

Annual Audit and Inspection Letter

City of Wakefield Metropolitan District Council

Audit 2007/08

March 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any member or officer in their individual capacity; or
 - any third party.
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Key messages

- 1 The Council has delivered well against its priorities and the rate of improvement has increased in the last 12 months, building on progress made in 2006/07. This has been driven by strong and visible leadership in collaboration with local partners. The Council's Corporate Assessment, carried out during late 2008 confirmed the progress that has been made in recent years, and the Council has now achieved a 'four star' CPA rating.
- 2 Particular performance achievements in the past twelve months include:
 - significant improvements in educational attainment;
 - improvements to waste recycling;
 - services for vulnerable adults rated as 'excellent';
 - the attraction of high levels of inward investment to the district; and
 - improved value for money, in particular through initiatives such as 'Worksmart'.
- 3 The Council is considering significant changes in the future to way in which it commissions services, and any change in this area will present considerable challenges.
- 4 The Council also faces a number of areas in which progress is hard to achieve, in particular health inequalities, reducing fear of crime and some aspects of violent crime, and reducing the level of accidents and deaths on local roads. Further progress also needs to be made on embedding arrangements for managing and improving value for money and ensuring that the good practice adopted in tackling sustainability issues by some parts of the Council is consistently applied across all of the Council's activities.

Action needed by the Council

- 5 The Council has made significant progress in the past 12 months, however it now needs to focus on the following.
 - Taking action to address aspects of health inequalities, in particular areas such as teenage pregnancy and childhood obesity.
 - Continuing its work to understand the needs of its diverse communities, for example through community engagement initiatives, and use that understanding to systematically target its resources. This work needs to be done jointly with its partners.
 - Ensuring that its new processes for aligning financial and performance reporting become embedded.
 - Ensure that the good practice already in place to address sustainability issues in procurement and capital projects is consistently applied across the Council.

Purpose, responsibilities and scope

- 6 This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the most recent Comprehensive Performance Assessment (CPA), the findings and conclusions from the audit of the Council for 2007/08 and from any inspections undertaken since the last Annual Audit and Inspection Letter. It also includes the results of the most recent corporate assessment.
- 7 We have addressed this letter to members as it is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money. We have made recommendations to assist the Council in meeting its responsibilities.
- 8 This letter also communicates the significant issues to key external stakeholders, including members of the public. We will publish this letter on the Audit Commission website at www.audit-commission.gov.uk. In addition the Council is planning to publish it on its website.
- 9 Your appointed auditor is responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, we review and report on:
 - the Council's accounts;
 - whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion); and
 - whether the Council's best value performance plan has been prepared and published in line with legislation and statutory guidance.
- 10 This letter includes the latest assessment on the Council's performance under the CPA framework, including our Direction of Travel report and the results of any inspections carried out by the Audit Commission under section 10 of the Local Government Act 1999. It summarises the key issues arising from the CPA and any such inspections. Inspection reports are issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.
- 11 We have listed the reports issued to the Council relating to 2007/08 audit and inspection work at the end of this letter.

How is the City of Wakefield Council performing?

12 The Audit Commission’s overall judgement is that the City of Wakefield Council is improving well and we have classified the Council as four star in its current level of performance under the Comprehensive Performance Assessment. These assessments have been completed in all single tier and county councils with the following results.

Figure 1 Overall performance of councils in CPA



Percentage figures may not add up to 100 per cent due to rounding's.

Source: Audit Commission

Our overall assessment - the CPA scorecard

Table 1 CPA scorecard

Element	Assessment
Direction of Travel judgement	Improving well
Overall	
Corporate assessment/capacity to improve	3 out of 4
Current performance	
Children and young people*	3 out of 4
Social care (adults)*	4 out of 4
Use of resources*	3 out of 4
Housing	3 out of 4
Environment	3 out of 4
Culture	3 out of 4
Benefits	3 out of 4

(Note: * these aspects have a greater influence on the overall CPA score)
(1 = lowest, 4 = highest)

The improvement since last year - our Direction of Travel report

What evidence is there of the council improving outcomes?

- 13** The Council has delivered well against its priorities and the rate of improvement has increased in the last 12 months, building on progress made in 2006/07. This has been driven by strong and visible leadership in collaboration with local partners. Seventy per cent of performance indicators (PIs) improved in 2007/08 compared to the average range for single tier authorities of 62 to 64 per cent. However there are still only 15 per cent of PIs in the best quartile of councils, against an average of 30 per cent.
- 14** The Council's strategic priorities have been refreshed, taking on board feedback from citizens. Priorities are aligned to the current Sustainable Community Strategy and are as follows.
- Safer and Stronger Communities.
 - Healthier Communities.
 - Skills, Enterprise and Work.
- 15** An additional fourth strategic priority is focused on improving Organisational Capacity and Transformation – the key driver for the transformation and change management programme.

How is the City of Wakefield Council performing?

- 16** Along with partners, the Council has helped make communities safer and stronger. Most types of crime have been reduced and the level of reduction is one of the largest in West Yorkshire. Good examples are the targeting of violent crime, acquisitive crime, anti social behaviour and domestic abuse which have all seen improvement. However, targets for reducing violence against the person have not been met and the number of people killed or seriously injured in road traffic incidents has increased.
- 17** Overall, cohesion in the district is good, with a range of community-led initiatives building cohesion. The Council is working with a variety of partners, including the Association of West Yorkshire Authorities, Voluntary Action Wakefield and District and Wakefield's Youth Parliament, to implement the Cohesion Framework, raise awareness and promote respect between faiths and groups. While the Council continues to acquire a better understanding of the district's diverse communities, this is not yet being carried through to systematic alignment of actions and resources, with partners.
- 18** Social housing is being used very effectively to improve the quality of life for residents. The Wakefield Standard is a higher specification than the Decent Homes Standard. It includes enhanced work both inside dwellings and in the local environment. As a result, the Government has agreed a two year extension to the implementation of the Standard, from 2010 to 2012. This is being used to support other corporate priorities, such as safer and stronger and healthier communities. It also is being used to support skills, enterprise and work through employment initiatives. As a result, the level of skills and work experience of local people have improved.
- 19** There has been marked improvement in the recycling of waste. Actual recycling and composting rate and levels of household waste collected per head improved in 2007/08 but comparative performance remains below average. The Council's waste PFI initiative is seeking to secure a major improvement in recycling and waste management performance over the long term. This is reflected in ambitious recycling targets of 55 per cent by 2015.
- 20** The Council has improved services for older people, with adult services being judged as excellent with excellent prospects for further improvement. There is an effective focus on promoting independence; for example, in 2007 the Council closed four traditional residential homes and replaced these with 90 extra-care apartments which provide residents with their own homes, supported by domiciliary care. This approach is particularly valued because it allows couples to remain together. The result of these initiatives is that fewer people are being admitted to permanent residential care. Sixty-four fewer placements were made in 2007/08 than in 2005/06 - a reduction of almost 15 per cent.
- 21** Services for those made vulnerable by circumstances are also improving. Examples include a further reduction in the rates of people with learning disabilities admitted on a permanent basis in the year to residential or nursing care. There has been a significant rise in the rate of children placed for adoption or special guardianship from 6.9 per cent last year to 8.6. Multi-agency working on domestic violence issues in Wakefield has had significant success, with repeat incidences down from 55 per cent to 37 per cent in the last 12 months.

How is the City of Wakefield Council performing?

- 22** The Council and its partners have also dealt with homelessness effectively. Between 2004/05 and 2008/09, the number of people in temporary accommodation and bed and breakfast has significantly reduced. However, the Council anticipates a reversal of this downward trend during 2008/09 and is forecasting an increase of up to 28 per cent. The Council and partners are using a number of initiatives to limit the impact of this anticipated increase.
- 23** Performance on improving health and reducing health inequalities is mixed. The Council and its partners have a target to reduce the gap as measured by infant mortality and life expectancy by 10 per cent by 2010. Current performance in Wakefield will not meet the national target for 2010 and the life expectancy gap has slightly increased in comparison with 1995 to 1997 and 2004 to 2006. This is due to a lack of progress in specific outcome areas, such as children in reception and year 6 that are obese. The overall health of adults is improving but the Council is not meeting some national priorities such as reducing teenage pregnancy.
- 24** The Council is serving children and young people well and consistently delivers services above the minimum requirements. Significant improvements have been made in educational attainment and in enabling children and young people to report and seek support following racist harassment and bullying. GCSE performance continues to improve well and has maintained its position as the best performance in West Yorkshire and significantly above regional and national levels. Services to support looked after children are very good. The most recent inspection of the Council's Fostering Service in December 2007 graded it as good overall. Significant improvements in the inspection ratings of the Council's children's homes have also been achieved this year.
- 25** The Council has attracted significant inward investment. Effective work has continued in 2007/08 with the Regeneration Directorate currently utilising over £110 million of external public funding and recent activity includes £5 million additional funding secured in March 2008 for strategic property acquisition in Wakefield City Centre; and an additional £12 million secured for projects at Westgate, Waterfront, Castleford and the Hemsworth-A1 link road. There has been a marked improvement in the timeliness of processing planning applications to around the national average. However, the proportion of planning appeals allowed increased significantly in 2007/08, putting performance in the worst 25 per cent nationally.
- 26** Unemployment has reduced by 2.7 per cent over the past 12 months. There has also been an increase in employment rates amongst disadvantaged groups in some of the most deprived areas.
- 27** Wakefield is achieving improved value for money (VFM) in most of its priority areas. The Council continues to have the second lowest Council Tax levy of all metropolitan authorities and is low spending overall. There has been a significant increase in Council Tax collection and the 'Worksmart' programme is delivering organisational efficiencies: The 2007/08 Annual Efficiency Statement demonstrated cumulative efficiency gains over the previous three years of £17.7 million, exceeding the target by over £660k. Integrating financial and performance reporting and embedding the Council's established VFM processes will support further improvement.

How is the City of Wakefield Council performing?

How much progress is being made to implement improvement plans to sustain future improvement?

- 28** The Council has robust plans for improving, and is committed transforming service delivery. It has been successful in ensuring communities, businesses, partners and staff understand and own the ambitions and priorities. There are clear and effective links between the priorities of the Sustainable Community Strategy and the Council's three year Corporate Plan (2008 to 2011). The strategic priorities are delivered through 29 Corporate Improvement Priorities (CIPs) which are set out in the Plan. Each CIP contains high level targets, but there are no milestones to measure progress on the journey. Some CIPs include specific measures which are achievable and time based but all measures need to be SMART to enable external audiences to assess progress.
- 29** The capacity to maintain improvement is in place. A major focus during 2007/08 was the re-direction of resources around priority areas and achievement of continued budget savings. Given the current financial climate, the Council is facing financial constraints on both the revenue budget and the capital programme. The Council has an effective Medium Term Financial Plan to address these issues based on the Council's strategic priorities. The budget strategy for 2008/09 has been successfully implemented and the way forward for 2009/10 and beyond has now been agreed to ensure sustainable and strategic budget setting activity. Further development of the service and financial planning framework took place in 2007/08, resulting in a move from one year service improvement plans to three-year service business plans and an integrated annual VFM self assessment.
- 30** Phase one of the Worksmart transformation programme is complete and showing positive results. Employees have been helped to better balance improved business delivery need with the complex demands of modern home life and productivity in areas such as Benefits and e-Services has increased. Improved workforce planning is being driven by the implementation of a new Workforce Strategy (combining the HR Strategy and Workforce Development Plan). This is informed by, and aligned to, service business plans, focusing on improving employee skills and maximising resources to secure high quality, value for money services that ensure sustainable delivery in the long term. Further work is required to ensure the Council's workforce is representative of local communities, in particular BME and disabled communities. Councillors and staff demonstrate a commitment to this issue. Targets to improve have been set and are being monitored, It is too early to judge whether this has yet had an impact.
- 31** Strategic commissioning across the Council and with partners is effective, with work in progress to expand the overall approach to commissioning and drive further transformation. The Council is identifying the areas that could benefit from alternative types of service delivery. This will test the capacity of the organisation to drive and coordinate this expansion, particularly at senior management level. The Council has established a commissioning framework with the voluntary sector which reflects a constructive working relationship. However, the Council has yet to maximise the potential of the sector, particularly the smaller local groups in supporting and enhancing service delivery.

Corporate Assessment

- 32** In January 2009, our Corporate Assessment report found that Wakefield Council was performing well. We found that, together with its partners, it has clear ambitions for the district, based on a good understanding of community needs. There is an explicit focus on improving the quality of life for both individuals and their communities. Major regeneration schemes are aimed at making the environment more sustainable and stimulating the local economy. The Council provides strong community leadership. The calibre of councillors and staff is good. Despite the financial constraints on the Council, most of the services provided by the Council are of a good quality. However, key areas that are proving difficult to improve are the fear of crime and the health of the community.
- 33** Ambitions for the district are clear and underpinned by a good knowledge of local need. However, some of its strategic plans lack long term targets. Medium term plans, such as the Corporate Plan and Cultural Strategy, do not include enough milestone targets to allow citizens to track progress against objectives. The Council's community leadership is strong at regional, district and ward level.
- 34** The political and managerial leadership of the Council is effective. Senior councillors and managers are of a good calibre and work together effectively. Staff morale is high.
- 35** Partnership working in the district is good. The Council leads Wakefield Together, the Local Strategic Partnership, effectively. The Partnership has a clear and appropriate focus on delivery. Relations between the partners are highly effective. Plans for a more wide ranging approach to commissioning services are well-conceived. However, success depends on good coordination and ensuring there is enough senior management capacity to drive plans forward.
- 36** The Council provides good value for money. In the last two years it has achieved £17.2 million in efficiency savings over the last three years. These savings have been used to fund priority areas, such as waste management and social care.
- 37** The capacity of the Council is good. Effective use is made of ICT, staff, assets and procurement to maximise capacity. Risk management of services and large projects is good. The main constraint on the Council is the level of financial resources available to it. However, through effective financial management, it has been able to deliver its key priorities to date, including an ambitious regeneration programme.
- 38** The Council performs well in the way that it meets the needs of diversity in the community. This is based on good engagement with all groups, including those which are made vulnerable by their circumstances. However, its workforce is not representative of its local population. Although the Council is aware of this, it has not yet secured change.
- 39** Performance management is good. It is based on a robust framework, with a performance culture that extends throughout the Council to front line staff. Councillors, managers and staff use performance information, including benchmarking against high performers, to drive continuous improvement. Performance management is good at Board level within Wakefield Together. Work is underway to strengthen the links between the thematic partnerships.

How is the City of Wakefield Council performing?

- 40** The Council has delivered well against its priorities. It has reduced crime, attracted significant inward investment, supported job creation, improved educational attainment, dealt with homelessness effectively and improved services for older people. However, it has not met all its targets on reducing the fear of crime and health inequalities.
- 41** An important aspect of the role of the Relationship Manager is to work with other inspectorates and regulators who also review and report on the Council's performance. Relationship Managers share information and seek to provide 'joined up' regulation to the Council. During the last year the Council has received the following assessments from other inspectorates.

Table 2 Scores from Other Inspectorates

Wakefield has received the following scores from other inspectorates.

Inspectorate	Description	Score
CSCI (Adult Social Care)	Outcomes: Good Capacity: Excellent	4
OFSTED (Children and Young People)	Good	3

CSCI, BFI, OFSTED

- 42** The results of these assessments have been reflected in the Direction of Travel assessment.

The audit of the accounts and value for money

- 43** Your appointed auditor has reported separately to the Audit Committee on the issues arising from our 2007/08 audit and has issued:
- an audit report, providing an unqualified opinion on your accounts and a conclusion on your vfm arrangements to say that these arrangements are adequate on 30 September 2008: and
 - a report on the Best Value Performance Plan confirming that the Plan has been audited.

Use of Resources

- 44** The findings of the auditor are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the auditor in the following areas.
- Financial reporting (including the preparation of the accounts of the Council and the way these are presented to the public).
 - Financial management (including how the financial management is integrated with strategy to support council priorities).
 - Financial standing (including the strength of the Council's financial position).
 - Internal control (including how effectively the Council maintains proper stewardship and control of its finances).
 - Value for money (including an assessment of how well the Council balances the costs and quality of its services).
- 45** For the purposes of the CPA we have assessed the Council's arrangements for use of resources in these five areas as outlined in Table 3.

Table 3

Element	Assessment
Financial reporting	3 out of 4
Financial management	3 out of 4
Financial standing	3 out of 4
Internal control	3 out of 4
Value for money	3 out of 4
Overall assessment of the Audit Commission	3 out of 4

Note: 1 – lowest, 4 = highest

- 46** For the second year in succession, the Council achieved an overall score of three. However, this masks some continuing improvements in underlying arrangements which led to increased scores for the Financial reporting and Value for money element. In both those cases the mark last year was two.
- 47** In summary the improvements noted in our assessment include the following.
- Reduction in the number and scale of errors in the financial statements.
 - Continued improvements to the supporting working papers.
 - Continued development of the Audit Committee and its embedding in the Council's operations.
 - Further development of the Council's ability to management and improve VFM through the development of its own self assessment system.
 - Strong improvement in performance indicators compared to other Council's, whilst retaining a comparatively low Council Tax level.
- 48** In each year the standards required for the use of resources assessment become higher, and the assessment process will change for 2008/09. In order to ensure continued improvement, the Council needs to:
- explicitly take account of the public's views in considering its processes for financial and other reporting;
 - embed its processes for VFM self assessment;
 - ensure that efficiency and VFM targets are consistently in place across the Council;
 - continue to grow its understanding of communities and carry this through to systematic directing of actions and resources to address identified needs; and
 - ensure that the capital programme is clearly linked to Council priorities.

Other key issues arising from the audit

Health Inequalities

- 49** Improving health and well-being is a key local priority. Councils have a statutory duty to work together with Primary Care Trusts (PCTs) and other partners to improve health of local people and to reduce health inequalities between communities. The health status in Wakefield is in the lowest UK quartile: as a result, the Department of Health (DH) has assigned Spearhead status to the district, effectively putting local health inequalities in a national and regional spotlight.
- 50** We looked at arrangements in Wakefield, from both Council and PCT perspectives, to address the local health inequality agenda. Our work supplemented that by the Improvement and Development Agency (at the Council in May 2008) and by the DH National Support Team (at the PCT in January 2008).
- 51** Partners are making progress, from a low base, to establish joint working arrangements to address the common challenges around poor health. There is clear corporate leadership of the Health Inequalities agenda. Health Inequality is a key theme of the LSP. Delivery will be supported by established LAA targets, a developing public health information and intelligence function, joint infrastructures to agree and monitor progress, and development of workforce capacity and skills. Nevertheless, health inequalities in Wakefield remain static, and may even be widening, and assurance that the health inequalities are being tackled effectively is compromised by a lack of detailed plans and strategy.
- 52** We agreed these findings and conclusions with the Director of Public Health and discussed a summary report with all partners at the joint Public Health Integration Board. Our output, together with reports from the NST and IDeA will inform development of action plans for implementation from 2009/10.

Pooled Budget Arrangements

- 53** Pooled budget arrangements are agreements between the Primary Care Trust and the Council which are designed to improve services to vulnerable people. They are designed to promote more holistic, seamless and efficient care to users. We have assessed the governance arrangements by which both Wakefield Council and PCT partners manage pooled budgets for Learning Disability (LD) and Adult Mental Health (MH) services.
- 54** We found that governance arrangements were well established in Wakefield. Partners had made progress to revisit local commissioning and management agendas since PCT reconfiguring and restructuring in October 2006. There was robust financial management of pooled budgets, consistent with our work on partners' systems and year-end accounts. Finally, partners had started to identify and address IM&T shortfalls, from a low base.

The audit of the accounts and value for money

55 However:

- progress had been hampered by a range of historical factors triggered mainly by reconfiguration and restructuring at both Council and PCT;
- there is potential to strengthen financial management, shared governance and risk management arrangements further;
- planning and delivery arrangements for LD and MH services were not robust: s31 agreements, commissioning strategies and delivery plans were out of date, not underpinned by a robust health needs analysis or clearly aligned to local priorities;
- there were some gaps in frameworks to assure the Council and the PCT that MH and LD agendas are being delivered;
- joint performance management focuses on financial issues at the expense of a more balanced view of performance;
- IM&T systems remain aligned to individual partner bodies, are not yet structured to provide an integrated dataset, and cannot yet provide the information necessary for effective performance management.

56 A joint action plan has been agreed to address these messages and provide pointers to how joint working can be improved. and we have used them to underpin recommendations to partners.

Sustainability and Capital Projects

57 The Council made a public commitment to sustainable development in its Corporate Plan 2007/08 and this has been reinforced in the new Corporate Plan for 2008 to 2011. This states that the Council's approach to delivering its strategic aims will be underpinned by the principles of cohesion, engagement and sustainability (one-planet living). In practice, the Council's approach to sustainable development does not adequately ensure that service delivery (including the delivery of major building projects) takes account of environmental considerations.

58 The Council's major building projects can make a significant contribution to the delivery of its ambitions to reduce carbon dioxide emissions. Delays in the completion of the Council's Climate Change action plan may mean that these opportunities are lost.

59 The Council does not consistently address sustainability issues in the appraisal of its major building projects. Its Capital Strategy does not weight projects with a positive impact on sustainable development significantly more favourably than unsustainable schemes. However, the council is working to complete a new sustainability framework. This has the potential to be an important tool to ensure sustainable development within the capital programme.

60 The Council has a strong track record in procurement and very good expertise on sustainable procurement within the Procurement Team. The adoption of sustainable procurement by other Council services is variable; good progress has been made with the waste PFI contract and several schools projects, but it has made less progress with regeneration schemes. Good progress has been made on evaluating whole-life costs in some capital projects, but there is not a consistent corporate approach. The Council recognises that there is scope to improve how it does this.

Community Engagement

- 61** The Council has a clear commitment to engaging with its many communities. It is aware of the challenges it faces in engaging with local people, especially those whose voices may be overlooked or seldom heard. In response to these challenges, the Council uses a wide range of engagement activity in an attempt to reach as many people as possible. Its efforts around engagement are supported by its approach to performance management and procurement. Information Technology is used effectively, and the Council operates a particularly comprehensive consultation database.
- 62** There are some positive outcomes from partnership working, but information-sharing between partners is not yet fully effective and some partners doubt the Council's commitment to engagement and partnership working. Although staff networks make a meaningful contribution, it is not clear that all staff recognise the importance of engagement. The Council is not yet making the most effective use of customer complaints to improve services. The website is not fully effective in supporting engagement, and there is insufficient feedback to local people about the outcomes from engagement. In some areas it is clear that changes made as a result of engagement are making a positive difference, but in others the impact is not clear. Evaluation of the impact of engagement is not systematic.

Data quality

- 63** The Council's overall management arrangements for ensuring data quality are consistently above minimum requirements.
- 64** Further improvements have been made to data quality management arrangements during 2007/08. This has been achieved through strong and committed leadership, demonstrated by:
- Adoption of the Council's approach to data quality by partners;
 - Significant reduction in time lapse between period end and the formal review of performance information;
 - Numerous training and development sessions for key staff which both addressed specific issues relating to data quality e.g. control schedules and linked data quality to wider issues e.g. risk management.
- 65** We carried out spot checks of five specific BVPIs and found that two out of the five selected were fairly stated. Indicator BV 16a (Percentage of Employees with a Disability) was qualified due to non compliance with the DCLG definition in that the staff survey recently completed did not cover a representative sample of staff, and BVPIs 78a and b, which measure the time taken to process application changes or new applications, were qualified due to errors in the measurement process. We have agreed an action plan to address these issues in the course of 2008/09.
- 66** There is an effective network of data quality champions (the coordinators) who have been central to the improvements made in data quality over the last two years. There is good evidence of key staff working closely with service level staff to address data recording issues, particularly the Strategic Performance and Improvement team.

The audit of the accounts and value for money

- 67** The Council ensures that data supporting performance information is also used to manage and improve the delivery of services. The performance framework is now well established (via the service, corporate and leader performance clinics) and provides an effective challenge around performance and the catalyst for further improvement.
- 68** Whilst significant progress has been made the Data Quality Strategy has yet to become fully embedded across the Council's business. There is also a need for greater follow up of actions to ensure the implementation of numerous improvement measures has been successful. The Performance Coordinators Group and Corporate Performance Working Group have a key role to play in implementing these measures until data quality arrangements are fully embedded.
- 69** Rigorous implementation of control schedules for Performance Indicators (PIs) by directorates, and follow up by the Strategic Performance and Improvement team, has yet to be fully completed. Completion of this will provide a major stepping stone to further improvement in controls and arrangements. It will help identify key risk areas and should focus management attention.

Audit of government grants

- 70** In the course of the year I carry out the audit of a significant number of claims for government grant. During 2008 I have been pleased to note that the Council has continued its effective approach to the compilation of such claims, with the great majority of claims submitted on time, accurately completed and supported by good working papers.

Looking ahead

- 71** The public service inspectorates are currently developing a new performance assessment framework, the Comprehensive Area Assessment (CAA). CAA will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. It will put the experience of citizens, people who use services and local tax payers at the centre of the new local assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable. It will recognise the importance of effective local partnership working, the enhanced role of Sustainable Communities Strategies and Local Area Agreements and the importance of councils in leading and shaping the communities they serve.
- 72** CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate area assessment and reporting performance on the new national indicator set, together with an organisational assessment which will combine the external auditor's assessment of value for money in the use of resources with a joint inspectorate assessment of service performance.

The first results of our work on CAA will be published in the autumn of 2009. This will include the performance data from 2008/09, the first year of the new National Indicator Set and key aspects of each area's Local Area Agreement.

Closing remarks

- 73** This letter has been discussed and agreed with Corporate Management Team. A copy of the letter will be presented at the audit committee and to cabinet on 20 April 2009. Copies need to be provided to all Council members.
- 74** Further detailed findings, conclusions and recommendations on the areas covered by audit and inspection work are included in the reports issued to the Council during the year.

Table 4 Reports issued

Report	Date of issue
Audit and inspection plan	March 2007
Community Engagement	February 2008
Health Inequalities	August 2008
Annual Governance Report	September 2008
Section 31 Joint Arrangements	September 2008
Corporate Performance Assessment Report	September 2008
Opinion on financial statements	30 September 2008
Value for money conclusion	30 September 2008
Sustainability and capital projects	November 2008
Final accounts memorandum	November 2008
Use of Resources Assessment Report	January 2009
Review of Data Quality	February 2009
Annual Audit and Inspection Letter	March 2009

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- 75** The Council has taken a positive and constructive approach to audit and inspection work, and I wish to thank the Council's staff for their support and cooperation during the audit.

Availability of this letter

76 This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk, and also on the Council's website.

Stephen Gregg

Comprehensive Area Assessment Lead

March 2009

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

Copies of this report

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