

Annual Audit and Inspection Letter

March 2007



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Bolton Metropolitan Borough Council

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For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

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Our overall summary

- 1 This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the findings and conclusions from the audit of the Council, and inspections that have been undertaken in the last year and from a wider analysis of the Council's performance and its improvement over the last year, as measured through the Comprehensive Performance Assessment (CPA) framework.
- 2 The report is addressed to the Council, in particular it has been written for councillors, but is available as a public document for stakeholders, including members of the community served by the Council.
- 3 The main messages for the Council included in this report are as follows.
 - Bolton Council continues to perform at a high level, retaining its 4 star rating under the CPA methodology. There is a clear focus on improving the quality of life for all and in particular those in deprived communities. Closing the gap between different communities across the borough is a key element of Council and partnership working and there are encouraging signs of progress.
 - Service quality is good overall and is excellent in some areas. Adult services are excellent including helping vulnerable people live independently. Performance has also improved in benefits and cultural services.
 - Targeted effort to improve the quality of the environment is yielding results. Resident satisfaction with cleanliness has risen markedly through a focus on more deprived areas and closer integration of Council services.
 - There is continued success in job creation, attracting inward investment and pressing ahead with regeneration across the borough. Employment rates are rising but future prosperity could be hindered if issues such as equality of opportunity across all communities are not addressed in areas such as educational attainment.
 - Strong partnership working is contributing to achievement of long-term crime reduction targets. There has been considerable attention on reducing the gap in crime levels between deprived and other communities and this approach is yielding results. However crime levels remain comparatively high and a recent slow down needs to be closely monitored.
 - Internal capacity can be further strengthened by continuing to focus on improving value for money, addressing high rates of sickness absence, tackling high vacancy levels in adult social care and further developing the approach to workforce planning. These are important as they will help increase available capacity to deliver Bolton's ambitious plans including the on-going change programme.

Action needed by the Council

4 From the direction of travel assessment:

- work with partners to continue to focus on closing the gap between different communities across the borough. In particular continue to address disparities in educational attainment;
- closely monitor and if necessary take action to address recent rises in some crime levels. In particular further progress is needed to address higher crime areas and halt the rise in overall levels of violent crime. There is a risk that long-term crime reduction targets will not be met if performance deteriorates; and
- address continued gaps in internal capacity, primarily addressing sickness absence, vacancy levels in adult social care and further developing the approach to workforce planning. Delivery of this will put the Council in a much stronger position to deliver its ambitious change programme.

5 In relation to Use of Resources:

- improve the processes in place for the management of the Council's fixed asset base;
- demonstrate how service investment achieves output consistent with objectives;
- quantitatively assess, monitor and report the level of reserves;
- continue to review and enhance the processes in place for risk management so that the Council can clearly demonstrate it is embedded within corporate business processes; and
- make value for money an integral part of the performance management framework.

How is Bolton Council performing?

- 6 The Audit Commission’s overall judgement is that Bolton Council is improving well and we have classified the Council as 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.

Table 1



Source: Audit Commission

- 7 The detailed assessment for Bolton Council is as follows.

Our overall assessment - the CPA scorecard

Table 2 CPA scorecard

Element	Assessment
Direction of Travel judgement	Improving well
Overall	4 stars
Current performance	out of 4
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

Element	Assessment
Benefits	4 out of 4
Corporate assessment/capacity to improve	4 out of 4

(Note: 1=lowest, 4= highest)

The improvement since last year - our Direction of Travel report

- 8 Bolton Council continues to perform at a high level. There is clear commitment with partners to deliver services that improve quality of life for all and in particular those in deprived communities.
- 9 There are excellent services to help vulnerable people live independently. Benefits services continue to improve, job creation is effective and targeted on the right communities. Street cleanliness is improving and complements town centre developments. Reductions in crime while slowing are still on target to meet long-term goals.
- 10 The Council is addressing areas for improvement including consistently raising performance in libraries and leisure services, and achieving further improvement in educational attainment. Sickness absence levels generally and vacancy levels in adult services need continued attention to ensure they do not threaten further improvement.
- 11 The Council's capacity to improve remains strong and is capable of accelerating improvement substantially in these areas. Work continues to improve customer access and deliver more services locally where appropriate. The Council achieves good value for money, with generally high quality services at low comparable cost. This is further supported by an improved approach to workforce planning.
- 12 Bolton Council remains a 4 star council and has improved well over the last year. It has maintained strong performance in a number of areas such as adult social care. In addition, there has been improvement in street cleanliness, crime reduction, helping vulnerable people live independently (supporting people), benefits and a continuing emphasis on creating jobs and securing inward investment. There remain areas to improve, in particular children services with a need to address some areas of educational attainment. Within the Council further work is needed to tackle staff sickness and levels of vacancies.

- 13 In terms of performance against the Council's priorities;

Improving health and care and support people to live in the community

- 14 The Council had an inspection of Supporting People this year which concluded that it provides an 'excellent' service with 'excellent' prospects for improvement. Supporting People is the Government's long-term policy to enable local authorities to plan, commission and provide housing-related support services which help vulnerable people live independently. Particular strengths include the leadership showing ambition and innovation in the development of new services, such as an anti-social behaviour families' project. In addition there is a positive approach to diversity issues in the development and delivery of the supporting people programme. As this service is particularly focused on support for vulnerable people it is key to improving the quality of life of some of the most potentially disadvantaged citizens in line with Bolton's aims.
- 15 The benefits service has now achieved the highest score and is rated as excellent, particularly improved are user focus and accuracy of claims administration.
- 16 Care services for adults have retained their top rating and an excellent capacity for improvement. The Commission for Social Care Inspection (CSCI) commented that the Council has achieved continued improvement on its already excellent performance. The new Adults Services department was established in September 2005 with a wider remit than traditional adults social care, and this has provided opportunities to expand the range of services.
- 17 Whilst overall improvement is good there are important areas to strengthen. These include continuing to build on the positive work helping to support people to live in the community. Comparative rates of older people helped to live at home and those living at home with non-care managed support remains below that of similar councils. In addition, a potential threat to further improvement being sustained [across adult social care](#) is concerns about high levels of vacancies and sickness which must be an urgent focus for the Council.
- 18 The Council is working well with schools to improve the health of children. Specific action to target rising obesity levels has maintained existing rates against the backdrop of a national increase. 91 per cent of all schools are now part of the healthy schools programme, up from 77 per cent last year. The participation of children in 2 hours of physical activity is improving and contributing to the promotion of healthier lifestyles. Looked after children health needs are well met. Addressing high teenage conceptions remains an important area of focus. Due to a lack of accurate information, the Council and partners are not able to show whether the encouraging number of initiatives are having a positive impact on the overall incidence rates.

- 19 A long-term agenda is to improve the health of all communities and in particular address inequalities. This is a big challenge as inequalities continue to widen in some areas such as smoking and alcohol. There is now a clear strategic approach to addressing inequalities which provides a good foundation for future success.
- 20 There is a good level of provision of quality assured sports facilities with a four per cent rise in resident satisfaction since 2003/04. However, the Council is not making sufficient progress in encouraging residents to take part in regular participation in moderate intensity sport and active recreation and raising volunteering levels in sport and recreation. Improving these are important in order to contribute to the reducing health inequalities agenda.

Improving homes and our environment

- 21 There has been good improvement to both the environment and the quality of housing. In particular there has been a marked improvement in street cleanliness. This has been achieved across the borough by focusing particular emphasis on more deprived areas. As a result there has been a 12 per cent rise in resident satisfaction with cleanliness. Whilst very encouraging, comparable performance remains poor and consequently this remains an important area for future attention.
- 22 Part of the Council's approach has been the successful focus on bringing together services who play a role in improving cleanliness. This started in the Great Lever Neighbourhood Management Pathfinder area and is now being further rolled out across the borough. Resident surveys show environmental degradation in key target areas has been halved. In order to achieve consistent access to the environment the Council needs to enhance the overall quality of footways and increase pedestrian crossing access for disabled people.
- 23 Waste management performance is good. Waste volumes continue to fall and there has been consistent progress to improve recycling and composting rates, with recycling rates now exceeding national targets. Resident satisfaction is mixed, with recycling satisfaction up by 9 per cent and waste collection satisfaction down by 8 per cent compared to 2003/4. Reversing the fall in waste collection satisfaction is an important area for improvement.
- 24 The overall CPA service score for housing has fallen from 4 to 3, but it remains above minimum requirements. Bolton at Home who manages and improves the Council's housing stock continues to make strong progress towards meeting the decent homes standard. 30 per cent of local authority dwellings were classed as non decent at the start of 2005/06, a substantial improvement from the previous year. The Council continues to focus on bringing all social housing into a decent condition by 2010.
- 25 The Council's approach to engaging with service users to drive forward improvement in housing is recognised through its Beacon status for improving housing services through tenant involvement. The Council is aware of further challenges including improving re-let times and working to reduce the proportion of private sector homes vacant for more than six months.

Strengthening the economy and improving skills, image and culture

- 26 A number of key strands to this strategic priority have been progressed in the past year. A new Development and Regeneration department has been formed to provide the spearhead for the delivery of this priority. The Council has developed and integrated a new brand for the borough, winning a national award in recognition of its quality. The Council and partners are using the economic success to encourage new developers to help address inequalities. For example, a new large employer has been attracted to the borough and as part of an agreed arrangement has appointed 29 staff who had been identified as disadvantaged in the job market and provided with bespoke support to enable them to meet the specified skill requirements.
- 27 Visible physical and amenity improvements to the town centre have been achieved this year including the completion of a mixed use urban living development at Marsden House, improvements to the rail and bus interchange, new restaurants and retail providers in Nelson Square, and the Newport Street Bridge.
- 28 The employment rate overall has improved and is now above the national and regional averages. This is supported by an increasing focus on encouraging enterprise. However there are areas of performance which whilst making some steady progress may become a threat to economic success if progress is not accelerated. These include educational attainment at all levels across all communities and particularly at A/AS level and equivalents where performance has continued to improve but remains below both the national average and that of similar councils overall.

Combating crime, the fear of crime and substance abuse

- 29 The Council and partners continue to make good progress towards meeting long-term crime and community safety objectives. Government Office have rated Bolton's chances of meeting long-term crime reduction targets as very good which contrasts with performance across other parts of Greater Manchester.

- 30 There has been considerable attention on reducing the gap in crime levels between deprived and other communities and this approach is yielding results. In recent years there has been a notable fall in key crime types such as burglary, vehicle crime and more serious violence offences. Re-offending rates have fallen and are now in the top quartile. While overall crime rates continue to fall in 2005/06 they are still comparatively high and the rate of reduction has slowed down. This will need close attention, in particular further progress is needed to address higher crime areas and halt the rise in overall levels of violent crime
- 31 The commitment to continue to seek major reductions in crime is strong and new tactics and strategies are regularly developing, such as prolific offender strategies, using real-time data to profile hotspots, the planned move to neighbourhood policing. The Council has been short-listed for a Beacon award for its approach to antisocial behaviour. Nevertheless the scale of the challenge is still significant and the affect on the quality of life of high levels of crimes such as domestic burglary will be substantial.
- 32 The extensive work is yielding results in terms of improvement in resident perceptions of safety and crime. This includes strong reductions in resident perceptions of problems relating to vandalism and damage, abandoned and burnt out cars and those who think people being drunk/rowdy is a problem.

Improving achievement and outcomes for children and young people

- 33 The Council has retained its overall level of performance in children services and has good capacity for further improvement. There has been success at key stages 3 and 4 partly due to targeting BME groups and areas of underperformance in schools. Other improvements during 2006 include results at key stage 1 Reading and Writing, key stage 2 English and the pupils with five or more GCSEs graded A to G. There are areas for improvement including meeting targets at key stage 3 English and Science, GCSEs graded A to C and ensuring key stage 3 progression for more able children.
- 34 The educational attainment of looked after children (LAC) is a priority and is reflected in a number of local area agreement targets. Some improvements are being made to the attainment of LAC and some areas are not improving. The average educational attainment of LAC is poor nationally and needs to improve substantially.
- 35 Pakistani pupils continue to achieve below average on education. Raising educational attainment across all communities requires strong attention to ensure all children in Bolton succeed. This is important as reducing inequality in educational attainment not only promotes community cohesion but also helps support future economic growth.

- 36 The Council is addressing rates of post 16 participation in education, training or employment. Improving performance is being addressed through a range of initiatives which should begin to impact positively. Performance at A levels is identified as an area for further improvement and is important to economic success ambitions for the future.

Regenerating our deprived communities

- 37 There is a clear commitment to closing the gap between different communities across the borough. This is underpinned by strong partnership working through the local strategic partnership and the local area agreement. There are signs of success with gaps in crime levels and educational attainment showing some promising progress. Specific work in Great Lever has produced measurable impact on satisfaction as a place to live, bringing it up to that achieved in other areas of the borough. The refresh of the community strategy aims to reinforce the aspirations to tackling inequalities across the borough.

Other areas

- 38 The Council with its partners retains strong capacity which puts it in a good position to further accelerate improvement. There is a track record of improvement over a number of years and this is underpinned by effective partnership working and good working relations between officers and councillors.
- 39 The Council has retained its level of performance from last year in its use of resources and value for money, with improvement achieved in financial reporting. In order to reach the next level of performance a number of additional developments are needed including improving the links between resource allocation and Council priorities and how it manages its asset base.
- 40 Workforce planning is not yet fully developed and has been a matter for strong attention in the Council and some notable practice is emerging in social care. The level of vacancies in adult social care and levels of sickness generally remain in need of constant effort to ensure they do not hamper further improvements. Rising rates of staff sickness were highlighted as an issue last year and effort to tackle this is yet to show notable improvement.
- 41 The Council is not willing to stand still and this is exemplified by the ambitious 'change programme'. This aims to build on already strong performance in order to provide better, more cost-effective and efficient services. Demonstrating the success of this is key to achieving a further step change in performance. Recently a new strand of cultural change has been incorporated and will manifest in the delivery of development activities for all managers and staff by April 2007. The two other strands are service redesign for citizen focus and back office re-engineering and efficiency.

- 42 Much is also dependent upon the success of the LAA and partnership working but the shortage of up to date data in key areas of the LAA does not assist the likely delivery. This includes a lack of up to date information to assess whether there are adequate employment opportunities across communities and work to narrow health inequalities. In addition the connected causal links inhibiting performance in difficult areas such as crime, whilst well-identified, are not yet being impacted upon substantially enough to create step change. For example educational attainment generally, the involvement of 16 pluses in education training or employment and the differential attainments and ambitions for BME and looked after children all need to achieve step change improvements.
- 43 Bolton has a diverse community and contrasting levels of deprivation from area to area which make ensuring social cohesion an important on-going priority. Continuing challenges around differential educational attainment for some communities, residents' mixed views of race relations, and some potential for increased separation of communities all indicate a need to maintain a close and pro-active attention to these issues. In a recent resident survey a comparably low 43 per cent of residents agree Bolton is a place where people from different backgrounds get on well.

Service inspections

- 44 As stated earlier, during 2006 there was an inspection of Supporting People. We assessed Bolton Council as providing an 'excellent', three-star service that has excellent prospects for improvement.
- 45 Key findings of the inspection include the following.
- The shape of housing-related support provision is changing to increase choice. A wider range of services are being provided to fill gaps and enable people to remain in their own homes.
 - Service user engagement is meaningful, imaginative and inclusive. In addition to shaping policies and strategies, service users are involved in assessing the quality of information about the programme and determining supplementary user-focused quality standards for future reviews.
 - There is good quality information about the Supporting People programme and funded services.
 - The Council has good baseline housing-related support information on Bolton's communities, including black and minority ethnic groups.
 - Diversity issues are well-addressed in the development and delivery of the programme. The needs of BME groups have been considered in the development of the five-year strategy and effective communication channels are in place. Service reviews have examined the cultural sensitivity of all existing services.
 - Governance arrangements are effective and inclusive, with councillors closely involved in the development of the programme.

14 Annual Audit and Inspection Letter | How is Bolton Council performing?

- Effective partnerships including probation, the PCT, service providers, service users and other stakeholders are driving the programme forward.
- The administration of the programme has been strategically led by senior managers. It is well-reflected in the Council's and key partners' plans for the delivery of support to vulnerable people and in the majority of key commissioning strategies. The Supporting People five-year strategy is well-integrated with the Council's corporate plan.
- A five-year strategy, which was agreed following extensive consultation with stakeholders, has set out clear commissioning and service priorities to shape the further development of the programme.
- A transparent and fair approach to value for money assessments has resulted in improvements to the quality of grant funded services and in £1.6 million of efficiency savings.

46 Less positive areas include the following.

- The Council is not yet fully capturing the outcomes that the programme delivers for service users and the community.
- The quality of housing-related support plans for individual service users are mixed, with a small number falling short of good standards.
- New services to address gaps and priorities have been relatively slow to develop. Services for people with alcohol problems are being procured but will not be in place until June 2006. The needs of other groups, such as frail older people needing extra care, are not fully provided for.

47 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 assessments from the following other inspectorates and regulators:

- Ofsted;
- Commission for Social Care Inspection (CSCI);
- Benefit Fraud Inspectorate (BFI);
- DfES; and
- Local Government Office contact.

48 These assessments have been integrated in the previous sections of the direction of travel report.

Financial management and value for money

- 49 Your appointed auditor has reported separately on the issues arising from the 2005/06 audit and has provided:
- an unqualified opinion on your accounts;
 - a conclusion on your vfm arrangements to say that proper arrangements have been made to secure economy, efficiency and effectiveness in its use of resources; and
 - a report on the Best Value Performance Plan confirming that it meets statutory requirements.
- 50 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).
- 51 For the purposes of the CPA your auditor has assessed the Council's arrangements for use of resources in these five areas as follows.

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)

- 52 The Council has maintained its overall score of 3 in 2006 indicating that the Council is performing consistently. Improvements have been made within financial reporting but weaknesses in control of fixed assets were identified during the financial statements audit which in turn reduced the score the Council achieved for the fixed asset management theme.
- 53 The Council has implemented an action plan and has put in place processes which, if embedded and achieving outcomes, should enable the achievement of strengthened or improved scores across most areas in the 2007 assessment. In particular, the Council should focus on:
- ensuring that its asset base is fully supported by asset registers that are compliant with capital accounting requirements;
 - monitoring and demonstrating how financial plans have contributed to the achievement of corporate objectives and how areas of corporate investment in services have resulted in outputs consistent with objectives;
 - implementing a process to explicitly demonstrate that the risks faced by the Council are directly linked to the minimum and maximum levels of reserves required. This quantitative assessment of the level of reserves should be reported to members;
 - continuing to review and enhance the processes in place for risk management to strengthen the integration within business and financial planning process and raise awareness at all levels across the Authority; and
 - the Council should ensure the achievement and improvement of value for money is integral to the Council's performance management arrangements.
- 54 The auditors have completed reviews covering the arrangements in place for the governance of the ALMO (Bolton at Home) and the regeneration programme. These reviews concluded that:
- there are strong financial governance arrangements in place between the Authority and Bolton at Home; and
 - the project management and governance arrangements in place over the town centre regeneration programme are good.

Local studies

- 55 During the year the Audit Commission and the auditors have undertaken a number of more detailed reviews of specific areas to help inform the VFM conclusion and Use of Resources judgement.

Health Inequalities

- 56 Greater Manchester has one of the lowest life expectancies in the country. As part of this years work we have undertaken a review of the arrangements in place across Greater Manchester to address health inequalities. The review has involved 41 organisations including PCTs, acute and mental health trusts, local authorities and the SHA.
- 57 This work is now complete; the key issues that we reported are as follows.
- Collaboration – Greater Manchester is moving in the right direction.
 - Greater Manchester knows what the health inequalities issues are.
 - There is no health vision for Greater Manchester and a lack of champions.
 - Concerted, radical action is required to make a difference and reduce the health inequalities gap.
- 58 The Greater Manchester for Health launch event ‘Everybody’s Business’ was held on 7 December where all public sector organisations across Greater Manchester signed up to a public pledge to address health inequalities.
- 59 The main recommendations are:
- ensure non-executive directors (NEDs) and members are equipped to challenge in a robust manner;
 - ensure policy decisions are considered in light of their impact on health inequalities;
 - recognise the potential of a well organised Directors of Public Health (DPH) group informed by public health intelligence at a Greater Manchester level;
 - ensure commissioning capacity is available to engage in a wider range of activities to inform decisions;
 - embrace corporate responsibility; and
 - define the health leadership group and its terms of reference.
- 60 A final report was issued in February 2007 to all participating organisations and it is expected that organisations will work with partners to develop detailed actions to tackle the issues. The Greater Manchester Health Leadership Network will monitor progress across Greater Manchester. A follow up review is anticipated in early 2008 to monitor progress with the implementation of these high level recommendations.

Integrated social needs transport

- 61 During 2006 we examined how councils, the passenger transport executive/ authority, the ambulance service and PCTs provide social needs transport (SNT). These services are often the only means of people accessing education, social activities, health appointments or essential parts of daily living.

- 62 Key messages from the review are that whilst users value SNT there is considerable scope for improvement, with most organisations not sufficiently taking user access into account in the planning of services. The impact on users is not clearly understood and prioritised by the majority of organisations commissioning and providing services. Opportunities to increase the quality of these services and improve value for money through integration are not being maximised across Greater Manchester. One particular issue is the potential for improved efficiency and effectiveness of SNT services through integration both within the Council and with partner organisations.
- 63 Bolton Council was asked to complete an action plan responding to the recommendations made to date. Additional work is planned during 2007 where we will monitor progress and examine specific aspects of SNT including identification of gaps in services taking into account eligibility criteria; implementation of route planning systems; and cost and activity data.

Children placements

- 64 Placements of looked after and special needs children in external accommodation can be costly and may not provide the best outcomes for children. The review examined the significant attention by the authority and other Greater Manchester colleagues on the challenge of improving the value for money of children's placements. In particular we reviewed the AGMA 'Outside Placements and Joint Commissioning Unit' and piloted a tool to improve commissioning and value for money considerations in decision making.
- 65 Overall we found that the challenge of achieving improved outcomes remains a significant one that will require continued commitment and leadership. Other issues we reported include the following.
- The AGMA joint commissioning unit needed refocusing. Detailed recommendations were made and have been implemented in order to improve its focus.
 - The pilot commissioning tool provides a greater focus on achieving outcomes and helps identify strategic commissioning implications for future service design to improve outcomes for vulnerable children. Health and education services were particularly identified as not always providing most effectively for vulnerable children
 - The commissioning tool provides a helpful means for assessing options that can enable improved value for money considerations in decision making.
- 66 Further work is planned during 2007 to promote the commissioning tool to ensure it contributes towards a stronger focus on outcomes. In addition we will work with health partners in order to help them understand how they can contribute to this agenda. We will monitor progress on taking up the challenge of outcomes driving commissioning or other approaches that are meant to deliver better outcomes across all agencies.

Conclusion

- 67 This letter has been discussed and agreed with Chief Executive. A copy of the letter will be presented at the executive on 16 April 2007.
- 68 The Council has taken a positive and constructive approach to our audit and inspection I would like to take this opportunity to express my appreciation for the council's assistance and co-operation.

Availability of this letter

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

James Foster
Relationship Manager