

Annual Audit and Inspection Letter

City of Bradford
Metropolitan District Council

Audit 2007/08

March 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to 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 The Council and its partners have a good knowledge of Bradford and its needs and are tackling the right things. It is providing good leadership to the people of Bradford.
- 2 As part of the vision to become one of the best performing Councils within five years, the political and managerial leadership of the Council has continued to invest in its arrangements to manage the delivery of its priorities, as follows.
 - Ensuring that priorities, and the associated actions, are consistently expressed in external and internal plans.
 - Strengthening management capacity.
 - Introducing new arrangements for managing major projects and programmes throughout the Council.
 - Introducing new arrangements for assessing the value for money of its activities , linked to the budget-setting process.
 - Developing the leadership skills of councillors and officers.
 - Introducing a new performance management system.
 - Enhancing its people management arrangements.
- 3 These are important building blocks, but they will only have value if they contribute to improving services and outcomes for local communities. The Council has made progress in some priority areas. For example, it has improved the way it helps older and vulnerable people lead independent lives, safeguarding of young people continues to improve and more young people are in education, training or employment. But progress has been slower in other priority areas, such as narrowing the gap in educational attainment and tackling health inequalities.
- 4 Some improvements may take several years to come to fruition, but the Council does not yet have a clear plan setting out the 'milestones' by which progress is expected. Without this it will be difficult for the Council, its partners and the public to assess if individual initiatives and the overall improvement agenda are on schedule.
- 5 Transforming the local economy is at the heart of the Council's ambitions for the district. The rapidly changing economic climate means that it will increasingly important for the Council to be able to track the success of its interventions and respond flexibly to changing circumstances.

Action needed by the Council

- 6 Set out the intended impact of its investment in management arrangements and the timeframe for the expected improvement in services.
- 7 Redirect resources to meet corporate and service priorities. This will ensure the effective use of scarce resources, including finance, assets, staff time and natural resources. This includes being clear about the expected impact on lower priority services.
- 8 Ensure that all managers understand their role in delivering the Corporate Plan, and that they have the skills and information to make appropriate decisions to achieve the expected changes in services.
- 9 Develop and support councillors to better fulfil their roles will help the Council more effectively challenge and recognise progress being made against the agreed ambitions and priorities.
- 10 Increase the pace of change in improving people management in the Council.
- 11 Take action, with partners where appropriate, to improve performance in priority areas, including:
 - narrowing the gap in educational attainment between Bradford and other parts of the country;
 - reducing health inequalities and addressing high levels of infant mortality and obesity;
 - addressing the impact of transport on the area's wider priorities; and
 - improving levels of recycling.

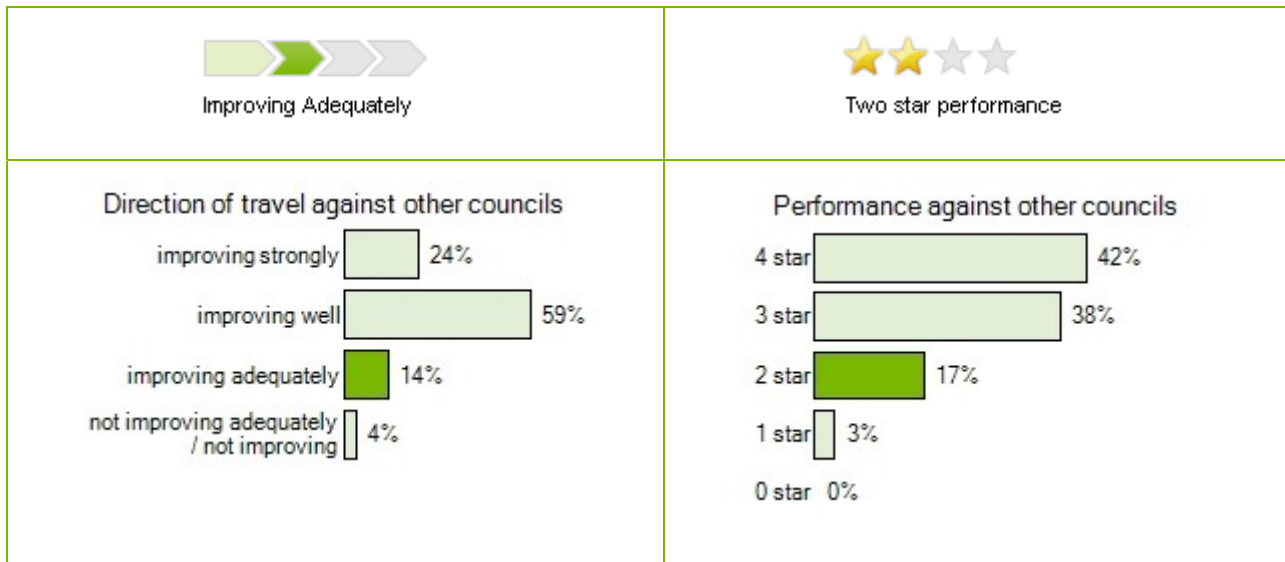
Purpose, responsibilities and scope

- 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.
- 15** As your appointed auditor I am 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, I review and report on:
- the Council's accounts;
 - whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion); and
 - whether the Council's best value performance plan has been prepared and published in line with legislation and statutory guidance.
- 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 Bradford Council performing?

18 The Audit Commission’s overall judgement is that the City of Bradford Metropolitan District Council is improving adequately and we have classified City of Bradford Metropolitan District Council as two 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 district councils in CPA



Source: Audit Commission

How is Bradford Council performing?

Our overall assessment - the CPA scorecard

Table 1 CPA scorecard

Element	Assessment
Direction of Travel judgement	Improving adequately
Overall	2 Star
Corporate assessment/capacity to improve	2 out of 4
Previous corporate assessment/capacity to improve	3 out of 4
Current performance	
Children and young people*	2 out of 4
Social care (adults)*	3 out of 4
Use of resources*	3 out of 4
Housing	2 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 Bradford Council is improving adequately. Some priority areas have improved, but the breadth and pace of change is inconsistent. The Council is improving well the way it helps older and vulnerable people lead independent lives, safeguarding of young people continues to improve and more young people are in education, training or employment. However, improvements in educational attainment, such as at GCSE level, are not keeping pace with national gains and levels of infant mortality and obesity are higher than in similar areas. Crime is reducing but road safety is a concern. Environmental performance is mixed with low levels of recycling but cleaner streets. More people are being helped into jobs. Recognising the impact on the local economy of speedy payment of invoices, the Council has acted to improve its performance. Planning performance is poor. Benefits claimants are still not receiving speedy and accurate payments. Value for money remains adequate through low council tax, efficiency gains and some good outcomes in priority areas. Capacity to improve is adequate with better senior management capability and new approaches to managing people and delivering projects, but these have yet to demonstrate clear outcomes.

What evidence is there that the Council is improving outcomes

- 20** The Council continues to improve some outcomes for local people. Resident satisfaction with the Council has improved compared to a fall nationally. However, the rate of improvement against corporate plan priorities was mixed. In 2007/08, 68 per cent of national performance indicators improved which was above the average for single tier councils. The Council has moved more indicators out of the worst 25 per cent, but there are fewer high performing areas than other single tier authorities with 22 per cent of BVPIs in the top performance band compared with the single tier average of 30 per cent. This is similar to last year.
- 21** The Council is delivering good outcomes for older people with especially strong performance in improving health and well-being, helping people to make a positive contribution and increasing choice and control. The Council has demonstrated innovation and creativity in providing a range of programmes to meet the differing needs of most older service users and carers to promote healthy lifestyles. Older people who use services and their carers are helped to understand how to stay healthy, and the council has well developed joint working arrangements with health partners and other relevant agencies. This is backed by clear and accessible information and individual support and advice, which people act on. At a service and strategic level, Bradford are achieving continuing improvements to the quality of services. People who use services, (whether directly accessed or through care management,) have a better quality experience. Those who fund their own services have access to advice, including financial advice. There is a sound range of out of hours services.
- 22** Bradford delivers services for children and young people that meet minimum requirements and are adequate overall. Progress in relation to a number of priorities has been good, including:
- reducing the number of young people aged 16 and over who are not in education, employment or training;
 - ensuring safeguarding arrangements continue to improve;
 - the rate of reduction in teenage conceptions is faster than in similar councils and nationally; and
 - most children and young people, including those from vulnerable groups, are routinely involved in consultation regarding service improvements and recruitment.
- 23** However, some education and health outcomes are proving difficult to improve. Levels of infant mortality and obesity are higher than in similar council areas. The impact of strategies to improve sexual health is adequate.

How is Bradford Council performing?

- 24** The Council has succeeded in raising attainment levels at GCSE level, but the increases are in line with regional and national averages and so the gap between Bradford and other single tier councils is not narrowing. The Council has increased the proportion of children attaining five GCSE grades at A to C from 51.9 per cent in 2007 to 55.1 per cent in 2008, matching the regional and slightly below the national rates of improvement. There has been a small decline in the five A to G pass rates from 85.9 per cent to 85.1 per cent, matching the regional decline but less than the national rate. These results mean that Bradford is still performing below regional and national averages on both measures.
- 25** The Council's street cleaning service improved during 2007/08, however the waste collection performance deteriorated. Diversion of waste from landfill through recycling fell from 24.7 per cent to 23.8 per cent in 2007/08, which was below its own target of 27 per cent, and bottom quartile. The percentage of households served by one recyclable is good, but below average for two in 2007/08. Interim performance information suggests that the number of households served by two recyclables has improved to the same level as the number served by one. Environmental cleanliness improved from below average to above average performance.
- 26** All areas of performance relating to planning application processing times (major, minor and other) remain in the worst 25 per cent nationally despite improvements in the time taken to process major applications. The number of appeals allowed against planning decisions remains better than average, although it has increased slightly. The quality of service checklist score remains unchanged and the Council has lost ground against other councils that have improved their performance.
- 27** The Council's current service delivery and partnership activity is achieving positive results in the economy and in making the area cleaner. Phase one of the Manningham Masterplan has been implemented involving a major building development at Lister Mill which is located in a deprived inner city community and provides high quality housing and community facilities. The City Centre Masterplan is being implemented with the building of two major residential developments. There are still challenges in the provision of housing to be addressed as well as the impact of transport on climate change where progress has been slow.
- 28** The Council's approach to diversity and equality is good. The Council has achieved level 3 of the equality standard, made progress to improve its duty to promote race equality, acts effectively when racial incidents occur and is now among the best 25 per cent nationally on both measures. The Council workforce is not sufficiently representative of the population it serves, but progress over the last 12 months has been generally positive with improvements in the number of women and BME communities in the top 5 per cent of earners and in the BME workforce overall but a decline in the number of people with disabilities within the top 5 per cent of earners.

- 29** The Council has focused on improving the delivery of its benefits service after the implementation of significant system changes. In 2007/08 the time to process benefit claims improved, and recent monitoring information suggests that this improvement is continuing. However, the accuracy and time taken to process changes in circumstances both deteriorated. Taking 2007/08 as a whole, the Council is amongst the worst 25 per cent nationally for both processing times and has dropped from the best 25 per cent to below average for accuracy. This is important because vulnerable people on benefits need to receive accurate entitlements that are delivered quickly.
- 30** The Council is slow to pay invoices. In 2007/08 only 82 per cent of invoices were paid within due date or 30 days, which is amongst the worst in the country. Interim performance measures suggest that there has been month on month improvement. In addition the Council has introduced a requirement to pay local invoices within 10 days, has acted to improve overall performance and is taking a community leadership role in encouraging partners to do the same.
- 31** The Council and its partners have made some progress in reducing crime and fear of crime. With the exception of domestic burglary (increasing and worst in family group), crime levels are down in all categories, but progress has been better in some areas than others. For example robberies have dropped faster than similar areas but theft of motor vehicles have decreased at a lower rate. Sexual offences are down and now amongst the best 25 per cent compared to similar areas. Fear of crime is also down but remains above regional and national averages in most categories. There has been a good reduction in the perception of anti-social behaviour. The numbers of people killed or seriously injured on the roads each year has increased slightly and there have been deteriorations in the number of children killed or seriously injured and in the rate of casualties overall. The Council remains among the worst 25 per cent nationally on all of these measures.
- 32** The Council works well with partners to improve the health of Bradford's residents. Whilst life expectancy has improved faster than the national rate for males, it remains static for females and health problems persist in the district. Good initiatives have been put in place to encourage residents to adopt healthier lifestyles but a clear plan to bring initiatives together is still to be developed. There has been some notable scrutiny undertaken to understand how factors impact upon people's health with actions being implemented to address this.
- 33** The Council's arrangements for raising value for money performance are adequate. Bradford's costs are generally higher than similar councils, but Council Tax is low. In some service areas, this is resulting in good performance and high satisfaction (such as homelessness) but in others, such as education and waste collection, performance is comparatively weak. Low usage in some areas such as culture, is contributing to high unit costs. Areas of higher spending are in line with council and community priorities, but the investment is not consistently resulting in improved services.

How is Bradford Council performing?

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

- 34** Transformation of the local economy is at the heart of the Council's revised ambitions for the district. There is a strong emphasis on regeneration, skills and improving educational attainment and plans have been developed to ensure that these ambitions are effectively delivered. Plans have also been developed to meet other priorities in respect of crime, environment, transport, housing, economy and for children and young people. The Council has reviewed its priorities and strengthened their links to delivery at a service level.
- 35** The Council is making adequate progress to implement its improvement plan. Using its own assessment of progress against objectives, out of 35 headline actions, seven have been completed, 17 are on track to meet deadlines, but 11 (almost one third) raise concerns or might involve delays. Areas of good progress include refreshing the 20/20 vision and the community strategy, improved performance management within the Council and partnership and developing sustainable relationships with the Trade Unions. Areas that have been slower to progress include, fully integrating key strategies such as transport, housing, waste and economic development, some HR areas such as member training and development and job evaluation and single status agreements, which have not yet been completed.
- 36** There are strong and effective corporate arrangements in place to achieve consistent, sustainable, and effective improvement in adult care. The council demonstrates sound financial planning and management, and expenditure reflects most national and local priorities. There is positive engagement with the care provider market, and widening the spread of partners to include the third sector. Strategic commissioning plans have been reviewed and revised, and provide a sound framework for service modernisation, change and the personalisation agenda. There has also been significant progress in establishing appropriate governance arrangements across the partners for the learning disability service. In particular a programme structure has been established with appropriate reporting and risk management processes to allow clear decisions to be made about the future of the service.
- 37** The capacity of the council to improve its services for children and young people is adequate and its management of these services is also adequate. While the Council has continued to work well in many areas, and two thirds of the children service's indicators have improved or sustained performance, it does not yet have a good track record of improvement across all outcomes. Services for children are appropriately prioritised by members and officers and a recent restructuring of leadership roles has been completed. The children and young people's plan has been reviewed and refined. The priorities are fewer and well-founded, being based on the council's increasingly good knowledge of its strengths and weaknesses. Nevertheless, some success criteria relating to specific targets are too imprecise. The monitoring of performance is usually robust and leaders' accountability for improvement has been increased by developing greater clarity in their roles and responsibilities in relation to each of the five outcomes.

- 38** The new VFM framework is not yet embedded across the Council and an early service review of adults services transport has made slow progress. However, there are good examples of 'invest to save' initiatives and children's services have used 'lean thinking' to improve maintenance and repair of children's residential homes and adult services have used 'lean thinking' to improve waiting times for OT assessments. Gershon efficiencies are being met. Bradford achieved gains of £6.3 million in 2007/08, in excess of the mid-year forecast of £6.2 million (but lower than the forward look target of £7.3 million). The final ongoing gains are in the region of £31 million against a target of £29 million.

Corporate Assessment

- 39** In February 2008, our Corporate Assessment report found that Bradford Council was performing adequately. Effective leadership, good partnership working and a culture of challenge is now providing a positive focus and direction of travel to deliver improved outcomes for the whole of the district after a period of uncertainty and transition.
- 40** Community leadership is a developing strength. Bradford Council has undergone significant change over the last few years and the focus and direction now being provided by the Council has built a good level of trust, confidence and credibility amongst partners.
- 41** The Council and its partners are targeting the right things as they have good knowledge of Bradford. Regular consultation with residents is undertaken on their own priorities and is supported by data and research which is being brought into a more coherent format so that the Council and its partners can continually measure progress against what they set out to achieve.
- 42** User focus is good. The Council recognises that there are disparities across the district on matters such as health, crime and education and plans are in place to address this.
- 43** Political and managerial leadership is good. The Council has set out its own ambition to be one of the best performing councils in the country in five years' time and has taken action to ensure services focus more effectively on delivering better outcomes for local people. However, councillor development has been limited to date which in some cases has meant that councillors are not fully able to fulfil their roles.
- 44** Capacity to meet the Council's ambitions is adequate. Financial capacity is sufficient to meet current priorities and there are good arrangements in place to improve capacity with partners. Capacity has been put in place at a senior management level but effective human resource management throughout the organisation is still being developed.
- 45** Performance management is adequate. The Council's arrangements at an organisational and partnership level are good, with a focus on priority or underperforming areas. However this is yet to realise consistent improvements across all service areas. The effectiveness of scrutiny to hold services to account has been limited.

How is Bradford Council performing?

Assessment from other regulators

- 46** An important aspect of the role of the Relationship Manager is to work with other inspectorates and regulators who also review and report on the Council's performance. Relationship Managers share information and seek to provide 'joined up' regulation to the Council. During the last year the Council has received the following assessments from other inspectorates:

Table 2 Scores from other inspectorates

Service area	Score	Source
Services for children and young people	2	Ofsted
Services for adults	3	CSCI

-
- 47** The results of these assessments have been reflected in our Direction of Travel report.

The audit of the accounts and value for money

48 Your appointed auditor has reported separately to the Corporate Governance and Audit Committee, on 26 September, on the issues arising from our 2007/08 audit of the Council's financial statements, including those of the West Yorkshire Pension Fund. He has issued:

- his audit report, providing an unqualified opinion on your accounts and an unqualified conclusion on your vfm arrangements to say that these arrangements were adequate on 26 September 2008; and
- his report on the Best Value Performance Plan confirming that the Plan has been audited.

49 The Annual Governance report drew the attention of those charged with governance to:

- the improvement in the timeliness of the working papers prepared to support the financial statements, this is reflected in the improved use of resources score for theme 1.1;
- one error of material value in the accounts presented to audit, in the disclosure note on financial instruments;
- the adjustments that were made to the draft accounts approved by members before and during the audit;
- the continued risk regarding the valuation of the Council's fixed assets, and the ownership of denominational schools;
- the risk to the pension fund regarding the accuracy of the member contribution figures in their financial statements; and
- the need for the pension fund to manage the risk regarding the governance and controls operated by external fund managers.

The audit of the accounts and value for money

Use of Resources

50 The findings of the auditor are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the auditor in the following areas.

- Financial reporting (including the preparation of the accounts of the Council and the way these are presented to the public).
- Financial management (including how the financial management is integrated with strategy to support council priorities).
- Financial standing (including the strength of the Council's financial position).
- Internal control (including how effectively the Council maintains proper stewardship and control of its finances).
- Value for money (including an assessment of how well the Council balances the costs and quality of its services).

51 For the purposes of the CPA we have assessed the Council's arrangements for use of resources in these five areas shown in Table 3.

Table 3

Element	Assessment 2008	Assessment 2009
Financial reporting	2 out of 4	2 out of 4
Financial management	3 out of 4	3 out of 4
Financial standing	3 out of 4	3 out of 4
Internal control	3 out of 4	3 out of 4
Value for money	2 out of 4	2 out of 4
Overall assessment of the Audit Commission	3 out of 4	3 out of 4

Note: 1 – lowest, 4 = highest

The key issues arising from the audit

52 Our 2007/08 Audit Plan focused on reviewing key elements of the way Council manages itself. The work highlighted the need for significant improvement in some core arrangements, particularly financial planning and management, capital management and project and programme management.

53 Much of our work was co-ordinated with work that the Council had already begun to assess and improve its performance. We are pleased that strong action plans have emerged from the various reviews, and have already seen some evidence of tangible improvement.

Financial management

- 54** The Council does not yet meet all the attributes of 'world class at financial management'. Our survey of senior management showed that in Spring 2008 the basic building blocks for successful financial management were not operating in an integrated and cohesive manner.
- 55** There are areas of strength which will help the Council improve financial management:
- the Council's leadership promotes a culture of collective responsibility for stewardship and financial accountability;
 - senior managers take personal responsibility for financial management; and
 - almost all senior managers consider the financial consequences of their decisions.
- 56** Not all senior managers have confidence in the accuracy of financial and management information, and continue to use their own local systems. The financial information they receive is accurate but needs to be enhanced to support managers to assess or deliver value for money from their services, or to assess financial risk.
- 57** The role of managers in financial management is not clearly articulated, making it difficult to assess what skills managers need, and have, and to provide relevant training.
- 58** Most managers have a good relationship with the Finance Department, but only a minority have sufficient confidence to involve Finance in the early stages of decision making.
- 59** Medium term financial planning could be improved by better linking the financial strategy to the other strategies produced elsewhere in the Council and its partners. Particularly at a time of financial uncertainty, decision-makers need a clear picture of the key risk areas and of their options if plans need to change.
- 60** The Council has agreed an action plan to define and develop the role and skills of all Council managers regarding financial management, and to enhance medium term planning.

Project and programme management

- 61** Our review of corporate project and programme management arrangements in October and November 2007 concluded that the Council does not identify, prioritise and monitor proportionately all projects.

The audit of the accounts and value for money

- 62** We have worked with the Council to develop a series of appropriate tools to establish a known project position across the Council, and to support effective monitoring:
- the Project Risk Assessment Matrix assesses the risk of each project;
 - the Project Prioritisation and Benefit Profile provides a framework for coordinating and monitoring projects, ensuring that they are contributing to corporate priorities;
 - the Project Appraisal Group will approve corporately all future projects and review current projects underway; and
 - the progress reporting framework is a series of tools that ensure those projects which the council has identified that it needs to monitor are reported effectively to project and programme boards with decisions made on correct information.
- 63** The Council has appointed an AD Major Projects and Procurement who has established a methodology for commissioning new projects. She has worked with the Corporate Programme Management Board and the AD forum to develop and embed the project and programme management framework. She is also working with partners to integrate their needs within key corporate programmes.
- 64** To ensure the effectiveness of this framework the Council needs to ensure that appropriate support, capacity and capability is available across the Council. We are in the process of assessing:
- the progress achieved by the Council in response to the agreed action plan; and
 - the success of project and programme management within BSF and the waste projects.

Capital Expenditure

- 65** Our review of the management of the capital programme, found that controls and processes need to improve if the Council is to be confident that that all planned outcomes are delivered.
- 66** The system for selecting the major capital schemes that will form the capital programme, and therefore support the delivery of the Council's priorities for the district, is not operating as intended. The information upon which the selection process is based is incomplete, allowing incorrect decisions to be made.
- 67** Political leaders are not well informed as to the progress of the capital programme in general, or the progress of flagship capital schemes in particular. The monitoring, control and accountability for capital expenditure is not sufficient to ensure that the expected outcomes of the capital programme are delivered within the expected timeframe and cost. Capital spend is inaccurately profiled, with all expenditure often being allocated to year one of a scheme. These two issues combined to generate 27 per cent slippage on the capital programme in 2006/07.
- 68** The fixed asset register did not provide robust information on the valuation of assets. This meant that the Council found it difficult to provide assurance that the fixed asset figures in the 2007/08 financial statements presented to audit were accurate.
- 69** Contract audit is not applied in a systematic manner as an effective control to mitigate the risk of error in capital projects.

Review of Governance Arrangements for Learning Disability and Mental Health, and initial follow up

- 70** The Council and PCT commission learning disability and mental health services, including social and health care, from Bradford District Care Trust. Our report, in April 2008, identified that governance arrangements for both learning disability and mental health service were not adequate to ensure that expected outcomes for these services are delivered by Bradford District Care Trust. Our follow up work, in November 2008, indicated that improvements in governance arrangements are being implemented through a programme approach, but are not yet sufficiently embedded to set expectations for the service or ensure that they are delivered.
- 71** Agreement has now been reached on lead commissioning roles for learning disability services. Strategic commissioning was formally transferred from the Care Trust to the Council. The parties now need to finalise an agreement clarifying the roles, responsibilities, and resolution processes in a memorandum of understanding arrangements.
- 72** There has been significant progress in establishing appropriate governance arrangements across the partners for the learning disability service. In particular a programme structure has been established with appropriate reporting and risk management processes to allow clear decisions to be made about the future of the service.
- 73** However, the success of this programme is dependent on the partnership developing an appropriate culture of openness, ensuring that the financial, performance and management requirements and pressures of all partner organisations are considered. At times these may appear to conflict or pull partners in different directions. The agreement of the memorandum of understanding between the partners setting out the high level objectives and working arrangements will be an important stage in developing the required culture.
- 74** The governance arrangements for the mental health services are not so advanced, however, the pressures on the partnership are not so great, and they are sharing the learning from their learning disability colleagues.

Health inequalities

- 75** Health, well-being and reducing inequalities are key national priority areas for the health services and local government. Promoting healthier communities and reducing the gap between the least and most healthy groups of the population can have a significant effect on overall well-being and prosperity. Bradford and Airedale district has significant health inequalities within its population.
- 76** We reviewed the progress made in by partners in Bradford and Airedale in reducing health inequalities within the district. This review drew upon the outcomes of the visit to the district by the Department of Health national support team (NST) for health inequalities and the corporate assessment of the Council.

The audit of the accounts and value for money

- 77** The PCT and the Council have a clear commitment to reducing health inequalities, and partners have worked hard to build governance arrangements to support this objective. Partners understand the needs of the population and this information is used to support resource allocation. We found that while there had been some success in increasing life expectancy, significant health problems remain.
- 78** Faster progress is required to deliver the tangible reduction in health inequalities to which partners aspire. In partnership with the NST we facilitated a workshop for key partners in November 2008 to support their work to reduce health inequalities and develop action plans to help partners:
- work together to deliver all the planned initiatives to reduce health inequalities;
 - evaluate the effectiveness of these initiatives; and
 - build the objective of reducing health inequalities into all areas of work by partners.

Governance in partnerships

- 79** The development of appropriate governance arrangements for partnerships within the LSP are progressing well, as follows.
- Accountable body guidance has been put in place.
 - Risk management arrangements have been determined.
 - Governance arrangements are subject to regular review and update.
- 80** There are some gaps but there is an awareness of these gaps and plans are in place to resolve these issues, as follows.
- Evaluating value for money as part of financial management;
 - Embedding risk management, including linking back to the corporate arrangements of individual partners.
 - Ensuring business continuity forms part of business planning for individual partners.
 - Articulating Councillor responsibilities.
 - Ensuring the ethical framework is clear and is followed.
- 81** For partnerships outside of the LSP we do not have assurance that governance arrangements are being managed in a methodical way. The possibility of a breach with potential for serious financial and reputational risk to the Council is greater.

Follow up to procurement

- 82** Significant progress has been made since our 2007 review, including:
- refining the procurement strategy to reflect corporate priorities and better define procurement priorities such as supporting local providers;
 - the establishment of improved central frameworks which require projects to specify expected benefits and measure success against these;
 - the Procurement Network, which has undertaken a skills audit across the Council and shares knowledge on key issues; and
 - co-ordinating a single Council-wide approach to procurement and project management.
- 83** The Council is building on a positive track record of joint procurement with other Councils and bodies in some areas. There remain opportunities in other areas of Council services.
- 84** Some key benefits of current initiatives and programmes of work remain to be achieved. These include refining sustainability targets and demonstrating Bradford-i benefits.

Follow up to people management

- 85** The Council has made progress in establishing a framework for people management. However it is too early to judge if the desired impact is being achieved as many actions are at the point of being formally launched and implemented. Success in achieving these outcomes will largely depend on corporate leadership, ensuring that the new arrangements are embedded into every day practice in all parts of the organisation.
- 86** The Council has reviewed its overall provision of the HR function and services. It has learned from a number of internal and external activities. The resulting restructure of the HR function:
- achieves targets for substantial budget and staffing reductions; and
 - provides a clear separation of the workforce development team and the operational arm of HR.
- 87** The Council has developed the draft People Management Strategy supported by the Strategic Pay and Workforce Plan. These set clear priority objectives with proposed outcome measures to assess progress against the objectives. The new strategy will be launched in early 2009. The Council is piloting a new business planning approach, but workforce planning is not currently integrated with service planning across the Council.
- 88** Management information has been reviewed to ensure it is fit for purpose and better meets management needs. The improvements are recent and yet to demonstrate desired outcomes.

The audit of the accounts and value for money

89 The Council has made good progress to introduce consistent appraisal and competency frameworks across the authority. There is still work to do to ensure that:

- identification of competencies at individual and team levels are linked to recruitment and selection; and
- interim appraisals and one-to-one meetings are being carried out effectively, including the regular assessment of performance against targets.

90 Sickness absence has reduced each year for the last three years. This shows that the Council has sustained its efforts in this area, which have been assisted by a proactive approach to identifying hotspots, better occupational health arrangements, use of departmental champions and better management information. Nevertheless, the current rate of absence is still among the worst 25 per cent nationally and so more work is required.

91 The Council has responded well to previous criticism that guidance and toolkits were seen as cumbersome and bureaucratic with the development of new web-based toolkits, which use clear tabs and flow charts to ease use and understanding. These will be supported by direct training and use of e-learning packages where appropriate. To date, only one toolkit has been launched in this format, many more are planned for early 2009.

Advice and Assistance work

92 We have undertaken the following two pieces of advice and assistance work with the Council.

- An interim review of its supporting people arrangements.
- A suite of workshops to raise awareness of our new approach to Use of Resources.

Looking ahead

- 93** 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.
- 94** 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.
- 95** 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

- 96 This letter has been discussed and agreed with senior officers of the Council, including all members of Corporate Management Team. A copy of the letter will be presented at the Corporate Governance and Audit Committee on 20 March 2009. Copies need to be provided to all Council members.
- 97 Further detailed findings, conclusions and recommendations on the areas covered by audit and inspection work are included in the reports issued to the Council during the year.

Table 4 Reports issued

Report	Date of issue
Audit and inspection plan	March 2007
Interim audit report	May 2008
Annual Governance Report	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Use of Resources	December 2008
Project and Programme Management	December 2007
Review of governance arrangements for Learning disability and Mental Health Services	April 2008
Review of Capital Programme	May 2008
Health inequalities workshop	November 2008
Review of Governance of Partnerships	November 2008
Financial Planning and Management	November 2008
Data quality	November 2008
Follow up to People management	December 2008
Follow up to Procurement	December 2008
Final accounts reports, Council and Pension Fund	October 2008
Corporate Assessment	April 2008
Annual audit and inspection letter	February 2009

- 98 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

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

Name Stephen Gregg
Comprehensive Area Assessment Lead

March 2009

The Audit Commission

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

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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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