

Annual Audit and Inspection Letter

Walsall Metropolitan Borough Council

Audit 2007/08

April 2009



Contents

Key messages	3
Purpose, responsibilities and scope	5
How is Walsall Metropolitan Borough Council performing?	6
The audit of the accounts and value for money	15
Looking ahead	22
Closing remarks	23

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.
-

Key messages

- 1 Walsall Council is improving well. Good progress has been made in priority areas and corporately the Council continues performing well overall. Effective leadership is enabling a focus on reducing inequalities in the borough towards the vision of making Walsall a good place to live, work and invest.
- 2 The extent of improvement compared to other councils is good. It has effective leadership, tangible ambitions, clear achievements, and priorities which reflect the needs of service users and communities. Key improvements have been made against its priorities, and its public pledges.
- 3 The Council is maintaining good children's services and the overall trend of improvement for standards achieved at ages seven, 11 and 14 exceeds that in similar councils and the national trend. Housing services have improved and the Council has continued responding positively to the supporting people inspection and follow up advice. Adult social care remains 'adequate' but there has been continuing improvement and sustained focus on vulnerable people, and prospects for improvement are now promising.
- 4 Good progress continues in the implementation of plans for major regeneration. Effective partnership working has led to a decline in crime levels with people feeling safer and more secure in the area. Value for money remains good.
- 5 The Council received an unqualified opinion on its 2007/08 financial statements from the external auditor, Grant Thornton UK LLP, on 18 September 2008, in advance of the statutory deadline of 30 September. The Council's Whole of Government Accounts pack was certified by the due date.
- 6 The auditor issued a positive conclusion that, in all significant respects, the Council had made proper arrangements to secure economy, efficiency, and effectiveness in its use of resources for the year ended 31 March 2008 on 18 September 2008.

Action needed by the Council

- 7 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.
- 8 To respond to this, the Council needs to continue working well in partnership. The economic downturn presents a risk sustaining improvement in this area and will potentially impact on outcomes such as worklessness. It is critical that the Council continues to work closely with partners to maximise the collective response to the issues in the area.

- 9 In other areas the Council needs to continue its good rate of improvement, in particular responding to the corporate assessment areas for improvement which were to ensure that capacity is fully developed and optimised. The Council should ensure that:
- support services, in particular HR, ICT and Legal, are developed and organised to fully support the ambitions and priorities of the Council;
 - senior management capacity is sufficient to increase momentum;
 - a more holistic approach is taken to the delivery of outcomes, for example through the further development of scrutiny; and
 - it invests in improving voluntary sector infrastructure and relationships to improve its capacity to contribute to delivery.
- 10 Ensure that the future needs of all sectors of the community are met, in particular older people and vulnerable groups by further developing strategies which explicitly identify and address needs and focus service delivery accordingly.
- 11 The Council must:
- prepare for the implementation of International Financial Reporting Standards and assess the impact on its financial monitoring and reporting arrangements; and
 - continue to develop a corporate approach to Comprehensive Area Assessment and the Council's organisational assessment.

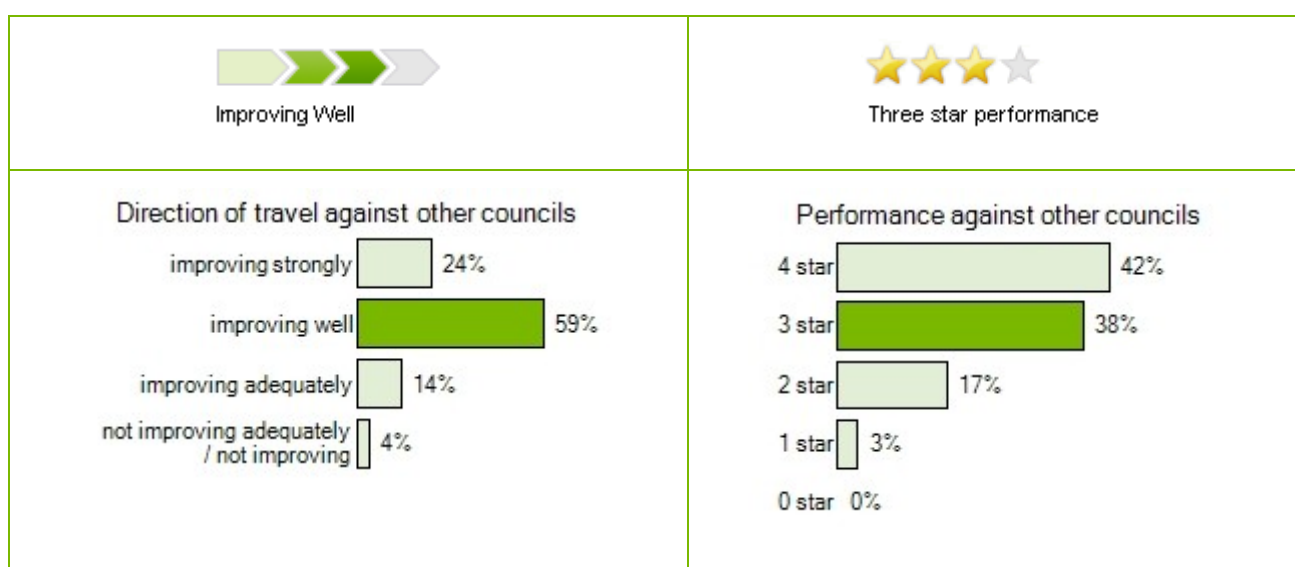
Purpose, responsibilities and scope

- 12 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.
- 13 We have addressed this letter to members as it is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money. We have made recommendations to assist the Council in meeting its responsibilities.
- 14 This letter also communicates the significant issues to key external stakeholders, including members of the public. We will publish this letter on the Audit Commission website at www.audit-commission.gov.uk. (In addition the Council is planning to publish it on its website).
- 15 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.
- 16 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.
- 17 We have listed the reports issued to the Council relating to 2007/08 audit and inspection work at the end of this letter.

How is Walsall Metropolitan Borough Council performing?

- 18 The Audit Commission's overall judgement is that Walsall Council is improving well and we have classified Walsall Council as three-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 (percentage figures may not add up to 100 per cent due to rounding)

How is Walsall Metropolitan Borough Council performing?

Our overall assessment - the CPA scorecard

Table 1 CPA scorecard

Element	Assessment
Direction of Travel judgement	Improving well
Overall	3 stars
Corporate assessment/capacity to improve	3 out of 4
Current performance	
Children and young people*	3 out of 4
Social care (adults)*	2 out of 4
Use of resources*	3 out of 4
Housing	3 out of 4
Environment	3 out of 4
Culture	3 out of 4
Benefits	3 out of 4

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

The improvement since last year - our Direction of Travel report

- 19** Walsall Council is improving well. Good progress has been made in priority areas and corporately the Council continues performing well overall. The extent of improvement compared to other councils is good. It has effective leadership, tangible ambitions, clear achievements, and priorities which reflect the needs of service users and communities. Key improvements have been made against its priorities, and its public pledges. The Council is maintaining good children's services and the overall trend of improvement for standards achieved at ages seven, 11 and 14 exceeds that in similar councils and the national trend. Housing services have improved and the Council has continued responding positively to the supporting people inspection and follow up advice. Adult social care remains 'adequate' but there has been continuing improvement and sustained focus on vulnerable people, and prospects for improvement are now promising. Good progress continues in the implementation of plans for major regeneration. Effective partnership working has led to a decline in crime levels with people feeling safer and more secure in the area. Value for money remains good.

What evidence is there of the Council improving outcomes?

- 20** The corporate assessment and joint area review carried out during 2008 found the Council to be performing well. Effective leadership is enabling a focus on reducing inequalities in the borough towards the vision of making Walsall a good place to live, work and invest. There is a clear achievement in regeneration with improving education and skill levels so local people are able to fill the jobs created.
- 21** Overall the Council focuses well on users and the diverse needs of the population. Communication has improved and there is strong engagement with neighbourhoods. The Council and its partners are delivering improvements in many areas that matter most to local people. Public satisfaction has increased.
- 22** Since then, the Council has focused on the gaps identified and used them well to drive further progress, while continuing to improve the attainment of its priorities. The Council has ten priorities to enable it to focus its efforts, resources and activities on achieving the vision it shares with its partners in the area's sustainable community strategy: 'Walsall will be a great place to live, work and invest'. The delivery of the sustainable community strategy through the local area agreement uses specifically selected targets to maximise cross cutting working. For example 'improve access to employment, services and facilities/working with employers to create jobs and opportunities' has targets for the proportion of children in poverty and working-age people on out-of-work benefits. Although the Council has ten priorities, they are very well linked, enabling the Council to work in a cross cutting manner.
- 23** Seven of these priorities are focused on the community and on the needs and aspirations of local people: to ensure that citizens are:
- healthy;
 - safe and secure;
 - aspiring and achieving;
 - enjoying a high quality of life – clean, green, and mobile;
 - active - contributing to their communities;
 - financially and materially secure - achieving economic well-being; and
 - free from discrimination or harassment.
- 24** The remaining three priorities focus on the Council itself, to enable it to deliver its promises to the community and its commitment to the Walsall Partnership by:
- effective use of resources;
 - delivering quality services and meeting customer expectations; and
 - taking forward the transformation agenda.
- 25** For each of the ten priorities, the Council has made specific pledges, to be carried out in the year ahead.

How is Walsall Metropolitan Borough Council performing?

- 26 The Council has improved 62 per cent performance indicators (PIs) since last year which is within the average range for all single tier authorities (61.9-64.1) per cent. In 2007 the figure was 70 per cent which was above the average range for all single tier authorities (60.8-63.2) per cent. The Council has 25 per cent PIs above the best quartile breakpoint. On average, all single tier authorities have 30 per cent of PI results that are in the best quartile.
- 27 Against the healthy priority and its pledges, work to ensure independence for vulnerable people is effective. The Council's recent figures show it is on target to achieve the adaptation of the homes of 200 people with a disability so they can live independently. Participation in regular physical activity is increasing. The Council expects to increase the number of people carrying out regular physical activity with 50,795 people involved halfway through the year against a target of 100,349.
- 28 People feel safer and more secure in the area. A cross-service graffiti group is tackling graffiti with the effective enforcement of graffiti legislation. There has been an increase in the number of successful prosecutions taken on fly-tipping/litter. The Council is taking firm action against nuisance drinking in public places. To date all landlords and relevant persons that the designated public place order (DPPO) will affect have been contacted. The chief police officers have all given their consents to the DPPO. Adjoining boroughs have been identified, the next stage is press publicity, there will be a waiting time for any significant objections (so far there have been none). Signage is being erected. It is anticipated that the order will be in place by the beginning of the new calendar year. Crime and fear of crime is reducing and a high percentage of local people feel 'fairly safe' or 'very safe'.
- 29 The Council's efforts to reduce the gap between Walsall and other similar councils to less than five percentage points for pupils achieving five A*-C GCSEs (including English & Maths) are successful. The Council's most recent information for current performance measures the gap at less than three per cent. The attainment of Pakistani and Bangladeshi pupils at key stage four is at 49 per cent against a target increase of 12 per cent for five GCSEs A*-C for Pakistani pupils to rise to 35 per cent. The attainment of Pakistani and Bangladeshi pupils at key stage four is at 59 per cent against a target increase of 10 per cent for five A*-C for Bangladeshi pupils rising to 38 per cent.

- 30** The pledges for citizens to enjoy a high quality of life that is clean, green and mobile are progressing well. The Council is maintaining weekly waste collections for all households and implementing a new recycling scheme beginning with kerbside collection of plastic and cardboard. Changes to collection days began in November 2008, and phase one of the new collection scheme is planned to begin in February 2009. So far the Council has spent £1.1 million of its targeted £2.5 million on regeneration and improvement projects focusing on Walsall town centre, district and neighbourhood centres and strategic corridors. Outcomes include physical improvements to neighbourhood buildings to enable better community use, improvements in local community libraries, road improvements, the transport project in the town centre aimed at easing congestion and improving the environment in Walsall town centre is making good progress towards completion by Christmas 2008 and final completion by March 2009. The economic downturn presents a risk sustaining improvement in this area and will potentially impact on outcomes such as worklessness. It is critical that the Council continues work closely with partners to maximise the collective response to the issues in the area.
- 31** The work to promote opportunities for volunteering in Walsall, including opportunities within the Council is producing good results. The Council also produced and published a list of volunteering opportunities in the community and within the Council via Walsall Pride. As a result more citizens are active and contributing to their communities.
- 32** An increased number of citizens are financially and materially secure and achieving economic well-being through the efforts of the Council. The overall take-up of free school meals by eligible pupils has increased to 80.1 per cent against a target of 81.4 per cent and a baseline of 79.4 per cent. This reduces the impact of child poverty in the area. The average time it takes to process benefit claims is reducing – Council's own figures show current performance at 26.7 days against a target of 28 days.
- 33** Work in local neighbourhoods is a strength. The Council is holding a community event in each of the nine local neighbourhood partnership areas to celebrate its cultural diversity and to promote cohesion and understanding. Six have taken place so far. Pheasey and Paddock held an awards event for a digital photo competition. Darlaston and Bloxwich have both hosted carnival events. An event is planned for Aldridge South and Streetly for the next quarter.

How is Walsall Metropolitan Borough Council performing?

- 34** The corporate assessment found the Council was ensuring that equalities are more integrated into service delivery and employment and was making good progress towards achieving level three of the equalities standard in January 2009. The equalities and diversity team have used the corporate assessment feedback to improve the equality impact assessment (EqIA) forms and guidance. For example, the EqIA on the blue badges parking system highlighted the need for better distribution of the information about the scheme through home support, GP surgeries, libraries, Age Concern and the Council's recruitment team. As a result all the appropriate agencies were briefed about the scheme and asked to spread leaflets both in public places and in a targeted way to their clients. This EqIA also assisted people with hearing impairment, who also have other forms of disability, in getting easier access to blue badges through a better use of the textbox and one-to-one support. Another EqIA carried out in the safeguarding of children/child protection team resulted in action to recruit co-ordinators of the review and child protection conferences from BME communities. This aims to encourage better cooperation with children and families from BME background and better results for vulnerable children.
- 35** Value for money (VfM) is a strength for the Council. The external auditor's scores remain at three as last year. No areas are at risk while good financial management continues to drive VfM and reduce costs. Strong financial planning is in place. The budget has strategic options profiled against policy and priorities not a wish-list, and also uses the established budget conferencing process. This enables appropriate decision making and resourcing.

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

- 36** The corporate assessment and joint area review carried out during 2008 found that priorities reflect the needs of service users and communities. Community engagement is strong and each neighbourhood has a plan to address specific issues. Good partnership working, notably through the local neighbourhood partnerships, results in services and action plans that are shaped to meet the needs of users and are well understood. Strategies and plans focus on the needs of the most vulnerable. Political and managerial leadership is effective. This has contributed to building a shared commitment to, and understanding of, ambitions and priorities. The new Chief Executive has a clear vision for the future and brings added momentum and capacity for improvement.
- 37** The assessment of adult social care services made by the Commission for Social Care Inspection (CSCI) assessed services in Walsall as adequate for delivering outcomes and the capacity to improve (leadership, commissioning and use of resources) has improved to promising.
- 38** The assessment of children's services made by Ofsted found the overall 2008 CPA CYP services for Walsall assessed as good.

- 39 Capacity is improving with more streamlined management arrangements and more outward focus. During the recovery stage, the Council needed to be internally focused. Now senior councillors and officers are focusing also on more regional focused activity to ensure credibility when decisions on spending are to be made regionally – currently 30 per cent of spend is decided regionally. The new post of executive director resources (selection planned to happen during December 2008) is to focus on moving forward shared services in partnership to achieve savings and economies of scale. A robust comprehensive performance management framework has ensured improvement in priority areas. Strong internal processes which have been corporately developed and established over time are now having a positive impact upon frontline service delivery. Financial and risk management are well integrated. Programme and project management are well established. There is sustained focus on value for money with good financial planning and management.
- 40 The implementation of the transformation programme is improving. Work is in progress to reduce the overall 64 projects to those six or seven which are transformational. The Council is good at ensuring that it has sufficient capacity. It uses external advisers and project leaders, and uses appropriate internal knowledge for example with the building schools for the future (BSF) programme. It has learned well from experience of partnering arrangements and has ensured that suitable processes are in place and used well.
- 41 Robust plans are in place for future improvements in education. The new contract with the Council's external partner places each in a good position to deliver on the objectives for children and young people over the next 12 years. Educational attainment leapt forward in summer 2008 with a nine per cent improvement in GCSE results. This improvement is based on consistent and very good performance by children at KS one and two, who are now moving into KS three and four, and as a result the secondary schools are improving. This is a strong platform for delivery, and includes the siting of the partner's key operational headquarters in a major development in the town centre regeneration.
- 42 The capacity of partnerships is reviewed effectively. The Leader of the Council has chaired the local strategic partnership (LSP) since the beginning of 2008. A recent reduction in board members means the focus is now on appropriate decision making. At the same time the review of the LSP has resulted in a restructure into blocks which support the sustainable community strategy themes of people, places, and prosperity, and encourage and enable the cross cutting working to deliver cross cutting outcomes. The health partnership is good and strong. It has a coherent parenting support strategy and is involved in a pilot of 'think first', one of a group of intervention pilots. This strength overall places the partners in a strong position to focus on achieving their long term vision.

How is Walsall Metropolitan Borough Council performing?

- 43 The Supporting People inspection in September 2007 found a poor service with uncertain prospects. An improvement and excellence plan to address all the weaknesses identified through the inspection began to work in December 2007. Advice and assistance work carried out in summer 2008 found some progress in the delivery of the Supporting People programme since the last inspection and several further improvements due to be delivered shortly or planned. To ensure the recommendations in the Audit Commission report have been robustly embedded there has been some slippage to original timescales. Of the 121 actions in the improvement towards excellence plan 114 have now been completed with the remaining seven scheduled for completion by the end of March 2009. A future inspection is planned in February 2009.

Service inspections

- 44 Apart from the Corporate Assessment, the findings from which are reflected in the direction of travel statement, there have been no Audit Commission inspections that have been published by the date of the AAIL.
- 45 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.
- 46 **Annual performance assessment of services for children and young people in Walsall Metropolitan Borough Council 2008.** This letter summarised the findings of the 2008 annual performance assessment (APA) for your council. The following table sets out the grades awarded for performance in 2008.

Table 2

Assessment judgement area	APA grade
Overall effectiveness of children's services	3
Being healthy	3
Staying safe	3
Enjoying and achieving	3
Making a positive contribution	3
Achieving economic well-being	2
Capacity to improve, including the management of services for children and young people	3

Inspectors make judgements based on the following scale - 4: outstanding/excellent; 3: good; 2: adequate; 1: inadequate

Table 3 Adult social care performance judgements for 2007/08

Areas for judgment	Grade awarded
Delivering Outcomes	Adequate
Improved health and emotional well-being	Good
Improved quality of life	Adequate
Making a positive contribution	Adequate
Increased choice and control	Adequate
Freedom from discrimination and harassment	Adequate
Economic well-being	Good
Maintaining personal dignity and respect	Good
Capacity to Improve (Combined judgment)	Promising
Leadership	Promising
Commissioning and use of resources	Promising
Performance Rating	1 Star

The audit of the accounts and value for money

- 47 Your appointed auditor reported separately to the Audit Committee on 18 September 2008 on the issues arising from the 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; and
 - a report in December 2007 on the Best Value Performance Plan for 2007/08 confirming that the Plan has been audited.

The key issues arising from the audit

Accounts and value for money (VFM) conclusion

- 48 The audit of the 2007/08 accounts was carried out in accordance with the Audit Commission's Code of Audit Practice and applicable auditing standards and the accounts were submitted for audit within the statutory deadline.
- 49 The Council produced timely annual accounts, and a full set of working papers which were available at the start of the audit. The working papers were of a good standard. Officers were available during the audit to answer queries and our requests for supporting information were dealt with promptly.
- 50 The level of engagement encountered during the course of the audit was of a high standard and the Council's accounts workshop, which presented the arrangements for co-ordinating this year's accounts process to all central and departmental officers involved, was an example of best practice. There was a good level of Member involvement, with detailed consideration given to the accounts at the June 2008 Audit Committee.
- 51 A small number of audit adjustments were identified by the audit, where the draft accounts were considered not to comply with CIPFA's Statement of Recommended Practice (SORP), one of which resulted in decreasing the deficit on the Income and Expenditure account by £0.531 million.
- 52 Grant Thornton's review of VFM arrangements resulted in an unqualified VFM conclusion in regard to the Council's arrangements for ensuring economy, efficiency and effectiveness in its use of resources.

Use of Resources

- 53** 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).
- 54** For the purposes of the CPA we have assessed the Council's arrangements for use of resources in these five areas as follows.

Table 4

Element	Assessment
Financial reporting	3 out of 4
Financial management	3 out of 4
Financial standing	4 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

- 55** The Council has maintained an overall assessment of 3 for Use of Resources. The scores for all five elements and each of the individual Key Lines of Enquiry (KLOE) were maintained at the level attained in 2007. It is important to recognise that this represents an improvement in performance by the Council because of the increased standards set out in the criteria for the 2008 assessment.

The audit of the accounts and value for money

- 56 The Council continues to be assessed at level 4 for financial standing (KLOE 3.1). The development of the Council's medium term financial strategy (MTFS) has continued and any new investment is now considered in the context of how it will contribute to the Council's vision. Decisions to stop, reduce or reshape services are made in the knowledge of the impact and contribution to overall objectives. All service areas during the year were asked to undertake a fundamental review of their activities for 2007/08, to provide an analysis over the categories of must do and could do. The model along with Cabinet priorities was then applied to determine the future funding of services.
- 57 The Council also continues to be assessed at level 4 for KLOE 4.1 (one of the three internal control KLOEs). The Council actively promotes probity in the conduct of its business and risk management is well developed and is fully embedded in routine management processes. In particular, the Council has demonstrated the proactive and effective use of risk management when dealing with a major outsourcing of its education support services and when considering the future provision of all of its central support services.
- 58 The Council has continued to improve the arrangements it has in place from the prior year, whilst awaiting guidance for the new Use of Resources framework which will form part of the Audit Commission's Comprehensive Area Assessment (CAA). This is to be introduced from 2008/09 onwards.
- 59 We have been working closely with the Council with regard to the introduction of the new Use of Resources framework. The Council has identified lead officers for each of the new KLOEs and we have delivered a workshop for these officers which:
- provided them with an overview of the new Use of Resources framework;
 - summarised the links with the CAA framework;
 - highlighted the key differences between the new and the previous approaches to Use of Resources; and
 - discussed next steps and agreed a way forward for the completion of the 2008/09 review.

Data Quality

- 60 The three stage approach to this year's data quality review was as follows:
- management arrangements;
 - analytical review; and
 - data quality spot checks.
- 61 The review of corporate arrangements to secure data quality was required for the VFM opinion and consisted of an update on the progress with implementation of the recommendations from the previous year's action plan and an assessment of the Council's performance against the revised KLOEs for this year's review. We assessed the Council as continuing to perform well overall and against each of the five KLOEs.

- 62 The analytical review was performed to provide an arithmetic check of the calculations for BVPIs and non-BVPIs including variances, plausibility and expected ranges. This exercise was supported by supplementary information from Audit Commission's central PI team. We discussed any outliers with Council officers to establish if the reasons and used the process as a basis for selecting non-mandatory BVPIs for the data quality spot check stage of the review.
- 63 The data quality spot checks provided an in-depth review of sample of PIs from a list of specified BVPIs and non-BVPIs. The PIs reviewed were as follows.
- BV 78a - Speed of processing new claim to HB/CTB (Mandated).
 - BV 78b - Speed of processing changes of circumstances to HB/CTB (Mandated).
 - BV 165 - Pedestrian crossings with facilities for disabled people (Selected).
 - BV 199a - Local Street and Environmental Cleanliness – Litter and Detritus (Selected).
 - BV 199b - Local Street and Environmental Cleanliness - Graffiti (Selected).
 - BV 199c - Local Street and Environmental Cleanliness - Fly-posting (Selected).
- 64 The findings of our data quality spot checks were that all six of the PIs tested were fairly stated. In particular, we note that the significant improvement in the outturn data (27.1 days) for BV 78a for 2007/08 compared to 73.6 days was as a result of real performance improvement.

Grant claims

- 65 The Council had reasonable procedures in place for the management of key grant claims, submitting these by the required deadline. A number of European grants were provided to us for certification after the relevant deadline resulting in late submission.
- 66 Consistent with previous years, problems were encountered with the claim for Sure Start grant funded services, which are administered by the council's education partner. Similar issues are not anticipated by council officers in 2008/09 due to the change in contractual arrangements relating to the Sure Start element of the education contract.
- 67 The opportunity exists for working paper and timetabling arrangements to be strengthened ahead of the 2008/09 grant certification visits.

Advice and Assistance work - Health Inequalities

- 68 Walsall is in the bottom fifth nationally in terms of the health and deprivation of its resident population. NHS Health profile data for 2007 shows that compared with the Region and the rest of England the standard of health in Walsall is below average on several domains.
- Rates of recorded and self-reported ill-health are high. Both male and female life expectancy has increased over the last decade, but they remain below the England averages – particularly for men.

The audit of the accounts and value for money

- Income deprivation and child poverty are high, with 19 per cent of residents living in low-income households.
 - The early death rate from heart disease and stroke has declined slightly faster than in England as a whole, although it remains above average.
 - Teenage pregnancy rates are high.
 - There are high levels of unhealthy eating and obesity.
- 69 It is also clear from data and documentation that there is considerable variation in standards of health and wellbeing across Walsall: the east of Walsall is generally wealthier and healthier than the west.
- 70 We have focussed in Walsall on three health inequalities.
- Childhood obesity. Until recently there has been little accurate data about the rates childhood obesity, but it is now clear that the problems are concentrated in the most deprived areas. There is also an important ethnic dimension.
 - Teenage conceptions. Rates of teenage pregnancy are high in Walsall resulting in about 200 births and around 100 abortions a year. There is a culture in some schools where pregnancy is culturally acceptable and wanted – this helps explain Walsall's low abortion rates. Teenage pregnancy is currently mainly a white, working class problem.
 - Male life expectancy. Life expectancy for women in Walsall is close to the national average, but life expectancy for men in Walsall is consistently below the national average. There are several known contributory factors among which are high premature death rates in men from coronary heart disease and stroke. There is a clear South Asian dimension – elevated risk factors within parts of this group include high rates of smoking, poor diet, low exercise and high incidence of diabetes.
- 71 Our audit of these inequalities considered the overall situation in Walsall, as it impacted on both the Council and the NHS Primary Care Trust (PCT) and sought to answer a number of key questions, as set out below.

Do strategies to address health inequalities exist and are they effective?

- The PCT has drafted a general strategy which gives considerable attention to health inequalities and to the need to target efforts on particular areas and residents.
- The strategy should be clearer about the likelihood of the teenage pregnancy target being met.
- The PCT has said that in future two thirds of all development funding will be used for health promotion (wellness) schemes.
- There have been a number of delays in producing a partnership health inequalities strategy document and it remains unclear when a fully agreed partnership strategy will be available in Walsall.
- A joint strategy will need to describe the scale of the current health inequalities, what activities are operating to reduce these, what is working well (and less well) and what needs to change to improve outcomes.

Do partnerships charged with addressing health inequalities function effectively?

- There are some good individual examples of strong partnership working (eg child obesity and teenage pregnancy), and strong links have been established with Walsall Football Club to target men's health.
- Formal partnership arrangements are complex and do not properly support the health inequalities agenda.
- The status of health inequalities needs to be raised in the partnership.
- The Health Inequalities Group (HIG) could be expanded and form the basis of a group to monitor progress against health inequalities plans and targets set in a reconfigured LSP/LAA.

Does the available data and intelligence support operational decision-making to address health inequalities?

- Full data has now been collected on childhood obesity, but making comparisons with the rest of the country will not be possible until March 2008.
- An apparent reduction in teenage pregnancies in 2004 is likely to have been the result of a data reporting problem.
- Efforts to improve the timeliness and accuracy of conception data have now been made which should enable a better understanding of the links between interventions and outcomes.
- More needs to be done to monitor the ethnicity of those receiving health trainer support.

Are the workforce arrangements adequate to address the skills and competencies needed to address health inequalities?

- Some good work has been seen on health promotion for BME groups, but further developments are possible; for example, consideration is needed about employing more fitness instructors for BME girls.
- Further thought needs to be given to finding out how many BME children use specifically designed services to promote greater activity, and to analyse their impact in terms of better health outcomes.
- Pregnancy reduction schemes throughout Walsall schools should be priority if the results in pilot schemes are encouraging. All partners should continue to push for a higher take-up of the pregnancy mentoring service.
- There is a need to make sure that practice recording and reporting of patient health characteristics (through QOF) can provide a sound basis for targeted health inequality activity.

Are activities which address health inequalities monitored and evaluated as part of a performance management system?

- LAA data on our three selected health inequalities is neither clear nor helpful.
- More needs to be invested by the LSP in data interpretation and analysis.
- The LSP needs to make fuller use of local targets.
- The PCT has a comprehensive compendium of information which can be used to drive decisions, but the information is not as easy to interpret as it could be.

- 72** Our findings were reported to both the Council and the PCT in early 2008 and formed the basis of a presentation we delivered to a stakeholder workshop held within the Borough in February 2008. We have agreed a detailed action plan to address the issues referred to in our report. Progress in address Health Inequalities will be dependant on all key stakeholders responding as a partnership and we will therefore be reviewing the implementation of our recommendations as part of a joint follow-up audit at both the Council and the PCT in the current year.

Advice and Assistance work - Education Support Services Tendering

- 73 Due to the importance of the tendering exercise for the Council's Education Support services, we prioritised a staged review of the arrangements in place. The review was undertaken and reported during the procurement period, so as to ensure any observations and recommendations we made were capable of being implemented prior to the contract being signed.
- 74 We found that the Council was approaching this major procurement in a professional and well-organised manner and was receptive to improvement advice from its internal advisors, as well as external sources. It was continuing to work hard to ensure the Council obtained an effective contractual deal, even though only one realistic tender had been received.
- 75 Our final feedback stressed the importance of members being fully informed and comfortable with any additional contract scope that had developed over the course of contract negotiations and that this should be a key feature of the Council's arrangements for managing the contract.
- 76 We also concluded that there was a need to ensure a meaningful and robust performance management framework was put in place to support the resulting service level agreements and continuous improvement expectations for the contractor.

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

Closing remarks

- 80 This letter has been discussed and agreed with officers. A copy of the letter will be presented at the audit committee on 28 April 2009. Copies need to be made available to all Council members.
- 81 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 5 Reports issued

Report	Date of issue
Audit and inspection plan	March 2007
Interim audit memorandum	June 2008
Annual Governance Report	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Corporate Assessment Report	June 2008
Annual audit and inspection letter	February 2009

-
- 82 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

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

Gary Stevens
Comprehensive Area Assessment Lead

April 2009

The Audit Commission

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

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

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

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2009

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
