

**Manchester City Council
Report for Resolution**

Report To: **Audit Committee – 3 December 2009**

Subject: **Audit Commission National Studies**

Report of: **Governance and Scrutiny Support Unit**

Summary

This report sets out a list of recent Audit Commission studies that relate to local government, with a summary of the purpose of each study.

Recommendations

The Committee is invited to consider how frequently it wishes to receive this information.

Wards Affected:

None

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

None

1.0 Introduction

- 1.1 This report sets out a list of recent Audit Commission studies and the Commission's summary of the purpose of each study. Members of the Committee can contact the contact officer listed above to obtain a copy of any of the reports listed in section 2.
- 1.2 The Committee is invited to consider how frequently it wishes to receive this information.

2.0 Recently Published Studies

- 2.1 The following studies have been published by the Audit Commission over the past 6 months:
- 2.2 **Nothing but the truth? A discussion paper** - Released 05 November 2009

The high-profile failure of public authorities to both safeguard Baby Peter in Haringey, and prevent the high number of deaths in Mid-Staffordshire NHS Foundation Trust, has directed attention to the accuracy and reliability of the data underpinning local service delivery.

It is not a matter of quantity; we have more data about services than we can realistically use. Yet the public lacks trust in the institutions that govern and serve it - and this mistrust extends to the information they provide.

The Audit Commission exists to reassure the public that local public bodies are spending their money well and achieving positive outcomes in local communities. The Commission has a role in assessing the quality of data in local public services and we have made a public promise to help improve it.

This paper sets out important issues as the basis for discussion on how to ensure data about local public services is fit for purpose. It asks if citizens, along with frontline staff, managers, politicians, central government and local public service regulators, can have confidence in the data they rely on. And if not, what needs to be done about it?

- 2.3 **Means to an end - Joint financing across health and social care** - Released 29 October 2009

This report reviews the joint financing and integrated care arrangements between NHS bodies and councils with adult social care responsibilities. It builds on our previous publication, Clarifying joint financing arrangements, that explained the practical implications and legislative framework for joint financing.

It considers how these arrangements are used, focusing on learning disability, mental health and older people - areas where service users most often need health and social care.

The report's recommendations and examples of notable practice aim to help national and local bodies better understand the options available, how to use them and to achieve better outcomes for service users.

2.4 Lofty ambitions - The role of councils in reducing domestic CO₂ emissions - Released 21 October 2009

Councils have many opportunities to act and to exercise community leadership to achieve reductions in domestic CO₂ emissions. This report examines and reports on the progress made by councils to cut these emissions in their areas. It gives practical examples to show councils how they can tackle emissions, and at the same time help to reduce fuel poverty. The report also considers how councils can achieve improvements in value for money from their actions to reduce CO₂.

2.5 Protecting the public purse - Local government fighting fraud - Released 15 September 2009

This report considers the key fraud risks and pressures facing councils and related bodies and identifies good practice in fighting fraud. It has never been more important that councils fight fraud. Every pound lost to cheats is a pound that cannot be used for people in real need. The report identifies specific risks that are often not adequately addressed, to do with housing tenancy, council tax and recruitment fraud.

The Commission found housing tenancy fraud could be tying up at least 50,000 council and housing association properties worth more than £2 billion, while queues for homes have increased by more than 50 per cent over the last six years. The number of people in need of social housing is predicted to rise to 2 million by 2011.

Council taxpayers could be losing almost £2 million a week to fraudsters claiming a 25 per cent single person discount on their council tax. The discount can be claimed by householders where there are no other residents aged 18 or over living at an address.

The report provides an overview of the threats of fraud facing councils. It calls on them to urgently reassess their counter fraud plans and to ensure that staff understand, and have faith in, whistle-blowing arrangements.

2.6 Building better lives - Getting the best from strategic housing - Released 09 September 2009

Building better lives finds that councils feel pressured into focusing on building brand new housing - 94 per cent of councils have prioritised new and/or affordable housing targets through their local area agreements, but fewer than a third prioritised targets relating to their existing housing stock. This is despite the financial savings, environmental improvements and social benefits of doing so.

If councils thought of housing more broadly, they could do more to combat poverty, ill-health, educational under-achievement and help strengthen their local communities. The recession makes a strategic view of housing all the more important.

2.7 When it comes to the crunch - How councils are responding to the recession- Released 12 August 2009

This report is the second in a series of Audit Commission reports looking at how local authorities are responding to the 2008/09 recession. The report finds that local and national government have made a positive initial response to the recession, but it warns that councils should prepare for worsening social impact as unemployment rises. Demand for benefits, welfare and help with debt are growing, and social problems such as domestic violence and mental ill-health are expected to follow as the recession deepens.

2.8 Is there something I should know? - Making the most of your information to improve services – Released 30 July 2009

This report looks at how councils use information to make decisions. It encourages chief executives, senior officers and lead members to be more demanding about the information they seek and use when making decisions. The report also suggests ways to improve in both these areas.

With tough financial times ahead, councils say they know they need to act now to improve the quality of their data. Nine out of ten councils say they think good quality information is a top priority. However, Less than 5 per cent of councils have excellent quality data and 65 per cent face problems sharing data externally.

2.9 Valuable lessons - Improving economy and efficiency in schools - Released 30 June 2009

Schools could save £400 million a year if they bought equipment and services more sensibly. In Valuable lessons: improving economy and efficiency in schools, a local government national report, the Commission reveals that:

- Schools could save over £400 million a year if they bought equipment and services more sensibly
- Schools are sitting on cash reserves of nearly £2 billion, with two out of five schools transferring across year on year more than the recommended amount
- The English primary and secondary schools' bill topped £31 billion in 2007/08, an increase of 56 per cent in real terms over the last decade

The Audit Commission concludes that it can't be sure whether the taxpayer is getting value for money. The report says school inspections focussed on educational standards and what teachers do, which is necessary. They pay less attention to economy and efficiency. Councils also pay insufficient

attention to value for money in their support of schools. Many school governors should be tougher in seeking value for the public purse.

2.10 Room for improvement - A review of strategic asset management in local government - Released 17 June 2009

Nine years after its last examination of asset management, the Audit Commission finds that few councils are managing strategically their £250 billion of assets. In Room for improvement: a review of strategic asset management in local government, the Commission reveals that:

- councils have spent £1.2 billion more on buying or refurbishing their offices than they have raked in from sales
- only one in 14 (7 per cent) of councils is an exemplary manager of its assets
- in 2007/08, while 65 improved, the performance of 46 councils on asset management deteriorated (based on their UOR scores)
- a third do not yet share assets with other public services

The Audit Commission warns that, in the current economic climate, councils will need to do far better, if councils are to achieve expected savings and maintain services in the coming years.

The report also calls on central government to give a clear steer on the priority for local government: should councils seek to dispose of assets to maximise receipts, or enhance estates to deliver better public services.

3.0 Upcoming National Studies

3.1 The following studies are due to be published over the coming months:

3.2 Older teenagers not in education, employment or training (Publication date: Summer 2010)

This study will consider what resources are available to support the NEET agenda, how efficiently they are being used and ways areas could do more to maximise the resources they have.

3.3 Financial implications of an ageing population (Publication date: January 2010)

The study will explore how local authorities plan their resources for an ageing population, and how they take account of the financial impact on local services. It will consider how their strategic objectives in relation to services for older people influence financial decisions, and how services work with finance departments to achieve these objectives. The study's outputs will show how local authorities can make best use of demographic and service cost data to plan ahead for an ageing population.

3.4 Council publicity expenditure (Indicative publication date: Spring 2010)

In June 2009 the Digital Britain report invited the Audit Commission to undertake a specific inquiry into the prevalence of local authorities taking paid advertising to support local authority information sheets and the impact of this practice, and to make recommendations on best practice and if restraints should be placed on local authority activity in this field.

However, the Commission's role and expertise do not lend themselves to examining the health of local newspapers or isolating the impacts of specific local authority practices on commercial bodies. We are therefore limiting the scope of the proposed study to the value for money of council spending on communicating with the public (but looking more broadly than simply information sheets or newsletters).

The 2009/10 study consultation was carried out in early 2009, and so did not include this proposed study. The Commission is therefore currently consulting with key stakeholders on this proposal and will decide in the autumn whether or not to go ahead with the study.

3.5 **Strategic financial management** (Publication date: Spring 2010 and subsequent support tools in Summer 2010)

This national study builds on the work done for the World Class Financial Management, especially financial governance and leadership; financial planning and finance for decision making. The study will review how councils develop and use strategic financial planning tools and will help them to improve strategic financial management and links to the planning of services and other interventions. It will examine the costs and benefits of strategic financial planning, determine which approaches, if any, offer most benefits and identify the key principles of effective strategic financial and risk management.