

SOUTH HAMS DISTRICT COUNCIL

NAME OF COMMITTEE	Audit Committee
DATE	12 March 2015
REPORT TITLE	Update on Indicators from the Audit Commission's Value for Money Profile Tool
Report of	Finance Business Partner
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 in January 2015, regarding Grant Thornton's Value for Money Report (Item 5 on the agenda), where Members requested further information on a couple of indicators 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.

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- 1. 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 January 2015 Audit Committee. This paper provided key indicators for South Hams District Council from the Audit Commission's Value for Money profile tool.
- 1.2 At the January 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 in Appendix A. 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 (42%) and is now below average when compared to other district councils. South Hams net spend was £6.18 per head in 2013/14 compared to the district average of £6.45.
- 1.4 **Total net spend per head** has come down by 3% to £403.53 which is almost equal to the District Council average net spend for 2013/14 of £401.49.

2. Tourism indicators

- 2.1 In addition, Members were keen to see how South Hams compared to other Districts in terms of tourism income and expenditure.
- 2.2 The latest tourism indicators are shown in the lower part of the table in Appendix A. They are as follows:

- **Income for arts, tourism and the historic environment as a percentage of spend** – this shows that South Hams's income proportion (32%) is very near to the district average of 29.18%. This has increased substantially in 2013/14 due to a reduction in expenditure (see below).
- **Spend on tourism per head** – this has reduced by 61% between 2013/14 and 2012/13 due to a reduction in the contribution to Visit South Devon and lower staffing costs. The Council no longer requires a seat on the Board of Visit South Devon and has therefore withdrawn financial support to them.

South Hams spent £0.30 per head on tourism in 2013/14 compared to the district average of £2.02 per head. A breakdown of the net expenditure on tourism can be found in Appendix B. This includes the actual tourism costs for the last 2 years and the projected outturn for 2014/15 compared to budget.

3. LEGAL IMPLICATIONS

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

4. FINANCIAL IMPLICATIONS

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

5. RISK MANAGEMENT

- 5.1 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 8 January 2015: Agenda Item 5: Grant Thornton Report on Value for Money for South Hams District Council.
Appendices attached:	Appendix A: Key indicators – Audit Commission Value for Money Profiles. Appendix B: Marketing and Tourism expenditure and income.

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 ↓ ↑ ↔