

**Report to:** Cabinet

**Date:** 16<sup>th</sup> April 2009

**Subject:** Audit Commission - Annual Audit and Inspection Letter 2007/8

**Report of:** Executive Director of Business Support Services

**Contact officer:** David Smith ext 2232

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**Purpose / summary:** To present the Audit Commission's Annual Audit and Inspection Letter, prior to formal distribution to all Members

**Alternative options considered and reason for selecting the one recommended:** No alternatives

**Recommendation / decision:** Cabinet are asked to note the progress made in the areas highlighted by the Audit Commission in their Annual Letter for 2007/8 and consider any further action required.

**Key Decision:** This report does not involve a key decision.

**Risks / Implications:** Demonstrates some successes against the risks identified in the Council's Strategic Risk Register and highlights areas where further attention is needed.

Financial: None directly

Staffing: None

Policy: None

Equal Opportunities - Has a Diversity Impact Assessment been conducted? Not required

Wards affected: None

**Property Implications – Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?**

No

**If yes, have the property implications been agreed with the Corporate Property Officer?**

N/a

**Does this proposal have significant implications for the Council and the local population?**

It provides an overview of ongoing performance in the management and delivery of key services.

**Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?**

No

Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the Council’s Constitution? **Yes \***

Has the Service director – Corporate Services confirmed that any expenditure referred to within this report is consistent with the Council’s budget? **Yes / \***

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **/ No \***

\* delete which applicable

**For Cabinet reports only :**

Categorisation of the report:	<b>x</b>		
Discussion leading to a decision		Discussion	<b>x</b>
Monitoring		Decision	
Sharing for corporate understanding		Information	

**Tracking/Process:**

	Consultation	Ward Members	Partners
	Audit, Governance and Improvement Review Committee on 26 <sup>th</sup> March		
Panel	Overview & Scrutiny	Cabinet	Council
		16 <sup>th</sup> April 2009	

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer Dr. David Smith

Date 31<sup>st</sup> March 2009

## 1. Background

The letter looks back over 2007/8 highlighting that we are improving well and have maintained our four star level of performance assessment in this final year of the Comprehensive Performance Assessment.

The letter highlights a number of areas where performance is either rooted in the lowest quartiles, shows a lack of sustained improvement or only modest improvement. In response to the letter this report looks at progress in five areas:-

- Homelessness
- Non-decent homes
- Teenage Conception
- Assessment Times in Adults and Children's social care
- Direct Payments

## 2. HOMELESSNESS

Considerable action has been taken over the last 18 months to improve performance here – both in overall acceptances and relative ranking position. Actions taken include

- Creation of a dedicated homelessness prevention team
- Built in quality control checks - all decisions now signed off by the Council
- Comprehensive legal training for staff, supported by a Communities and Local Government Specialist Advisor on Homelessness
- New Homelessness Strategy giving clear direction to partners that prevention is key to tackling homelessness
- Homelessness performance indicator in the Local Area Agreement

Whilst major pressures remain (due to current recession) the progress made is clear.

Period	No. Acceptances	Acceptances per 1000 population	Rank (out of 354 LAs)
Jan-Dec 2007	847	6.6	11th
April-March 07/08	626	5.6	20th
Jan-Dec 2008	500	3.9	47th
April-March 08/09	450 (est)	3.5 (est)	

## 3. NON DECENT HOMES

The headline results in reducing levels of non decent Council homes have been affected by the nature of our housing investment programme which is tackles elements of the decency standard such as heating and bathrooms separately rather than a whole house refurbishment. Since 2007/08 significant progress has been made and we expect 2008/09 results to show 5% of the stock non decent. This compares very well with other Local Authorities.

### 3. TEENAGE CONCEPTION

Wigan has seen an increase in under-18 conception rates in 2007, which is reflective of the national rate increase, including 15 of the 22 North West areas. We are encouraged that in relation to many other areas including 3 of our 4 statistical neighbours, it is a very small rise. Encouragingly the Wigan under-19 repeat abortion rate 7.5% (ONS 2007) is lower than England's 10.4% and repeat births to teenage mothers in Wigan is less than half the national rate.

Wigan was later than many areas in recruiting a Teenage Pregnancy Coordinator in June 2002 and initial focus was on supporting teenage parents, which we do extremely well. Health, social and economic outcomes for young parents are excellent, with high EET rates, nationally highest uptake of C2L childcare funding and nationally recognised areas of 'best practice'. We now need to replicate this excellent practice to the prevention element of the local strategy.

Wigan has seen a 9.8% reduction from 2005 which may indicate that concerted local action and targeted interventions including the CCard Scheme and TIC TAC Bus (implemented mid and late 2005) are beginning to have an impact.

In response to the recently released ONS 2007 data, the teenage pregnancy partners will be fully reviewing the local strategy in the next few weeks to look closely at what is working and what we need to improve. All future services will be commissioned against clearly identified areas of need and re-commissioning of services will be dependent upon robust reviews of impact on reducing teenage pregnancy rates. We will also be looking at areas that have been successful in reducing teenage conceptions and learning from their 'best practices'.

The current CYPS restructure and subsequent significant changes to the teenage pregnancy strategic structure, including key joint LA / PCT posts, will ensure more robust accountability and rigorous performance management of the TP Strategy across all partners and continued development towards more robust data collection and analysis will ensure more timely and effective targeting where need is greatest. Structures linking operational delivery and strategic planning levels are also under review.

The statistical neighbours for Wigan Teenage Pregnancy are Doncaster, Dudley, Rotherham and St Helens and have all achieved an overall decrease in rates, whilst Wigan has had a small increase.

Actual under 18 conception numbers:

	1998 baseline	2007
Wigan	297	323
Dudley	291	291
Doncaster	400	345
Rotherham	266	261
St Helens	187	183

However national teenage pregnancy targets and progress is measured by rates rather than actual numbers of conceptions as they take into account differences in population, allowing comparisons to be made between different areas and change over time to be assessed as they account for possible fluctuations in local population. Looking at actual numbers is important for targeting services at a local level but the Teenage Pregnancy Unit has advised that it is not an effective tool for comparing progress against other geographical areas.

Wigan and Rotherham were both included as ministerial new focus areas based on 2006 data. However Rotherham has had an overall reduction of -10.5% and was the only statistical neighbour to have an annual 2006-07 decrease (-6.0%)

As recently initiated in Wigan, Rotherham teenage pregnancy strategy is jointly implemented across PCT and LA and based its preventative element on factors successful areas had in common. Wigan likewise is using the DfES Next Steps guidance on 'what works' to informing planning. Rotherham has identified their TP Strategy is much stronger in the prevention element than the support to teenage parents, which they are now developing further. In contrast Wigan continues to provide excellent services to young parents but is now focusing on replicating this success in prevention of teenage pregnancies.

Dudley has made a -9.5% reduction but most of its progress was in the first 2 years of the strategy, having achieved only a -1.5% reduction since 2000. Annual 2006-07 increase of 1.6% was slightly poorer progress than Wigan 1.5%.

Doncaster still has one of the highest rates nationally, although overall has had a significant -18.3% reduction but does have a 2010 stretch target of -55%. Doncaster also had poorer annual progress than Wigan with a 2006-07 increase of 5.8%

St Helens has the lowest rate of all the statistical neighbours with an overall reduction of -11.4%. However they had significantly poorer annual progress than Wigan with a 2006-07 increase of 11.6%.

Unlike Wigan, St Helens started delivery on the local TP Strategy early, employing a Teenage Pregnancy Coordinator in 1999. Identifying other important areas contributing to the success of their strategy as:

- Active involvement of elected members - Children and Young Peoples portfolio holder sits on the Teenage Pregnancy Partnership board, supporting the strategy and lobbying other members on contentious issues
- Geographical mapping of known incidents of teenage pregnancy and prevention services was a key initial step- delivering against identified gaps - including initiation of early identification and intervention delivery team - 5

specialised staff supporting young people most at risk of teenage pregnancy and poor sexual health

- Sexual Health workforce training - 3 tiers - offered to all staff working with young people plus workforce 'Speakeasy' training (to support parents in talking with their children about difficult issues such as sex and relationships)
- Clinic in a Box running in all secondary schools, excluding special schools, since 2006

Needs analysis in Wigan will be supported by increased capacity in the Public Health Analysis Team and establishment of a Health Outcomes Improvement Support Team, further supported by the Teenage Pregnancy Social Marketing Programme. The TP Commissioning Group are currently exploring development of a specialist sexual health targeted delivery team and expanded delivery of Clinic in a Box is scheduled over 2009/10. A broad programme of sexual health training is offered locally including Speakeasy but this is to be reviewed to ensure optimum effectiveness and take-up.

A teenage pregnancy paper will be presented to Cabinet on 19<sup>th</sup> March 09 to inform elected members and further engage their support for the local drive to reduce teenage pregnancy.

## **5. ASSESSMENT TIMES IN ADULT AND CHILDREN'S SOCIAL CARE**

In relation to adult social care, this relates to performance around our National Indicator NI 132 – Timeliness of Social Care Assessments. Our locally set target for this indicator is for 78% of assessments to be completed within 28 days of contact.

Over the past two years significant improvements have been made to the earlier part of the service user's assessment process, particularly at Central Duty Team and in the Older Peoples Community Mental Health Team's with the implementation of the triage system. We have seen continuous improvement in assessment times for our older person's teams out in the community, helped by monthly monitoring of the indicators. Also in the hospital teams where we have benefited through improved recording of Medical Discharge dates.

However, despite the implementation of a number of initiatives issues remain within the Occupational Therapy service, in terms of assessments.

The reason for our relatively poor performance, which has suffered a downturn over the past year, is that a historical backlog of assessments in the Occupational Therapy service had been generated. This backlog had accrued due to extremely high demand for assessments and difficulties experienced recruiting additional staff to meet demand.

Concerted effort has taken place over the past few months in order to remedy this situation by recruiting additional staff and putting in place other initiatives; for example:

- Two new Disability Officers (DO) have been recruited to help reduce waiting lists;
- Senior Disability Officers (SDO) have received further training so they can assess for some major adaptations which will reduce the need for people to be put on the occupational therapy waiting list;
- Occupational Therapists (OT) now do joint visits with the Senior Disability Officer/Disability Officer to streamline the assessment process so that someone can be assessed more quickly for major equipment/adaptations without the need

for them to be put onto an OT waiting list after the SDO/DO has assessed for the smaller items;

- The further training of SDOs and joint visits with OTs ensure that people are assessed for the right equipment at the beginning of the process instead of having to go back onto the waiting list for larger items;
- Within Mental Health, there has been a restructure of teams/workers and caseload allocations should improve waiting times by reducing waiting lists;
- Referral and allocation processes are also being streamlined within mental health to ensure cases are allocated to the correct discipline according to need.

Unfortunately, it will take some time before these improvements show in our performance figures as the historical backlog still needs to be recorded as it is progressively cleared. If the backlog effect is negated, our performance now would be a lot closer to an acceptable level of performance.

Longer term we also want to ensure our future performance in this area not only continues to improve, but is in line with the wider Transforming Social Care agenda and the move towards outcome based assessments.

We will also be subjecting this area of performance to a radical review via a 'Performance Clinic' approach involving relevant officers and Performance colleagues from the Business Transformation Team, which will give a different perspective and possibly alternative solutions.

We are also exploring the greater use of self assessments where relevant and appropriate, which will include reviewing the process of how we monitor and record performance for this area.

The upshot of this is that we will unfortunately not be able to report an improvement in performance on assessment times for 2008-09. We have clearly taken a number of actions which have delivered improvements in some areas, though a significant improvement will require a more radical approach, involving council wide input.

## **6. DIRECT PAYMENTS**

Although our performance in this area has been identified as 'relatively modest' we are, in actual fact, performing relatively well and the numbers of people taking up direct payments / individual budgets is increasing steadily, and particularly amongst older people. Compared to our comparator group, other North West local authorities, and to England as a whole, our performance and progress on promoting and achieving take-up of direct payments has always been comparatively good. As at November 2008, the number of people in receipt of direct payments totalled 428, of which 144 were aged 65 and over. The previous year (November 2007) the total number of direct payment recipients was 289 (77 for those aged 65+).

Some of the development work that has taken place to promote the take up of direct payments amongst older people has involved working closely with Age Concern. Under a contracted service the Age Concern Direct Payments team provides the hands on support that older people require to manage their direct payment funds. Age Concern have the specialist skills to respond to the needs of older people. Regular meetings have confirmed the number of older people supported on direct payments is rising every month.

Sadly, the number of deaths within this client group can affect the snapshot view of those who access direct payments. Thus, although take-up of direct payments by

older people is increasing steadily, the number of deaths does have an impact and this factor does need to be taken into consideration

The partnership between Age Concern and the department means that barriers affecting take-up can be identified and addressed. An example of this is that some older people find it difficult to open a separate bank account to receive their direct payments. To overcome this, Age Concern have now arranged a 'managed account' facility to receive funds on behalf of direct payment recipients and make payment of wages directly into their personal assistant's bank account. This new facility is being piloted with the hope of offering it to all their clients from April 2009.

Age Concern also used to provide a payroll service to their direct payment clients but this function has now been placed with an external payroll organization to allow the team to concentrate on providing direct support. The cost of the payroll service is met by Adult Services, demonstrating their commitment to ensure the service is able to focus on support.

A representative from the Age Concern Direct Payments team regularly attends the Personalisation Forum meetings to ensure they are aware of, and prepared for, the Transforming Social Care agenda.

As well as older people, we are also working hard to encourage the take-up of direct payments by other groups of people where this has been relatively low in the past, including carers, people with higher levels of need and people using mental health services.

To ensure we maintain good progress and performance on direct payments, we are continually looking at ways to encourage and increase the take-up of direct payments. For example:

- Training is provided for staff raising awareness around direct payments;
- Direct payments E-learning will shortly be available for social workers allowing training to be more accessible;
- Creation of a direct payments champions group to share good practice across all user groups;
- Promoting direct payments using internal and external newsletters and publications produced by voluntary organizations in the Borough

## 6. RECOMMENDATIONS

6.1 Cabinet are asked to note the progress made in the areas highlighted by the Audit Commission in their Annual Letter for 2007/8 and consider any further action required.

# Annual Audit and Inspection Letter

Wigan 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 non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

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

- 1 Wigan Council is improving well and has maintained its four star level of performance assessment in this final year of Comprehensive Performance Assessment. Performance improvement has been significantly better than the average for similar councils across services in 2008.
- 2 In priority areas, educational attainment, school attendance and young people in employment all improved. A continued focus on a 'clean and green' environment is now having a significant impact, although much more needs to be done to improve this performance relative to other councils.
- 3 Partnerships are delivering improved outcomes such as reductions in road accidents, better health for older people and fewer people are committing offences. Local people now have more opportunities to influence service development, supported by a strong Council commitment to community engagement.
- 4 Good performance in children and young people's services has been enhanced by better safeguarding arrangements. Adult social care performance remains good overall and outcomes for most users are positive; however the timeliness of assessment has deteriorated and arrangements to safeguard vulnerable adults are only adequate. Housing services performance has dipped slightly; some people are spending longer in temporary accommodation but most key outcomes have still been delivered, including improvements in non-decent homes.
- 5 Value for money remains good. A Council re-organisation has increased the funds available for front line services and is improving access to services.
- 6 The Council's accounts were prepared on time and met all the statutory reporting requirements; your appointed auditor issued an unqualified opinion on the 2007/08 accounts. The auditor was also able to issue an unqualified value for money conclusion.
- 7 Action has been taken on the issues raised in last year's annual audit letter, with regard to the number of complaints raised by elected members. There is evidence that this has started to have a positive impact.

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### Action needed by the Council

- 8 There are a number of areas in our direction of travel report that have been raised in previous years, where performance is either rooted in the lowest quartiles, shows a lack of sustained improvement or improvement is of a relatively modest order. These are in areas recognised to have an impact on the quality of life for Wigan citizen, and include:
- some assessment times in Adult and Children's social care;
  - relatively modest progress on direct payments, despite a rising population of older people;
  - homelessness; and
  - teenage conceptions.
- 9 Previously, both homelessness and teenage conception have been the subject of scrutiny review, and it is timely that these are reconsidered as outcomes are not being secured.

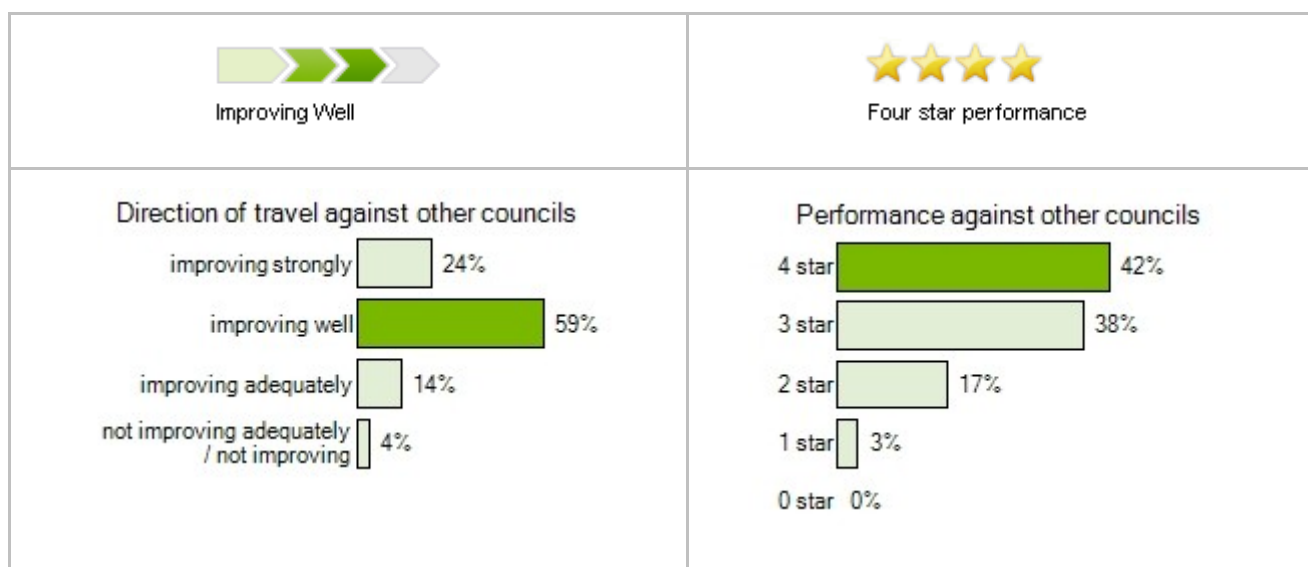
# Purpose, responsibilities and scope

- 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.
- 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. 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](http://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, the 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 Wigan Council performing?

16 The Audit Commission’s overall judgement is that Wigan Council is improving well and we have classified Wigan 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**



Source: Audit Commission (Scores may not add up to 100% due to rounding)

## How is Wigan Council performing?

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### Our overall assessment - the CPA scorecard

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**Table 1 CPA scorecard**

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

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### The improvement since last year - our Direction of Travel report

#### What evidence is there of the Council improving outcomes?

**17** In this section we comment on the Council's overall direction of travel, and the progress it is making against its overall priorities. Our overall conclusion is that the Council is improving well.

#### Helping People reach their full potential

**18** Progress has been good in this priority area. The Council delivers services for children and young people that are good overall. Educational attainment has improved; over 60 per cent of young people achieve 5 or more GCSEs at grades A\* to C although improvements in English have stalled at key stage 1 and key stage 3. School attendance has improved. Safeguarding arrangements have also been strengthened, which will have a positive impact on children's lives in the borough.

- 19 Children in care in Wigan are now benefiting from more stable placements and their educational attainment has also improved. Good work is also appropriately preventing some children going into care in the first place. However, there are still some areas for improvement. For example, despite a marked improvement in 2007/08, teenage conception rates remain well above those in similar boroughs and the national average. Despite an improved staying safe assessment in 2008, there are still some important areas to address, such as increasing the number of core assessments completed within 35 days.
- 20 Improvements in relation to young people's employment are being achieved. The number of 16-18 year olds not in education, employment and training has reduced, meaning more young people are becoming economically dependant.
- 21 The Council is making a good contribution to improving the quality of life for adults in Wigan. More people are now receiving direct payments – action to raise awareness of eligibility criteria increased take-up by over 27 per cent, although this is from a comparatively low base and there is room for much greater improvement, especially given the demographics of Wigan show an aging population. The Council also worked with Age Concern to increase benefit take-up for older people by an additional £1.5 million.
- 22 The Council and its partners continued to promote healthy lifestyles for older people during the year. For example, a partnership with Health and third Sector agencies has provided preventative support for 9000 older people over the life of the project. In an evaluation of this project, participants reported improvements to their health status, quality of life and wellbeing. However, compared with other Councils, fewer carers of older people are receiving support, waiting times for assessments have increased and the service is no longer rated as adequate.
- 23 There is also scope to strengthen the links between Health, PCT and Council, to improve outcomes for older people. Recent inspection work has highlighted the need for further developments in intermediate care and better co-ordination of hospital discharge planning.
- 24 The Council and its partners have used innovative approaches to help people into employment. For example, targeted support for people with mental health issues has helped 126 people gain employment during the year.
- 25 Our Greater Manchester wide review of Health Inequalities identified good progress against the Health Inequalities vision. The 'Cancer Chancer' campaign which has been rolled out across Wigan was highlighted as a truly multi-agency project. However, health inequality remains a significant issue for Wigan – average life expectancy for residents is two years less than the national average.

## How is Wigan Council performing?

### Building strong communities

- 26 The Council continues to demonstrate a strong commitment to community engagement as a way of providing residents with more opportunities to influence service delivery. It uses a range of innovative consultation methods, including targeted initiatives to improve its engagement with seldom-heard groups and it allocates funding to community groups to promote wider participation. Arrangements to engage with children and young people as well as adult service users are effective. The Council uses feedback from engagement to direct and improve local service provision and is continuing to strengthen arrangements as a way of promoting improved outcomes for the community.
- 27 The Council has maintained its focus on strengthening community cohesion. It has established a new framework for cohesion and developed an action plan, which was informed by community consultation which is being monitored by the core equality group. Further work planned for 2009 is intended to sustain the momentum and enhance the benefits to local residents.
- 28 Initiatives to encourage adults to become more active have contributed towards increased take-up. Participation in a physical activity programme for adults increased by a third and attendance at seniors swimming sessions increased by 7 per cent over the last year.
- 29 Community safety-related initiatives have performed inconsistently. Positively, the incidence of serious wounding in the town centre has reduced by just under a third and vehicle crime has also fallen. But the level of domestic burglaries, violent crime and robberies per 1000 population has increased. Our Greater Manchester-wide review of community safety report acknowledged the strong partnership work which promotes community safety in Wigan, but we also noted a greater focus on reacting to, rather than preventing crime. This approach is often more expensive, has a negative impact on value for money and is less likely to improve long term outcomes.
- 30 Road safety has improved. The number of people killed or seriously injured on the roads in Wigan reduced by quarter. In addition, investment in an environmental educational team to work alongside the road safety team is having a measurable impact; child road accidents reduced by 62 per cent.
- 31 Community protection schemes are having a positive impact. The 'Alley Gates' project scheme gated over 180 priority sites during 2007/08, which contributed to a 90 per cent reduction in anti-social behaviour.

### Places people want to live

- 32 Housing services performance is inconsistent. The Council achieved a modest reduction in non-decent homes - from 12 to 10 per cent – and remains confident of meeting the 2010 target. However, homelessness remains an issue in Wigan. The Council has recognised this and has taken some action, but with limited impact. The number of people with priority needs becoming homeless remains high when compared with other councils.

- 33** Initiatives to promote a green and clean environment have had an impact in some areas. Recycling rates increased substantially, from 12.92 per cent to 16.08 per cent, following the introduction of a kerbside recyclable scheme. The Council has also developed a sustainability toolkit which is improving understanding of its environmental, social and economic impact – and supporting efforts to reduce its overall impact on the environment. However, the level of litter, graffiti and fly-posting remains high when compared to other boroughs. These are high-visibility problems which influence first impressions for visitors and the ongoing views of residents.
- 34** A focus on improving the condition of principle and non-principle roads has had a significant impact on resident satisfaction – up from 16 per cent to 88 per cent. However, the proportion of pedestrian crossings with facilities for the disabled is still amongst the worst in the country.
- 35** The number of business start-ups supported by Council initiatives increased significantly during the year. The increase - up from 18 in 06/07 to 100 new businesses in 2007/08. – is contributing towards efforts to strengthen the local economy. This was noteworthy in a year which saw the first signs of economic downturn, and will be a significant area of concern to the Council and its partners going into 2009.
- 36** 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 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

**37** Your appointed auditor has reported separately to the Audit and Governance Committee on the issues arising from our 2007/08 audit and has issued:

- the audit report, providing an unqualified opinion on your accounts and a conclusion on your vfm arrangements to say that these arrangements are adequate on 25 September; and
- the report on the Best Value Performance Plan confirming that the Plan has been audited.

## Capital expenditure on Council Dwellings

**38** The audit of the accounts identified that a significant amount of expenditure which was classified as capital had not actually been deemed to have enhanced the value of any assets. Although explanations and additional evidence were provided to support this treatment in the accounts, he recommended that the Council should strengthen its arrangements for determining and evidencing whether capital spend has added value to assets.

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## Value for Money Conclusion

**39** The value for money assessment referred to above is largely based around the work carried out by the appointed auditor on the Council's Use of Resources.

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## Use of Resources

**40** The findings of the auditor are an important component of the CPA framework. 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).

- 41 For the purposes of the CPA your auditor assessed the Council's arrangements for use of resources in these five areas as set out below.

**Table 2**

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

Note: 1 – lowest, 4 = highest

**The key issues arising from the audit**

- 42 The Council's arrangements for ensuring value for money in the use of resources at its disposal were assessed as well above minimum requirements - the Council is performing strongly.

**Financial reporting**

- 43 Whilst the overall performance on financial reporting remains well above the minimum requirements the theme score has fallen to level 3 in 2007/08 because there were several non trivial errors (those above £500k) identified during the audit of the 2007/08 accounts. These errors were reported in my Annual Governance Report.
- 44 The Council promotes external accountability and has enhanced its strong performance in this area for 2007/08 by the inclusion of the Annual Report within the Corporate Plan along with additional budget information, a summary of the accounts and details of the Council's environmental footprint. The accounts publications have taken account of best practices and the feedback received following wide ranging consultation.
- 45 To ensure it improves its performance further the Council should ensure that a robust quality checking process is applied to the annual accounts and supporting working papers to minimise the likelihood of errors occurring.

**Financial management**

- 46 The Council places strong emphasis on robust financial management arrangements and has continued to refine its financial planning processes to show clearly the links between financial planning, resource allocation and the Council's priorities as expressed in corporate service plans.

## The audit of the accounts and value for money

- 47 There have also been further improvements to the budget setting, monitoring, and reporting arrangements by providing structured, reliable, and timely information to budget holders and members with a clear emphasis on areas of significant risk.
- 48 The Council's asset management plan provides a strategic forward looking approach to the management of its property assets and provides a clear link to corporate priorities. It can demonstrate strength in its approach to using property as an enabler of change and has an established approach to challenging the use of its current asset portfolio.
- 49 The Council could sustain its performance by ensuring that:
  - performance indicators under the development and sustainability objectives are rolled out corporately; and
  - the corporate planning process to integrate asset management planning with business planning continues to be developed.

### Financial standing

- 50 The Council has a proven track record on performing better than budget over many years with strong budgetary control procedures in place to ensure that overall spending is maintained within the approved budget.
- 51 The increase in the theme score to level 4 reflects further development in the use and reporting of key performance indicators and a comprehensive assessment of the reserve position using various budget assumptions and risk factors.
- 52 The logical and structured approach to the use of reserves and balances continues to allow the Council to implement significant organisational changes and developments against a backdrop of any potential future financial pressures which may arise.
- 53 These areas have been submitted to the Audit Commission as notable practices and as such are likely to be shared with other authorities.

### Internal Control

- 54 The Council has strong arrangements in place to ensure sound systems of internal control which have continued to be further embedded within the culture of the organisation.
- 55 There are notable practices in the operation of the governance assurance framework and further improvements have been made in applying the principles of risk management in service areas and amongst elected members.
- 56 The Council actively promotes a strong counter fraud culture and has worked to address the issues raised by the Standards Board in its recent directive to improve the conduct of some members. The Directive was issued September 2007 due to the high percentage of referrals to the Standards Board from Wigan Council. A key action arising from the Directive was for the Monitoring Officer to facilitate a process of mentoring, training and mediation between officers and Members of the Council. This programme was due to commence in autumn 2008 and is ongoing.

### Value for money

- 57 The Council has strengthened its arrangements for promoting value for money (VFM) during the year. Whilst some more recent initiatives have not yet had a measurable impact, overall performance on VFM has continued to improve and remains well above the minimum requirements.
- 58 There is a good understanding of costs at the Council and of how the Council's costs compare with other similar organisations. The Council works hard to identify areas of unintended high costs and works to address them. The Council is able to demonstrate that it achieves best value in key services.
- 59 The Council's arrangements for improving value for money are based in ensuring it produces reliable data on costs and performance. This supports the Council in the effective management of its budgets. Members are provided with good information that enables them to take informed decisions about service provision and the impact on costs.
- 60 The Council has worked hard to ensure it has better information about the impact it has on different communities and groups and it will use that to inform the way it works to deliver services with the Local Strategic Partnership.
- 61 The Council has ensured that it uses procurement effectively to strengthen the way it delivers services. The Corporate Procurement Strategy developed in 2007/08 and implemented in 2008/09 helps the Council deliver more effectively against corporate objectives.

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### Greater Manchester Health Inequalities

- 62 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.
- 63 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?

## The audit of the accounts and value for money

- 64 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.
- 65 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 Wigan and across Greater Manchester.

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## Community Safety

### Background

- 66 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. We identified issues that were particularly relevant to Wigan and also highlighted areas of good practice.

### Tackling alcohol abuse in Wigan - action achieved so far

- Partnership working:
  - Partnerships are working well together to understand the impact of alcohol abuse and to achieve improved outcomes.
- Data and information:
  - There is good use of information across the partnership and appropriate steps are being taken to ensure its systematic application in developing solutions that deliver improved outcomes.
- Plans and strategies:
  - The plans currently address enforcement issues effectively, they are being revised to focus more on prevention. The role of evaluation of outcomes has been recognised as a key to improvement and is being built into revised plans.

- Projects and initiatives:
  - There were some particularly good examples of initiatives to address anti-social behaviour, under age drinking, town centre management, education and fire prevention.
- Outcomes achieved:
  - Serious woundings in the town centre have reduced significantly which is a direct consequence of the partnership's effective approach to town centre management. The number of deliberate fires has reduced and some young people have been diverted from alcohol abuse and anti-social behaviour.

### Actions for the future to help improve work in Wigan

- 67 We identified a number of actions that the Wigan partnership should implement to build on its successes including:
- focusing more resources on prevention;
  - carrying out more rounded analysis to support the alcohol strategy; and
  - ensuring the partnership engages collaboratively with other Greater Manchester organisations.

### Reporting our findings across Greater Manchester

- 68 Across Greater Manchester, the team found that there is a commitment to address the impact of alcohol abuse upon individuals and communities, and this is yielding some success. Opportunities remain, especially around clarity over roles and responsibilities and the better use of data and analysis to add value locally and help share good practice. This will help to begin to move investment towards a more preventative approach to avoid escalating alcohol abuse.

### The next steps

- 69 We plan to re-visit this work during 2009 to see what progress has been made in these areas. This will complement and inform other core work such as use of resources and the new comprehensive area assessment.

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### Data Quality

- 70 The auditor's local work on data quality is complemented by the Audit Commission's paper, 'Improving information to support decision making: standards for better quality data'. The paper sets out standards, for adoption on a voluntary basis, to support improvement in data quality. The expected impact of the Audit Commission's work on data quality is that it will drive improvement in the quality of local government performance information, leading to greater confidence in the supporting data on which performance assessments are based.
- 71 The auditor followed the Audit Commission's three-stage approach to the review of data quality at Wigan Council.

## The audit of the accounts and value for money

### Stage 1 – Management arrangements

- 72 The Council's arrangements support the production of accurate data. The Council is good at ensuring both that data is used to support performance and that it is also used to manage and improve the delivery of services. Some opportunities exist to strengthen data quality arrangements further.

### Stage 2 – Analytical review

- 73 The auditor's analytical review work at stage 2 found no unexpected outcomes and in consequence we were able to limit the extent of our data quality spot checks as the risk of misstatement or error was reduced.

### Stage 3 – Data quality spot checks

- 74 The auditor reviewed and carried out detailed spot checks on specific Performance Indicators. Some housing benefits PIs were qualified. As a result, the auditor was unable to place reliance on the Council's reported figures in these respects. Testing in this area has highlighted the need for the Council to improve its quality assurance arrangements, staff training and also to satisfy itself that it is applying the appropriate data definitions to Housing Benefits data.
- 75 Work on the other PIs sampled found that these were fairly stated and there were no issues to address.
- 76 An action plan has been agreed with the officers to address the issues arising from this review.

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# Looking ahead

- 77** The public service inspectorates have developed 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.
- 78** 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.
- 79** As part of developing our approach to CAA we have developed new KLOEs for, and a new approach to, Use of Resources (UoR) judgements. These judgements are broader than the previous ones and take more account of the outcomes achieved by organisations. Significantly there is an expectation that the area assessment, and the managing performance element of the Organisational Assessment, will draw on the findings of auditors from their work on UoR and elsewhere
- 80** 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 aspect of each area's Local Area Agreement.

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# Closing remarks

- 81 This letter has been discussed and agreed with the Chief Executive. A copy of the letter will be presented at the Audit and Governance Committee on 26 March 2009. Copies need to be provided to all Council members.
- 82 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.

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**Table 3      Reports issued**

<b>Report</b>	<b>Date of issue</b>
Audit and inspection plan	March 2007
Annual Governance Report	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Greater Manchester Health Inequalities	September 2008
Wigan Community Safety	December 2008
Data Quality	February 2009
Annual audit and inspection letter	March 2009

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- 83 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.

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### Availability of this letter

- 84 This letter will be published on the Audit Commission's website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk), and also on the Council's website.

**Pat Johnson**  
**Comprehensive Area Assessment Lead**

Date 6 March 2009

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

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

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

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