

Annual Audit and Inspection Letter

Bolton Metropolitan Borough Council

Audit 2007/08

March 2009



Contents

Key messages	3
Purpose, responsibilities and scope	4
How is Bolton Council performing?	5
The audit of the accounts and value for money	10
Looking ahead	16
Closing remarks	17

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 Bolton Council is improving strongly. Performance is consistently high and still improving in priority areas. The Council retained its four star performance rating in 2008, one of only a small number of councils to have achieved the maximum rating since CPA was introduced in 2002.
- 2 Children's services have improved, with arrangements to keep children safe now judged to be outstanding. Educational attainment at Key Stage 3 and 4 is rapidly closing the gap with the national average. Adult social care has improved across all outcomes, and protection of vulnerable adults has recently been assessed as excellent.
- 3 There are significant falls in violent crime and anti-social behaviour. The Council achieved level 4 of the national equality standard, one of only a small percentage to do so. Inequalities are reducing in areas such as employment and health. For example, many long-term benefit claimants were helped back into employment, the majority being from the most deprived neighbourhoods. Teenage pregnancies are down, access to mental health services is better and the alcohol service has been transformed.
- 4 Challenging, yet realistic, partnership plans are transforming services to promote further improvement. Leadership has been strengthened, through member development and greater involvement in performance management.
- 5 Environmental services are progressing but more slowly than other areas, particularly around standards of cleanliness in the borough.
- 6 Financial management remains strong, and value for money is good.
- 7 The Council has responded well to the issues raised in last year's letter, and also to audit and inspection during the year.

Action needed by the Council

- 8 Although inequalities are reducing, there is still a gap between outcomes for people in Bolton and other areas of the country. A sustained focus on long term ambitions will be necessary to drive further improvement, whilst responding to the current pressures being encountered due to the recession.
- 9 Improvements in environmental performance have not been sufficient to close the gap on even average performers, this remains an area of some concern as it is a high priority for local people.

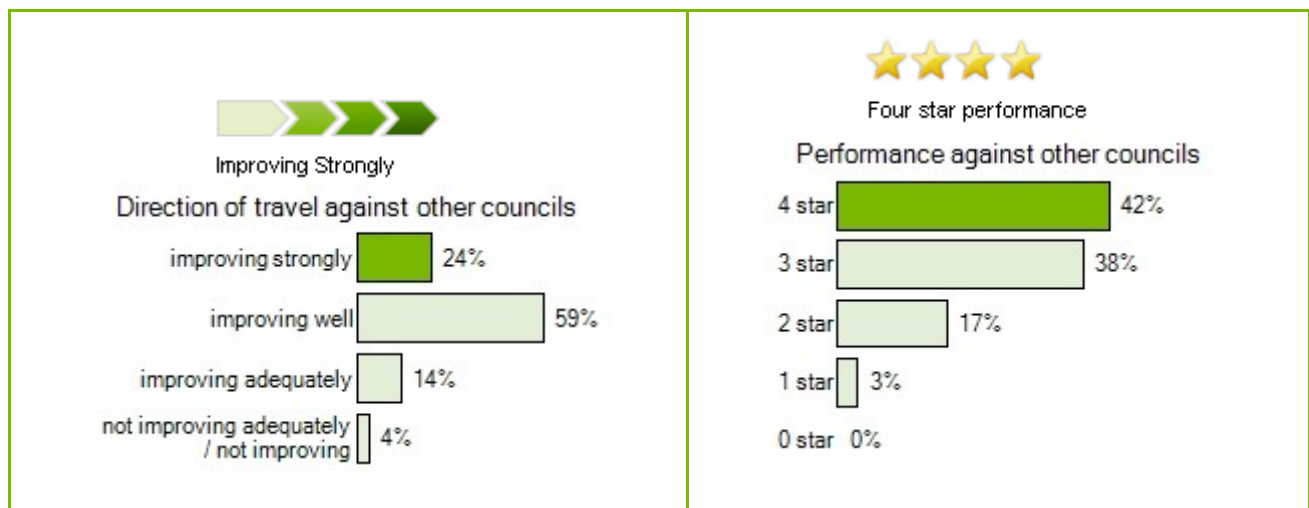
Purpose, responsibilities and scope

- 10** 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.)
- 11** I 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. Your appointed auditor and I have made recommendations to assist the Council in meeting its responsibilities.
- 12** This letter also communicates the significant issues to key external stakeholders, including members of the public. I 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).
- 13** 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, your appointed auditor reviews and reports 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.
- 14** 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.
- 15** I have listed the reports issued to the Council relating to 2007/08 audit and inspection work at the end of this letter.

How is Bolton Council performing?

- 16** The Audit Commission's overall judgement is that Bolton Council is improving strongly and is classified four stars 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



Source: Audit Commission - Percentage figures may not add up to 100 per cent due to rounding's.

Our overall assessment - the CPA scorecard

Table 1 CPA scorecard

Element	Assessment
Direction of Travel judgement	Improving strongly
Overall	4 stars
Corporate assessment/capacity to improve	4 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	4 out of 4
Environment	3 out of 4
Culture	4 out of 4
Benefits	4 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

- 17** Bolton MBC was the subject of a Corporate Assessment (CA) and a Joint Area Review (JAR) during the 2007 - 2008 audit and inspection year with the reports issued in December 2007. The direction of travel judgement drew on this assessment, and those findings are not repeated in detail here. We have updated the findings with more recently available data and progress since the CA and JAR, the OFSTED Annual Performance Assessment of 2008 and the Commission for Social Care Inspection performance assessment for 2008.
- 18** Bolton Council is a four star council that is improving strongly. This is a reflection of the high quality of services that it delivers and its determination to do better for its residents. The Council demonstrates leadership in tackling issues that matter most to local people.
- 19** Partnership working is strong and is firmly based on improving the quality of life in areas that residents say are important. This bold vision for Bolton is documented in its new community strategy – Bolton: Our Vision 2007 to 2017. This is centred on three major aims: economic prosperity, narrowing the gap around inequalities and transforming services. Effective leadership and management are delivering improved resident satisfaction with the Council.

How is Bolton Council performing?

- 20** The Council has a realistic appreciation of its strengths and weaknesses. There is a good level of self awareness and willingness to challenge areas where performance does not match its aspirations. The Council has responded positively to the need for improved leadership on sustainability, but it acknowledges there is still much to do. In environmental services there has been some improvement but the rate is slowing. The Council recognises that it has now exhausted the possibilities of its current service model and work to address this is underway.

Healthy Bolton

- 21** The Council and its partners have a clear vision for improving health and life expectancy. The gap in standardised mortality between Bolton and rest of the country, and between the most and least deprived neighbourhoods within Bolton, has narrowed.
- 22** There has been good progress over the past year in reducing the rate of teenage conceptions, noted as a weakness in both the APA and Joint Area Review (JAR), and in the waiting times for children and young people accessing mental health services. A redesign of the alcohol treatment service has significantly increased the number of people currently accessing the service.
- 23** The Council has begun to utilise its role as an employer to improve the health of its own workforce. The Council acknowledges that it can still do more and it is developing a Health and Wellbeing Strategy to further strengthen performance.

Achieving Bolton

- 24** Children's services have retained an overall assessment of good but this masks improvements from last year in some areas including the achieving category. The prospects for further improvement are excellent. The council has responded positively to the recommendations raised in the 2007 JAR and has made strong progress since that time.
- 25** There has been a sustained improvement in educational achievement at Key Stages 3 and 4 and this is bridging the gap with the national average. Support for the small number of schools causing concern is well targeted and effective.

Prosperous Bolton

- 26** Ensuring a prosperous future for Bolton is one of the three central aims of the community strategy. Bolton's Economic Development Zone, in the West of the Borough, has delivered its agreed outcomes. While Bolton remains a low-pay area, incomes are rising at a faster rate than national benchmarks.
- 27** The town centre based Work Shop, with outreach work and partnerships spanning health, housing, probation and social care services, is a central part of the strategy to increase employment. The community strategy recognises the need to increase the skills and qualifications of local people. To support this ambition the Council has opened a new £14 million sixth form campus in Farnworth, one of the most deprived areas.

- 28** Construction of the £150 million first phase of the Bolton Innovation Zone is underway, featuring new further education colleges, community leisure facilities, an NHS diagnostic centre and car parking.

Safe Bolton

- 29** The Council and its partners continue to improve the safety of local communities. Although Bolton is a relatively high crime area, there has been significant progress in reducing crime, particularly in the most deprived neighbourhoods and local people say they feel safer.
- 30** Violent crime fell by 20 per cent last year, almost doubling the average rate of improvement nationally. The annual residents' survey shows that, for the third year running, fewer people feel that anti-social behaviour is a major problem. Bolton's approach to preventing re-offending was recognised with a Beacon award in 2008.
- 31** Within Children's services, safeguarding has continued to improve and is now rated as outstanding. The common assessment framework has been fully integrated into the work of all local staff.

Clean and green Bolton

- 32** The Council's environment service provides a good service. There has been a substantive improvement in resident satisfaction with environmental services. Cleanliness has improved, but over a range of performance measures it shows a more mixed picture. This coupled with the fact that performance is still relatively low compared to other authorities means that there is still scope for improvement.
- 33** The cost of the refuse collection service has risen comparatively but this is the consequence of re-introducing weekly refuse collections in line with resident wishes. The Council acknowledges that there is still scope to improve its environmental service performance particularly waste volumes, graffiti, litter and brown-field housing developments. A comprehensive review has shown that the council has reached the limitations of its current model of service delivery.
- 34** The Council has responded positively to the 2007 corporate assessment regarding its leadership on sustainability. The Council has secured membership of the Carbon Trust Carbon Management Programme.

Strong and confident Bolton

- 35** The Housing service provides an excellent service. Strong partnership working is delivering robust improvements to the service and is integrated with neighbourhood renewal, contributing to wider community outcomes.
- 36** The Council achieved level 4 of the National Equality Standard in 2007. Nationally only a small percentage of councils have met this level. The Council's latest BME survey demonstrates significant improvements in key areas.

How is Bolton Council performing?

Other areas

- 37** Political and managerial leadership are strong and improving. The Council's response to the 2007 corporate assessment has resulted in a more robust approach to performance management and member development. The Council has recently won a regional prize for member development and also a North West employers award for this area.
- 38** There has been a thorough review of the approach to reporting performance and the Council's modernisation programme has now moved into its third phase. There is improved web based access to services. Within the limitations of the existing IT system a substantial increase in transactional services has been achieved. An imminent new IT system will result in a substantially better offering in the near future.
- 39** The Council was rated as good on its use of resources. There is evidence that value for money is built into decision making. During the year, the council has committed to a freeze on council tax for 2008/09, against a national trend of around 4 per cent. The Council continues with its longer term plans to reconfigure services to provide better outcomes and increased efficiency.

Service inspections

- 40** There were no audit commission inspections during the year. The Commission for Social Care Inspection (CSCI) carried out an inspection of services for older people that support independence, well-being and choice. The inspection made the following overall judgements.
- Safeguarding of older people was excellent.
 - Delivery of personalised services was good.
 - Delivery of preventative services was excellent.
 - Capacity to improve further was excellent.
- 41** The full report is available from the website of CSCI.
- 42** An important aspect of the role of the Comprehensive Area Assessment Lead is to work with other inspectorates and regulators who also review and report on the Council's performance. CAALs 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 which have been incorporated into the direction of travel report.
- The Joint Area Review of Children's Services - a joint inspectorate review led by OFSTED.
 - The Annual Performance Assessment for Children's Services from Ofsted.
 - The Annual Assessment for Adult Social Care services from the Commission for Social Care inspection.

The audit of the accounts and value for money

- 43** Your appointed auditor has reported separately to Constitutional Panel/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;
 - a report on the Best Value Performance Plan confirming that the Plan has been audited; and
 - feedback on your Use of Resources assessment.

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 your auditor assessed the Council's arrangements for use of resources in these five areas as follows.

Table 2

Element	Assessment
Financial reporting	3 out of 4
Financial management	4 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

The key issues arising from the audit

Accounts Audit

- 46** Draft financial statements were presented to the Audit Committee in line with statutory deadlines. The content of the Council's working papers to support the financial statements improved from previous years. The working papers were, in the main, clearly referenced and supported the accounts.
- 47** A number of audit adjustments were made to the financial statements however the majority of these related to the disclosure notes. An unqualified audit opinion was issued on 30 September 2008.

Use of Resources assessment

- 48** The Council's overall use of resources assessment was three out of four, which was the same assessment as 2006/07. However within this, the Council's Financial Management score has improved from 3 out of 4 to 4 out of 4. This demonstrates that the Council has continued to make improvements in respect of its arrangements. Further to this, the Council has also demonstrated that new requirements have been achieved in order to maintain the existing level of performance. For example, there were additional requirements in respect of KLOE 2.3, which placed a more strategic emphasis on the Council's arrangements. The Council's action during 2007/08 has ensured that the additional requirements at levels two and three have been met.
- 49** One area of particular strength in this assessment was in relation to identifying resource movement through strategic budget re-directions to demonstrate corporate priorities were being funded with additional resources, and linking this to service improvement gains to demonstrate the additional resources were being successful.

Objection to the accounts

- 50** One issue to draw to your attention is your appointed auditor's investigation into the objection on the financial statements and request for a report in the public interest regarding income generated from penalty charge notices. The objection alleges the Council has unlawful items of income from penalty charge notices regarding parking restrictions. This is a matter on which the Council has taken its own legal advice, advice which it has had regard to in compiling its financial statements. The matter has not yet drawn to a conclusion from an audit perspective but is not expected to give rise to a material misstatement within the financial statements.
- 51** The certificate confirming the completion of the audit will be delayed until this investigation is complete.

Data Quality

- 52** The Audit Commission has developed a three-stage approach for assessing data quality, the first stage being a review of management arrangements for data quality. This review determines whether the Council has in place proper corporate management arrangements for data quality, and whether they are being applied in practice. This is the third year in which your appointed auditor has undertaken work on data quality.
- 53** Your management arrangements for data quality (stage one) is based on five Key Lines of Enquiry (KLOEs). These are:
- governance and leadership;
 - policies and procedures;
 - systems and processes;
 - people and skills; and
 - data use and reporting.
- 54** Each of the KLOEs was assessed as 'performing strongly'. Your overall assessment for management arrangements for data quality was also assessed as 'performing strongly'.
- 55** The stage two and three analytical review work identified that the PI values reviewed fell within expected ranges. Spot checks were carried out on four of your PIs, including the two mandatory housing benefits PIs (BV78a and BV78b). As a result of our audit work, no reservations were issued or PIs amended.

Advice and Assistance work

Greater Manchester Health Inequalities

- 56** In 2006/07 we carried out work across Greater Manchester to understand the impact of health inequalities and the plans to address them. A key outcome of the work was a shared pledge from Greater Manchester's local authorities and health bodies which focussed on improving health outcomes. During 2008 we revisited the work to establish the progress that had been made and to identify whether there were areas where further improvement was yet to be realised.
- 57** We found that organisations across Greater Manchester have worked well together to meet the challenges of the pledge signed in December 2006. In order to measure progress we asked a number of key questions.
- Are organisations across Greater Manchester supporting the population to improve their health?
 - Are organisations working to create a culture of promoting health?
 - Are organisations redoubling efforts to work more closely together?
 - What are the challenges that remain?
 - Will progress to date be sustained?
- 58** We found that there had been significant progress in each of the areas assessed and we were able to conclude that:
- big issues are monitored by a joint lead health group;
 - there are well informed and equipped members and NEDs;
 - Health Overview and Scrutiny is a fundamental part of keeping on track;
 - there is a fully functioning and integrated public health network;
 - there is well focused data and intelligence informing commissioning decisions;
 - a robust structure is in place for engaging with the voluntary sector;
 - there are some radical changes in use of existing resources; and
 - corporate responsibility has progressed well.
- 59** The first actions to ensure continued progress were agreed through the Mental Health workshop we facilitated in August 2008. We have identified a number of further actions that still could be agreed to ensure the Health Inequalities agenda is addressed across Greater Manchester and these have been communicated both to Bolton and across Greater Manchester.

Community Safety

- 60** We carried out a review of community safety across Greater Manchester during 2008. Our review focused on how public sector partners are working together to tackle the impact of alcohol abuse on individuals, communities and agencies. The aim was to learn about what works well and what the barriers are to achieving a more significant impact on crime and disorder.
- 61** Eight Key Lines of Enquiry (KLOE) were developed to provide a consistent methodology and to focus our attention on the important aspects of alcohol abuse and its impact on community safety. The KLOEs were agreed as appropriate and highly relevant by the external advisory group of sector representatives (EAG). These KLOEs cover the following eight themes:
- antisocial behaviour;
 - drink driving;
 - deaths and injuries from fires;
 - town centre disorder;
 - violence;
 - underage drinking;
 - attacks on staff; and
 - chronic alcoholism.
- 62** Following our fieldwork, we were able to conclude that there is a commitment across Greater Manchester to address the impact of alcohol abuse upon individuals and communities and this is yielding some success.
- 63** Partnership arrangements are being enhanced through emerging groups such as the Greater Manchester Alcohol Group (GMAG) which has developed a clear leadership role and agenda from a health and social care perspective.
- 64** Partners clearly understand the well documented links between alcohol and other issues such as violent crime and can point to numerous examples of success in addressing it.
- 65** There is good evidence of information and intelligence sharing within borough partnerships and of where this is being used and evaluated to good effect, such as in identifying crime incident hotspots in town or city centres.
- 66** Greater Manchester wide roles and responsibilities for addressing alcohol misuse are unclear. This manifests in a lack of clarity as to how strategic groups such as Greater Manchester Against Crime (GMAC) and GMAG interrelate and support each other.
- 67** Action to prevent alcohol abuse and reduce its community safety impact on individuals and communities is often still embryonic. Partners are not able to consistently demonstrate that their commitment will translate into improved long-term outcome.
- 68** Partners are not fully capitalising on the opportunities to take a more integrated approach across health and criminal justice agendas. Joint working arrangements are not well developed and often inconsistent across the conurbation.

The audit of the accounts and value for money

- 69** Opportunities exist to improve the use of data and knowledge across Greater Manchester as current arrangements are hindering better targeting of resources. There is limited use made of data sharing and analysis across borough boundaries. While data is gathered at a Greater Manchester level it is not being converted into meaningful information which is consistently informing strategic direction. Partners recognise that this is an area for further improvement.
- 70** The ability of areas to share approaches on what works at a local level have not been fully exploited. This is a relatively easy issue to address and the benefits are clear, with solutions to many borough level problems often residing elsewhere in Greater Manchester.
- 71** The first actions to ensure progress were agreed through the data sharing workshop we facilitated in February 2009. We have identified a number of further actions that still could be agreed to ensure the Community Safety agenda is addressed across Greater Manchester and these have been communicated both to the Council and across Greater Manchester.

Looking ahead

- 72** 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.
- 73** CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate annual area risk assessment and reporting performance on the new national indicator set, together with a joint inspectorate annual direction of travel assessment and an annual use of resources assessment. The auditors' use of resources judgements will therefore continue, but their scope will be widened to cover issues such as commissioning and the sustainable use of resources.
- 74** 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 Local Area Agreements.

Closing remarks

- 75** This letter has been discussed and agreed with senior officers of Bolton. A copy of the letter will be presented at the Executive on 30 March 2009. Copies need to be provided to all Council members by the 31 March 2009
- 76** 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 3 Reports issued

Report	Date of issue
Audit and inspection plan	March 2007
Report to those charged with governance	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Data Quality	December 2008
Corporate Performance Assessment Report and Joint Area Review	December 2007
Annual audit and inspection letter	March 2009

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- 77** 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

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

Pat Johnson

Comprehensive Area Assessment Lead

16 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.

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