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9th January 2015

Dear Kelvin

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Certification work for Newcastle under Lyme Borough Council for year ended 31 March 2014

We are required to certify certain claims and returns submitted by Newcastle under Lyme Borough Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

We have certified one claim for the financial year 2013/14 relating to expenditure of £30.57 million. Further details of the claims certified are set out in Appendix A.

There are no issues arising from our certification work which we wish to highlight for your attention. We are satisfied that the Council has appropriate arrangements to compile complete, accurate and timely claim for audit certification.

The indicative fee for 2013/14 for the Council is based on the final 2011/12 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification (such as the national non-domestic rates return) have been removed. The fees for certification of housing benefit subsidy claims have been reduced by 12 per cent, to reflect the removal of council tax benefit from the scheme. The indicative scale fee set by the Audit Commission for the Council for 2013/14 is £10,736. This is set out in more detail in Appendix B.

Yours sincerely

Grant Thornton UK LLP

Chartered Accountants

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Appendix A - Details of claims and returns certified for 2013/14

Claim or return	Value	Amended?	Amendment	Qualified?	Comments
Housing benefits subsidy claim	£30,568,730	No	0	Yes	<p>Initial testing identified a small number of under & overpayments of benefits. Subsequent testing found these errors had not been repeated.</p> <p>An issue arose in the prior year with the application of tax credits. Additional testing in 2013/14 identified a small number of cases where this was still the case.</p> <p>Work completed was reported by 28 November 2014 as required by the certification instruction.</p>

Appendix B: Fees for 2013/14 certification work

Claim or return	2012/13 fee (£)	2013/14 indicative fee (£)	2013/14 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	9,407	10,736	10,736	1,329	Increase in fee due to the increased work required because of the error rate in the claim.
National non- domestic rates return (NNDR3)	1,950	N/A	N/a	-1,950	No requirement to certify this return in 2013/14
Total	11,357	10,736	10,736	-621	