per cent of councils. Streets are cleaner as a result of improved street cleansing practices and the Deep Clean programme is continuing, with greater community involvement. The percentage of littered land is now lower than average (a positive) and improving, and levels of fly-posting are in the best 25 per cent of councils, but the level of graffiti is in the worst 25 per cent.
- 27 The Council has introduced innovative sustainable transport initiatives. The Fastrack Bus Route Phase 1, introduced in 2007, has achieved weekly usage levels in excess of 8,000 passengers and has won a number of national awards, including the ITS UK Award for Excellence 2008 for overturning perception and experience of bus services. The Council led the initiative to establish a Kent Thameside Strategic Transport Tariff and has secured commitments of approximately £3.5 million to October 2008. A £100,000 grant has been secured from Sustrans by the Council to improve pedestrian and cycling access to and from schools in the Town Centre.

### Housing and Stronger Communities

- 28 The Council has made good progress to deliver affordable housing. It delivered 186 affordable housing units in 2007/08 and performance was in the best 25 per cent of Councils.

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<sup>1</sup> Co-located teams of Council, Police and other partners working to tackle crime, fear of crime and ASB

## How is Dartford Council performing?

**29** The Council's Strategic Housing Service was assessed as 'fair' with 'promising prospects for improvement' by the Audit Commission in 2008. The inspection found that most service users had easy access to the Service. Housing support for vulnerable people was being delivered through joint working with strong support for victims of domestic violence. There was a good understanding of housing needs and markets to inform housing policies. The homelessness service had made significant progress in preventing homelessness. The regulation of conditions in the private rented sector was effective and there was an effective approach to improving the energy efficiency of the housing stock. However, the Service lacked a consistent approach to customer care. The approach to diversity was weak. Some key housing strategies were time-expired. The current range of home improvement products was limited and did not ensure that resources were targeted at homes in the worst condition. Disabled people had to wait too long for help to adapt their homes and empty private sector homes were not being tackled effectively. The inspection also found that the current mix and types of housing delivered may not meet the needs of the community.

### A Council Performing Strongly

- 30** The Council is improving access to services. A significant 93 per cent of contacts handled by the Customer Contact Centre are dealt with at first point of contact. Recent additions to the Contact Centre include Development Control and Building Control enquiries. The Council has implemented a customer queuing system, and extended the use of the Customer Relationship Management (CRM) system so that customer transaction details are captured across a wider range of services. But in some service areas such as housing benefits, whilst the time taken to process housing benefit claims is better than average at 23 days, the number of cases processed correctly and the time taken to process changes to housing benefit is in the worst 25 per cent of Councils. Issues around staff capacity have recently been addressed. Broader access to a wider variety of services continues to be supported, through some £250,000 of grant aid to voluntary and community group in 2008.
- 31** The Council has taken action to address its mixed performance in relation to key planning performance indicators, but this has yet to make a full impact. The percentage of major planning applications processed within government targets is better than average and improving, but time taken to process minor and other applications is in the worst 25 per cent of councils. The percentage of appeals allowed is also in the worst 25 per cent of councils and deteriorating. The Service met only one of five performance targets in 2007/08, and local quarter two targets (up to September 2008) have not been met. The Council has made a number of improvements, including widening the delegation scheme in June 2008, but it is too early to see outcomes from these.

- 32** The Council's approach to diversity overall is not fully effective. While the Council has self assessed at level 3 of the Equality Standard - there are shortfalls in the quality of equality impact assessments; gaps in high-level diversity plans; and a lack of robust monitoring. It is developing an equalities action plan and consultation and engagement strategy to ensure a comprehensive approach. The Council has made effective use of DisabledGo to undertake a study of local organisations and publish information regarding Disability Discrimination Act compliance so that people with disabilities can access services. Progress against its Youth Plan targets has been slow, missing the target to deliver half of them in 2007/08. However the Council has involved the Youth Council (DYC), alongside the Council's Elders Forum, in service consultations to capture wider community input and influence policy development. For example, The DYC was consulted by the Planning Policy Team to identify specific issues and needs for younger people as part of the town centre action plan and the borough's core strategy options.
- 33** The Council performs well in delivering Value for Money. It has achieved a score of 3 in the Use of Resources Assessment and secured £3 million efficiency savings over the last three years. It is in the process of strengthening its procurement process and practices.

### Progress in implementing improvement plans to sustain future improvement

- 34** The Council has improved the linkages between its corporate and other key strategic plans, and developed priorities which are focussed on outcomes for local people. A full review of priorities has ensured clear alignment between the priorities and targets in the Kent Local Area Agreement; those in the Dartford and Gravesham Sustainable Community Strategy; and the Corporate Plan 2008/11. Other key planning documents, such as the LDF Core Strategy and Dartford Town Centre Area Action Plans are also aligned to the Community Strategy and KA2. The Council's performance management system is the process of being utilised to monitor progress of the Local Strategic Partnership (LSP). These improvements ensure a clear coherent planning framework in place to guide future delivery of the Council's priorities.
- 35** The Council has made good progress in delivering its objectives in 2007/08. Seventy-seven per cent of its key targets were achieved in 2007/08. The review of Data Quality by external Auditors, found the Council to be performing well.
- 36** The Council is enhancing its capacity to deliver its priorities. The Council has attracted significant external funding from a number of sources. It has collaborated with other Kent Council Customer Services Sections to introduce a recruitment framework with periodic assessment centres supported by colleagues from neighbouring councils. It has introduced a shared management post for Environmental Health and Audit with Sevenoaks District Council, thus reducing costs. The Council is part of the Kent-Wide/PFI project which has commenced the building of a new extra care and learning disabled unit for the elderly in Wilmington where it has made a small contribution towards the development cost allowing the Council shared use of units. The Council outsourced its payroll in April 2008, following outsourcing of HR in 2007, resulting in a saving of £60,000 per annum.

## How is Dartford Council performing?

- 37** Whilst the Council has made prudent investments, reductions in income from key services as a result of the economic downturn will result in an overall budget shortfall. Income from key services such as planning and parking has reduced and there have been more defaults on business rates. In addition the level of council tax collected, adjusted for deprivation, is below average, but improving. An overall projected budget shortfall of approximately £1 million in the General Fund is being addressed in the 2009/10 budget. Further long term savings will be required in future years and plans are being developed.
- 38** There are no weaknesses in corporate governance that would impact on the delivery of further continuous improvement.

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### Service inspections

- 39** The Council's strategic housing service was assessed as being a 'fair' one star service with 'promising prospects for improvement'. A summary of the inspection report is contained within direction of travel section of this audit and inspection letter. A full copy of the inspection report can be accessed via the Audit Commission's website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk).

# The audit of the accounts and value for money

- 40 Your appointed auditor has reported separately to the Audit Board 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 30 September 2008; and
  - a report on the Best Value Performance Plan confirming that the Plan has been audited.

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## Use of Resources

- 41 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).
- 42 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	3 out of 4
Financial management	3 out of 4
Financial standing	4 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

- 43 The key issues arising from the audit, as reflected in the above judgements where appropriate, are as follows.
- 44 The Council continues to have strong arrangements in place for financial reporting, which includes the production and reporting of its statement of accounts. The Council has the scope to achieve the highest score by avoiding errors in draft accounts.
- 45 Financial management arrangements (including financial strategy, budgetary control and asset management) remain strong. The Council's annual budget and financial strategy provide solid basis for its detailed financial management processes such as monthly budget monitoring and variance reporting.
- 46 The Council's financial standing arrangements are also strong and achieved the highest score this year. The process for dealing with housing rent arrears was recognised as good practice.
- 47 The Council's internal control and governance arrangements were graded at level 3, as in the prior year. Within this theme, the Council scored a level 4 on its probity arrangements. It was in the process of strengthening its arrangements for assessing the key risks arising from partnership working and it has continued to develop its approach to this issue during 2008/09.
- 48 The Council's value for money arrangements were assessed at level 3, an improvement on last year. We noted in particular that the Council is a low cost council which has performed well against its corporate priorities. It has invested effectively in service improvement despite having modest reserves and relatively low levels of external funding.
- 49 The Council has a good track record of achieving efficiency gains and its process of service reviews, undertaken by the Quality Services Committee, has demonstrated that it seeks continual improvement in service delivery.

### Data quality

- 50 Our work on data quality was conducted over three stages.

- Management arrangements - an overarching review of the Council's approach to data quality.
  - Analytical review - a review of outturn performance indicator data against plausible and permissible values.
  - Spot checks - a risk based in depth review of three specific indicators.
- 51** Overall, we found assessed data quality as level 3 (performing well) which was consistent with our findings in the prior year. We found that the Council was making effective use of its performance management system, 'Covalent', allowing data, guidance and outturn data to be accessible from one location and tailored to the needs of user groups.
- 52** We have reported separately on areas for improvement. The principal issue is the need for an action plan to monitor progress on areas which need to be strengthened.

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### Advice and Assistance work

- 53** No work was undertaken under section 35 advice and assistance powers.

## Looking ahead

- 54** 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.
- 55** 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.
- 56** 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

- 57 This letter has been discussed and agreed with the managing director. A copy of the letter will be presented at the audit board on 1 April 2009. Copies need to be provided to all Council members.
- 58 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
Annual governance report	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Data quality	December 2008
Use of resources	January 2009
Strategic housing service inspection report	December 2008
Annual audit and inspection letter	March 2009

- 59 The Council has taken a positive and constructive approach to audit and inspection work, and we wish to thank the Council's staff for their support and cooperation during the audit.

## Availability of this letter

- 60 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.

**Claire Bryce-Smith**  
Comprehensive Area Assessment Lead

**Henry Arthurs**  
Appointed Auditor

March 2008

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# The Audit Commission

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