

NAME OF COMMITTEE	Audit Committee
DATE	28 April 2015
REPORT TITLE	Update on Indicators from the Audit Commission's Value for Money Profile Tool
Report of	Finance Community of Practice Lead
WARDS AFFECTED	All

Summary of report:

The purpose of this report is to update Members on the latest indicators available from the Audit Commission's Value for Money Profile Tool.

This is following questions that were raised by Members at the Audit Committee meeting on 24th February 2015, regarding Grant Thornton's Value for Money Report (Item 5 on the agenda), where Members requested further information on a couple of indicators (which were red or amber) to be reported to the next meeting.

Financial implications:

There are no direct financial implications to this report.

RECOMMENDATIONS:

That the Audit Committee notes the content of the report.

Officer contact:



Lisa Buckle, Finance Community of Practice Lead

Lisa.buckle@swdevon.gov.uk

1. BACKGROUND**Key indicators for Spend on Housing Benefit and Council Tax Benefit administration, and Total net Spend.**



- 1.1 Grant Thornton presented their report on Value for Money to the February 2015 Audit Committee. This paper provided key indicators for West Devon Borough Council from the Audit Commission's Value for Money profile tool.
- 1.2 At the February 2015 Audit Committee, Members raised specific concerns regarding the indicators for (a) Spend on council tax benefits and housing benefits administration per head and (b) Total net spend per head, which both appeared relatively high. It was also noted that the source data used by the Audit Commission was from 2012/13. Grant Thornton advised that this was the latest data available but expected the 2013/14 figures to be published on the Audit Commission's website soon.

- 1.3 The 2013/14 data is now available and the updated figures for the specific indicators are shown below. It is pleasing to note that these indicators have all moved in a favourable direction. For example, **net spend on Housing benefit and Council tax benefit administration** has reduced considerably (72%) and is now below average when compared to other district councils. West Devon's net spend was £2.54 per head in 2013/14 compared to the district average of £6.45.
- 1.4 The average number of housing benefit claimants (yearly) show this was £3,127 for West Devon, compared to an average for District Councils of 6,524.

Key indicators – Audit Commission Value for Money Profiles						
Indicator	Period	Value	% change	DoT	Rank (Percentile)	Average for district councils
<u>Housing Benefit and Council Benefit, and Net Spend indicators</u>						
Net spend on housing benefits administration and prior to 2013/14 council tax benefits administration per head	2013/14	£2.54 per head	-72%		In the lowest 20%	£6.45 per head
Average number of housing benefit claimants (yearly)	2013/14	3,127	-1%		In the lowest 10%	6,524

- 1.5 **Total net spend per head** has slightly increased in 2013/14 to £418.59 per head of population which is higher than the District Council average net spend for 2013/14 of £401.49. (The 2012/13 Indicator was £407.16 which had a 'Amber' status as it was more than the District Average).
- 1.6 However it can be seen from the Value for Money Profile Tools below that in 2014/15 this figure falls to £376.09 per head of population and is below the District Average of £408.09. The Council's Transformation Programme in 2015/16 will further reduce the net spend per head for the 2015/16 financial year.

Key indicators – Audit Commission Value for Money Profiles

	Period	Value	% change	DoT	Rank (Percentile)	Average for district councils
<u>Net Spend per Head indicators</u>						
Total net spend per head	2013/14	£418.59 per head	1%		Around average	£401.49 per head
Planned net current expenditure per head of population	2014/15	£376.09 per head	-3%		Slightly below Average	£408.09 per head

2. LEGAL IMPLICATIONS

- 2.1 Statutory powers: Accounts and Audit Regulations 2011 etc.
Local Audit and Accountability Act 2014

3. FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications to this report.

4. RISK MANAGEMENT

- 4.1 The risk management implications follow these considerations:

Corporate priorities engaged:	All
Statutory powers:	Accounts and Audit Regulations 2011 Local Audit and Accountability Act 2014
Considerations of equality and human rights:	No specific equality and human rights issues arising from this report.
Biodiversity considerations:	No specific biodiversity issues arising from this report.
Sustainability considerations:	No specific sustainability issues arising from this report.
Crime and disorder implications:	No specific crime and disorder issues arising from this report.
Background papers:	Audit Committee 24 February 2015: Agenda Item 5: Grant Thornton Report on Value for Money for West Devon Borough Council.
Appendices attached:	None

STRATEGIC RISKS TEMPLATE

No	Opportunity Title	Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Opportunity to fully understand the results from the VFM Profile tools	Risk of mis-interpretation of the results of the Value for Money Profile tools	4	2	8	↓	Further analysis of the results, with an update to reflect the 2013/14 data has assisted in the evaluation of the results.	S151 Officer

Direction of travel symbols ↓ ↑ ↔