

Government and Public Sector

October 2004

Dartford Borough Council

2003/04 Audit and Inspection Letter

The Members
Dartford Borough Council
Civic Centre
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11 October 2004

Ladies and Gentlemen

Joint Audit and Inspection Letter 2003/04

We are pleased to present our Audit and Inspection Letter for 2003/04 to the General Assembly of the Council on 18 October 2004. We hope that the information contained in this report provides a useful source of reference for Members.

Yours faithfully

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Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

We perform our audit in accordance with the Audit Commission’s Code of Audit Practice (the Code), which was last issued in March 2002. This is supported by the Statement of Responsibilities of Auditors and Audited Bodies, which was last issued in April 2000. Both documents are available from the Chief Executive of each audited body.

The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end, and what is to be expected of the audited body in certain areas.

Our reports and audit letters are prepared in the context of this statement and in accordance with the Code.

Reports and letters prepared by appointed auditors and addressed to Members or officers are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any Member or officer in their individual capacity, or to any third party.

Executive Summary

The purpose of this report

We are required, under the Audit Commission's Code of Audit Practice (the Code), to issue an annual Audit Letter to the Council on completion of our audit, demonstrating that the Code's objectives have been addressed and summarising all issues of significance arising from our work. Our report also includes a summary of the results of the inspection work undertaken during 2003/04 by the Audit Commission in accordance with their responsibilities as detailed in section 10 of the Local Government Act 1999.

The joint reporting of audit and inspection work in this format recognises the steps that the Audit Commission has taken to integrate more closely audit and inspection regimes, whilst recognising and maintaining their separate statutory responsibilities. The Audit Commission has appointed 'relationship managers' for all local authorities to co-ordinate planning and delivery of inspection work alongside the statutory audit work.

Whilst the inspection work undertaken at Dartford is carried out by the Commission, we have liaised closely with the Relationship Manager to ensure that our work is integrated with the inspection work.

The new approach is intended to provide a more proportionate and integrated approach to performance audit and inspection work.

The main area for an integrated approach will be in respect of performance audit and inspection work, based on the improvement plan which the Council is developing, following the Audit Commission's Comprehensive Performance Assessment process (CPA).

Our Audit Plan set out the risks that we identified as part of our audit planning, together with the targeted work that we planned to perform in order to address these risks.

We have issued a number of reports during the audit year, detailing the findings from our work. A list of these reports is included at Appendix A to this Audit and Inspection Letter. In addition, we have reviewed the recommendations we raised during last year's Letter and we are pleased to report that satisfactory progress has been made in all areas.

We have set out on the next page what we consider to be the key issues arising from the audit and inspection work.

Financial Standing

In our accounts and governance section of the Letter we have reported on the financial standing of the Council which takes into account both its performance during the last year and its ability to meet known financial obligations.

We are pleased to note the current satisfactory overall position. However, the Council has supported its 2003/04 spending with just under £1 million from balances and has planned to use a further £1.2 million of balances during 2004/05. The Council will need to continue to develop its medium term financial framework to ensure that spending plans are aligned with resources and are sustainable over the medium term. The Council will also need to quantify potential financial risks in order to assess the adequacy of levels of reserves and balances.

North Dartford

The North Dartford development represents risks as well as opportunities to the Council, and during the year we undertook a review of the Council's arrangements for the development of the site, in particular the contract details with ProLogis.

Our review indicated that the Council has taken appropriate advice and has followed due process to ensure appropriate approvals have been sought on a timely basis and that it has a proper understanding of the commercial risks involved in its decision to conclude the development agreement. However, the Council will need to establish and monitor robust project management and financial reporting arrangements over the life of the project to ensure that these risks are addressed.

CPA and performance management framework

The Council received its CPA rating of 'Good' in July 2004. The CPA report acknowledged key areas of strength as well as a smaller number of areas for improvement.

The Council has continued to develop and strengthen its framework for managing performance which is showing encouraging signs of improvement across some key indicators where this is a priority. The findings of the CPA and the recently agreed Corporate Plan have sharpened the focus for priority setting.

The Council is currently developing an improvement plan to address the weaker areas identified by the CPA. Prompt completion and approval of the plan should provide a firmer base to establish improvement targets and track progress.

Key to the challenges facing the Council is developing an updated housing strategy. The Council continues to face significant pressures associated with the complex requirements of balancing housing markets and homelessness. There is a risk that some national targets may not be fully met without continued focus and internal challenge.

Accounts and Governance

We have commented on the following key areas in this section:

- Accounts
- Accounting Issues
- Financial Standing
- Housing Revenue Account
- North Dartford Development
- Prudential Code
- Statement of Internal Control
- Systems of internal financial control
- Fraud and Corruption
- Legality of Transactions

Accounts

The purpose of our accounts work was to perform an audit of the final accounts of the Council, in accordance with approved Auditing Standards.

The 2003/04 audit placed greater demands on finance staff compared to previous years, due to the implementation of new systems and changes to the accounts. The overall audit process went smoothly and the accounts were adopted by Members on 26 July 2004. We presented our report on the audit of the accounts (SAS 610 Report) to the Council meeting on 26 July and anticipate issuing an unqualified opinion on the financial statements on

13 October 2004.

Accounting issues

Financial Reporting Standard (FRS) 17: Retirement Benefits

2003/04 was the first year of full implementation of FRS 17. The FRS is concerned with identifying the underlying financial position of an authority with regard to its pension liabilities.

The majority of the Council's employees are members of the Kent County Council (KCC) Pension Fund. The results of the latest actuarial valuation indicate the fund position in respect of the Council has improved from a net liability of £23.4m as at 31 March 2003 to a net liability of £18.7m at 31 March 2004. This movement reflects an improvement in stock market conditions in 2003/04 compared to 2002/03.

In addition to the pension fund liability, the accounts include the Council's liability of £1.5m in respect of the added-years element for early retirements. This was not included in the valuation provided by the actuaries, and was calculated by finance staff using information provided by the KCC pensions department. We agreed that the basis of these calculations was reasonable. In 2004/05 management should engage with the actuaries at an early stage to ensure that this liability is reassessed as part of the overall actuarial valuation.

Governance

Financial Standing

The Council budgeted to use £1.3 million from balances on the General Fund in 2003/04 to support expenditure and limit the increase in council tax. In the event the Council underspent by £0.4 million and therefore required a lower contribution from balances (£0.9 million). The Council has budgeted in 2004/05 to use a further £1.2m from balances to support revenue expenditure.

Looking further ahead, the Council faces a number of financial risks. In particular, the pension scheme is subject to an updated valuation as at 1 April 2004, and this is expected to result in increased contribution rates in 2005/06. Likewise, the pace and scale of regeneration being undertaken within the borough brings with it a greater risk of significant unforeseen costs arising.

These areas of risk to the Authority's financial standing will require careful and ongoing assessment. The Council will need to continue to develop its medium term financial framework to ensure that spending plans are aligned with resources and are sustainable over the medium term. The Council will also need to quantify potential financial risks in order to assess the adequacy of levels of reserves and balances.

Housing Revenue Account

We are pleased to note that the Council achieved a surplus of £0.3 million in 2003/04, compared to the deficit of £0.7 million in 2002/03. This is partly due to the impact of the Supporting People grant in the first year of this scheme and reduced spending on general repairs compared with 2002/03.

As a result the balance on the HRA increased to £0.5 million. The medium term forecast assumes a small surplus for each year from 2004/05 to 2006/07. However, this forecast is based on being able to manage a number of key risks including the demand-led nature of general repairs and voids expenditure and falling rental income due to council house sales. The Council will need to monitor HRA income and expenditure carefully to achieve its financial plans.

North Dartford Development

In January 2003 Dartford signed a development agreement in respect of the North Dartford development. The contract is still conditional pending the fulfilment of a number of requirements such as all the necessary planning permissions being obtained, the acquisition of all the land required for development and procurement of release from all covenants, leases and interests held by other parties.

We have reviewed the key agreements entered into by the Council in respect of the land development and the provision of specialist consultancy services. This was a high level review of the risks associated with the contract details with the developer, a review of the Council's approach to performance and project management of the site, and also an assessment of how the land is managed and the key financial management and accounting risks associated with this. Our review indicated that the Council has taken appropriate advice and has followed due process to ensure appropriate approvals have been sought on a timely basis and that it has a proper understanding of the commercial risk involved in its decision to conclude the development agreement.

The contract has been structured clearly around the need for any disposal of land to be for best consideration. Although the developer has been delegated authority to negotiate potential disposals, the Council has retained the right to veto any transaction where there is doubt that best consideration will be offered.

The framework for ensuring that best consideration is obtained from land disposals therefore appears secure, but external auditors will need to revisit the Council's project management and financial reporting arrangements over the life of the project to gain assurance that they have been operating successfully in practice.

Directorate Restructure

In February 2004, the Council approved plans to implement a new directorate structure, to commence in 2004/05. The key objectives of the restructure include:

- To strengthen the strategic role of management;
- Remove conflicts between regeneration and service delivery;
- The creation of clearer lines of accountability; and
- The direction of resources in line with corporate priorities.

Under the new structure, three strategic directorates report to the Managing Director (MD) on key corporate themes for the Council, including regeneration and housing. The Finance, Legal and HR functions now report directly to the MD outside of these strategic areas.

During this current period of 'bedding-down' the new structure, it is important that the Council ensure that its key governance arrangements evolve in line with the new structure. In particular, management must ensure that the systems of service planning and budget management continue to operate robustly under the new structure.

Prudential Framework for Capital Expenditure

From 1 April 2004, the authority has been able to plan its capital expenditure under the new Prudential Framework, which focuses on the Authority's ability to afford the consequences of spending decisions from future years' revenue accounts and allows it to set its own limits on the borrowing needed to achieve an affordable capital strategy.

The Council has set out its Capital Programme for 2004/05 to 2006/07. Key projects include just under £5m of works on kitchen and bathrooms in line with the Decent Homes Standard, and the £5m development of Stone Lodge.

The Council is currently debt-free and does not envisage a need to borrow for

capital purposes in the medium term. This is reflected in the Council's Prudential indicators, set in line with the CIPFA Prudential Code. The Prudential Framework affords the Council greater flexibility in terms of borrowing. This increases the future funding options available to the Council, should it wish to incorporate external financing within its long-term capital strategy.

Statement of internal control

The Accounts and Audit Regulations 2003 included a requirement that the statement of accounts prepared by an authority in England should contain a statement on internal control (SIC) from 2003/04. These statements refer to much wider systems of control than purely financial systems and require the Council to have in place such systems of control.

Authorities are required to conduct annual reviews of the effectiveness of the system of internal control, which will provide the findings to support the SIC. The annual review of effectiveness was not performed formally, and we have noted that this be rectified for 2004/05, with assurance being sought from internal audit over the effective operation of controls.

The means by which the Authority addressed this requirement included:-

- Annual review of the Constitution, Standing Orders and Financial Regulations
- Approval of a risk management strategy detailing key corporate risks
- Approval of a new framework for performance management

Areas where the Authority believe they can improve further include development of an action plan on reports that impact on the internal control environment, which will be monitored by Directors, in addition to further development of the risk management strategy.

Systems of internal financial control

The Council implemented a new revenues and benefits system (Academy) and a new accounting system (Cedar) in 2003/04. We performed an initial review of the implementation of these systems as part of the 2003/04 audit. This review focussed on the migration of data between the old and the new systems. We concluded that the arrangements and controls for data transfer were satisfactory. We will perform a more detailed review of controls governing the Academy and Cedar systems as part of the 2004/05 audit.

We noted that the implementation of the new systems may have had some impact on performance on council tax collection and Housing Benefit. Council tax collection levels fell by 0.5% in 2003/04 and the Council should monitor current year performance to ensure that previous collection levels are restored.

Internal Audit

We have commented in previous audit letters on the need for internal audit to develop work programs that focus on areas of high risk for the Council. Progress in this area during 2002/03 and 2003/04 was limited due to resourcing problems, which led to revised arrangements including management of internal audit being outsourced to Kent County Council internal audit.

This arrangement should afford internal audit a fresh perspective on the Council's operations and provide an opportunity to develop the function along a more risk-based approach. This is increasingly important given the scale of current developments at the Council, all of which have significant governance and financial control implications.

Standards of financial conduct and the prevention and detection of fraud and corruption

We have reviewed the overall arrangements developed by the Council in respect of standards of financial conduct and the prevention and detection of fraud and corruption. An element of such arrangements should be the Members' completion of related party returns, in which they disclose any related parties or else confirm that they have none. We noted that a small number of these returns were not completed and returned by the time of completion of the audit. The Council should ensure that all related party returns are sent out at an early stage and are completed promptly.

Our work did not identify any other matters that we consider need to be reported in this letter.

The legality of financial transactions

We have reviewed the overall arrangements developed by the Council to ensure the legality of its transactions and concluded that arrangements are satisfactory.

Performance Management

We have commented on the following key areas in this section:

- The overall framework for managing performance at the Council and the monitoring controls within that framework.
- The Council's first CPA inspection which was published in July 2004
- The audit of the Council's Best Value Performance Plan.
- Targeted audit reviews on homelessness and balancing housing markets
- Following up progress on E-government

Performance management framework

The Council's performance management framework approved in October 2003 provides a strong foundation for target setting, budget planning and securing value for money.

The new administration and CPA process during the last year has had a significant impact on performance management within the Council. In particular a new Corporate Plan was agreed in February 2004. We consider that the continuity of many existing priorities within the new Corporate Plan has enabled the Council to respond positively to the challenges associated with change. There are a number of key ongoing management challenges:

- The Council is aware of the need to ensure that attention to improvement plans, supporting systems and processes is complemented by effective communication of the new performance agenda – the appointment of a

Change Manager will be key to addressing these needs.

- Work is being undertaken to review local performance indicators which reflect local improvement priorities and offer a more rounded approach to evaluating progress of the Council's seven key thematic priorities. We will support the Council during 2004/5 to ensure that a manageable and meaningful set of indicators is agreed.
- The Council is working to an ambitious improvement agenda within the context of a commitment to limited council tax increases. There is therefore a need to ensure that the robust framework for annual service planning is suitably aligned to the corporate led medium term financial planning process. In particular, work to scrutinise cost and identify savings and income generating targets will need to be a consistent feature of service planning. In order to assist the Council in this area we will review a set of key service plans during 2004/5 to more fully appraise how effectively this is being undertaken.

Comprehensive Performance Assessment (CPA)

The Council received its CPA report in July 2004 and was rated as 'Good'. Key areas of strength documented were:

- Ambition, particularly in relation to the large scale development of Kent Thameside.
- Effective engagement in partnerships with other organisations at a regional and local level which have delivered successful developments such as Bluewater and Ingress Park.
- Steps taken to ensure quality core services can be delivered whilst maintaining focus on regeneration e.g. improved political and management structures and balancing resources within its corporate plan.
- Capacity for securing resources for investment (e.g. a planned £90m re-development of the town centre and work with partner organisations to secure funding for a fast track public transport system linking the Kent Thameside).
- An open approach to external challenge.

The CPA report highlighted the following areas for the Council to address:

- Inconsistent results for its services and failure to deliver in some of its key priority areas as a result. There is a need to address plans for raising its housing stock to meet the government's standard of decent homes and minimising levels of waste collected.
- Satisfaction levels with the Council which are below average and falling.

Securing capacity for improved delivery and effective use of resources was the key 'enabling' dimension where weaknesses were considered to outweigh strengths. In particular:

- The impact of the regeneration programme was considered to have impaired the Council's ability to deliver core services in the past although it was recognised steps were being taken to address this. We are aware that staff training and the development of the scrutiny functions are being addressed by the Council as a response.
- The need to review the purpose and effectiveness of some partnerships including the LSP was documented.

As part of the CPA process we provided an evaluation of the Council's financial management and governance arrangements in line with our Code of Audit Practice responsibilities. The framework for summarising audit judgements was based on guidance issued by the Audit Commission.

Overall we concluded that on three of the five areas which relate to the statutory code of practice the Council's arrangements were good (financial standing, standards of financial conduct and the prevention and detection of fraud and corruption and legality of significant financial transactions) and on the two remaining areas (systems of internal financial control and financial statements) were adequate (i.e. we are satisfied that the authority has adequate arrangement in place to meet its responsibilities).

The Council is currently developing an improvement plan to address the weaker areas identified by the CPA. Prompt completion and approval of the plan should provide a firmer base to establish improvement targets and track progress.

Best Value

Under the Local Government Act 1999 we are required to carry out an audit of the Council's Best Value Performance Plan (BVPP). We provided initial advice to the Council on its draft 2004/5 Best Value Performance Plan and anticipate issuing an unqualified opinion on the final plan. The plan meets all the key statutory requirements regarding content and offers a user friendly, well presented and concise reference point for linking Corporate objectives and priorities to service areas, performance trends and targets.

The recommendations made regarding last year's BVPP have been fully addressed and in most cases now represent discretionary advice as the required content of the BVPP has been reduced.

Our audit of BVPIs has been completed. After audit, there were no reservations on the indicators. We do, however, note that the introduction of the new systems for administering housing services has led to disruption in providing some BVPIs and as a result five indicators for housing benefits, local authority decent homes and responsive repairs were not produced. We also needed to carry out additional testing to enable us to gather the required supporting evidence and nine of the indicators published required amendment.

We will work with the Council in the coming year to ensure that performance monitoring reports provide adequate reference points for collecting data and that there is more rigour in checking the accuracy of the information. This should reduce the level of dependency on external audit to highlight calculation errors.

Targeted audit and inspection work

We undertook targeted performance work this year to assist the Council to assess the strengths and weaknesses of the management approach being taken to meet national and local priorities on the management of local housing markets.

Balancing Housing Markets, Risk Management and Homelessness Strategy Review

We undertook a review of the Council's approach to identifying, assessing and managing risks associated with its work to understand and help balance housing markets. Within the wider context of this work we also undertook a specific review of the Council's homelessness strategy and framework for local implementation.

Working closely with relevant senior managers within the Council, we developed a high level risk register and action plan to assist the Council to develop its approach to managing risks associated with work to balance housing markets, and agreed an action plan for developing the Council's approach to Homelessness planning and provision.

Balancing Housing Markets

We have concluded that the Council has a good understanding of these key issues and that the Corporate framework for risk management has seen significant progress in the identification, assessment and management of a range key risks.

We consider there is further scope to build on this work by aligning the risk register produced to work undertaken to produce relevant service plans during 2004/5. In particular a number of recommended management actions are key:

- The Council should prepare a high level statement of current assumptions and key management measures tied to inward migration to provide a focus for further needs assessment in this area.
- Improvement in the approach to meeting decent homes standards, addressing the delay in stock options appraisal and balance of planned and responsive repairs should be closely monitored within the Strategic Housing service plan.
- Relevant strategies and targets should be realigned to reflect the priorities of the new administration.

- Capacity and action plans for dealing with anticipated development agreements should be reviewed in order to ensure there is sufficient capacity.
- Recommendations for strengthening the planning and delivery framework for Homelessness (see below).

Homelessness

We concluded that the Council has made a promising start to the development of its local Homelessness Strategy (2003-2008). The strategic direction for the development of services is defined along with an ambitious set of actions to better prevent homelessness, enable those who are homeless to find accommodation and provide support to those who need it most. A multi-agency planning group to support further review and implementation has been established to support the development of the local strategy and the involvement and interest of a wide range of key agencies has been stimulated.

Front line advice and allocations services are in place to deal with the new mandatory requirements of the Housing Act 2002. A user-focused approach is taken which is aligned to the aspirations of the local strategy and this experience is being used to identify and pursue a range of development priorities.

However there are a number of key weaknesses in the approach being taken which need to be addressed in order to strengthen the local strategy and arrangements for implementation.

- Long-term structures for strategy development are poorly defined.
- The annual and longer-term framework for financial planning needs to be strengthened.
- It is difficult to determine how all national requirements for development have been met, in particular the level of needs assessment informing plans.

- Performance measures need to be better specified.
- Formal standards and procedures underpinning front line homelessness assessment and advice services need to be developed

We are aware that the Council is in the process of reviewing its homelessness strategy and wider housing strategy and we will monitor progress on actions taken to address the issues presented in the coming year.

E-Government

The National Strategy for local e-Government still aims to achieve the target of all services available electronically by 2005. All local authorities have now submitted three Implementing Electronic Government (IEG) statements to the ODPM, the latest in November 2003. In 2002 we carried out our first and detailed review of the Council's e-Government programme and reported to the Council on our findings. Progress was assessed last year and further recommendations were made. Consequently, this year's assessment focused on progress made by the Council against areas of development which continue to warrant attention, using last year's recommendations as a key reference point.

The Council continues to make progress in its e-government programme and all the key issues identified within our first review have now been addressed. Progress on the recommendations made last year indicates that the Council's approach to and capacity for delivery on e-government has been further strengthened.

We note the Council declared at the end of 2003/4 that 64% of interactions had been enabled for electronic delivery. Despite this achievement, meeting the 100% target by December 2005 will prove challenging and require a sustained focus and co-ordinated approach.

Given the complex, cross cutting nature of this agenda, its impact on value for money and risk management we will continue to monitor the progress that the Council makes in this area.

Audit Plan 2004/05

Audit Plan 2004/05

We have issued our Audit Plan for 2004/05 and we presented it to Audit Committee on 7 May 2004.

Given the dynamic environment within which you operate, we have revisited our Audit Plan to ensure that it remains appropriate for the 2004/05 financial year. At this stage there are no areas that require audit attention:

Fees update for 2003/04

We reported our fee proposals as part of our Audit Plan for 2003/04, which we presented to the Audit Committee in February 2003. These fee proposals covered the 17 month period from 1 November 2002 until 31 March 2004.

Our actual fees were in line with our proposals.

Our fees charged were therefore:

	2002/04 Outturn £	2002/04 Fee proposal £
Accounts and Governance	85,300	85,300
Performance	71,400	71,400
Total	156,700	156,700

Appendix A: Audit reports issued in relation to the 2003/04 financial year

We issued the following reports relating to our 2003/04 audit:

- Balancing housing markets and homelessness review
- Audit opinion for 2003/04 financial statements
- BVPP opinion and report on BVPIs
- CPA auditor scored judgements issued in January 2004
- Report on the Audit of the 2003/04 financial statements (SAS 610 report)
- Report on the development of land at North Dartford

Appendix B: Summary of Recommendations contained in this letter

Recommendation	Management Response
<p>Calculation of Pension Liability</p> <p>We understand that in 2004/05 management plan to engage with the actuaries at an early stage to ensure that the pension liability is re-assessed as part of the overall actuarial valuation. This will be important in ensuring that any material balances are included in the financial statements in advance of the earlier accounts adoption deadline.</p>	<p>This will be discussed at the next meeting with Kent County Council and the actuary.</p>
<p>Financial Planning</p> <p>The Council will need to continue to develop its medium term financial planning processes to ensure that it can manage the ambitious plans within the medium term financial framework and maintain adequate levels of balances and reserves to cover residual financial risks and uncertainties.</p>	<p>Accepted. The need to produce a sustainable budget was recognised by the Council at the budget meeting in March 2004. The link between service and financial plans will be further developed to ensure that resources are targeted to corporate priorities.</p>
<p>Directorate Restructure</p> <p>The Council should ensure that its key governance arrangements evolve in line with the new directorate structure. In particular, management must ensure that its system of budget management continues to operate robustly under the new structure.</p>	<p>All existing procedures have been translated to new structures. Budget responsibility and accountability has been determined for all services.</p>
<p>Internal Audit</p> <p>The new management arrangement with KCC provides an opportunity to develop the Internal Audit function along a more risk-based approach. This is increasingly important given the scale of current developments at the Council, all of which have significant governance and financial control implications.</p>	<p>The new arrangements are intended to allow a more robust and modern approach to audit and further considerations will be given to wider partnering in the light of the Gershon report. The audit plan for 2004/5 was based on a risk analysis but this will be further refined for 2005/6.</p>

Recommendation	Management Response
<p>E-Government</p> <p>The Council needs to continue to refine and implement its e-government strategy paying particular attention to the identification and management of services which present the most significant challenges for electronic enablement by 2005.</p>	<p>The Council recognises the need to constantly refine, and drill to lower levels of detail, its e-government delivery programme. This programme is aligned to achieving the ODPM's required Priority Outcomes as well as the target for 100% e-enablement and the Council expects its major services to be e-enabled some 12 months ahead of target.</p>
<p>Performance Management</p> <p>The Council should review its comparative position following the national publication of audited BVPI's, review progress made in 2003/04 and the adequacy of provisions made within the 2004/05 service plans against intended targets, paying particular attention to areas of poor performance.</p>	<p>National publication of audited BVPIs will take place early in 2005. A report on Dartford's relative performance will be brought to the Cabinet (and Quality Services Committee) at that stage and the outcomes fed into the review of Service Plans scheduled for March 2005.</p> <p>Performance management is currently under review to ensure that it is relevant to service managers and that it ensures the key corporate targets are delivered.</p>
<p>BVPIs</p> <p>The Council should work to ensure that performance monitoring reports are supported by a comprehensive audit trail in good time for the 2005 BVPI audit. The Council should pay particular attention to addressing the inadequacies of current supporting systems within Housing, in particular Local Authority Decent Homes, Housing Benefits Overpayments and Responsive Repairs.</p>	<p>Agreed.</p> <p>The previous benefits system was unable to provide information relating to recovery of overpayments. The Council replaced this system in the final quarter of 2003/4 with the Academy Benefits system, which does provide the necessary information.</p>
<p>Balancing Housing Markets and Homelessness</p> <p>Findings and recommendations from our work in these areas should be acted upon to ensure that progress in accordance with national and local priorities is fully assured.</p>	<p>This study was undertaken primarily to assist the Council in reviewing the Housing Strategy and much has been done to address the recommendations. The Homelessness Strategy has now been considered by Cabinet, is out for consultation and will be reported to the Council in October for approval.</p>
<p>CPA</p> <p>The Council should look to implement the recommendations that are detailed within the CPA improvement plan when these have been approved by Cabinet.</p>	<p>Agreed. The improvement Plan will be submitted to Cabinet shortly.</p>

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