The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local services for the public. Our remit covers around 11,000 bodies in England, which between them spend more than £180 billion of public money each year. Our work covers local government, health, housing, community safety and fire and rescue services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we ensure that public services are good value for money and that public money is properly spent.

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Key messages

1. This report brings together findings from recent Audit Commission assessments in support of the Commission’s aim to share learning to support improvement in local councils. It examines where councils are making progress and where further work is needed. It also highlights some of the positive examples of what has been achieved. A companion web tool provides further examples of notable practice emerging from assessments.

2. Within the new framework for Comprehensive Performance Assessment (CPA) of single tier and county councils early corporate assessments have found councils making good progress on a number of fronts. Stakeholder groups are generally positive about the effectiveness of councils’ work in addressing the central/local government shared priorities. But these early assessments also highlight areas where councils, working with partners, can do more to address the diverse needs of their communities.

- With partners and the public, councils have developed ambitious visions for developing sustainable communities, but they do not yet consistently have strategies that integrate economic, housing and environmental action to achieve these.

- Councils and their partners are delivering visible improvements to community safety and some are linking this well with other shared priority areas. But measuring outcomes, managing performance and coordinating work in relation to community cohesion remain areas for improvement.

- Councils are at an early stage in their approaches to promoting healthier communities and not all have clear plans with measurable targets. Those that have appointed staff jointly with health partners are generally doing well. Reducing smoking and teenage pregnancy remain challenges in many councils.

- Most councils have yet to develop broad strategies for older people. Almost all have mechanisms to engage older people, but these are not yet systematic and do not always reach minority and isolated groups. Councils provide a range of services to older people but are missing opportunities to enhance their independence and well-being.

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1. This report presents a summary of findings from 17 corporate assessments undertaken as part of CPA – the Harder Test and published between September 2005 and April 2006.
• Most councils perform adequately or better in providing services to children and young people. But outcomes are less good for those from vulnerable groups, such as looked after children. In most councils sound processes are in place to keep children safe but in a significant number the thresholds for referrals to social services are high resulting in children and young people deemed to be in need not receiving consistently good support.

• Many councils are providing effective community leadership in priority areas and are helping to develop the capacity of partners and communities. There are some examples of good political and managerial leadership, supported by clear accountabilities, leading to improved services, but weak performance management limits the achievements of some councils.

• While councils have made good progress generally to improve their user focus, more work is needed to fully engage and support all their diverse communities.

• Councils are working well with partners to develop shared ambitions for local communities and target resources toward achieving these. Partners value councils’ contributions and the leadership they can provide. But governance of partnerships needs attention to minimise risks and enhance accountability.

3 Assessments of councils’ use of resources1 have found that councils performing well in this area have set in place the building blocks for proper stewardship and accountability. Those with effective financial management are better able to understand the relationship between performance and costs and, in turn, through active benchmarking, seek out opportunities to improve value for money.

1 Undertaken in all single tier, county and district councils in 2005/06.
Introduction

Since 2002 the Audit Commission has used CPA as a tool to measure how well councils are delivering services for local people. In line with the principles of strategic regulation, CPA has helped councils focus on key areas of improvement and has helped government and regulators target support for improvement where it is most needed.

In 2005, following widespread consultation, we revised the CPA framework for single tier and county councils, introducing a number of changes that made CPA a harder test of performance. These changes reflect the expectation that councils will secure continuous improvement as they fulfil their best value duty.

As part of the new framework, we revised our approach to corporate assessment to examine in greater detail councils’ achievements against shared central/local government priorities. We have placed greater emphasis on assessing approaches to user focus and diversity, leadership, partnership working and value for money. Our assessments are also now informed by the views of a wider range of council stakeholders following the introduction of our pre-assessment stakeholder survey.

During 2005 we also developed an enhanced assessment of councils’ use of resources. This annual assessment looks at how financial management is integrated with strategy and corporate management, supports council priorities and delivers value for money. The use of resources assessment forms part of the revised CPA framework for single tier and county councils. In 2006, district council assessments were published as part of councils’ annual audit and inspection letters.

This report brings together for the first time the findings emerging from these new assessments. It is based on 17 single tier and county council corporate assessments published by April 2006 and 388 use of resources assessments undertaken in 2005/06 across all councils.

Further detail on the CPA framework for single tier and county councils from 2005 can be found at Appendix 1. The results of the first assessments were published by the Audit Commission in December 2005 in CPA – the Harder Test: Scores and Analysis of Performance in Single Tier and County Councils 2005.

See Appendix 2 for further information.

Further information on how use of resources assessments inform CPA for district councils from 2006 can be found in CPA – District Council Framework from 2006 at www.audit-commission.gov/cpa/districts

Listed in Appendix 3.
In the first section of this report we consider what new corporate assessments have told us about the contribution councils, with their partners, have made to improving the quality of life for local people. In the second we focus on what our assessments have told us about how well councils are leading and engaging with their communities and partners and identify what progress councils are making to enhance value for money.

A companion web tool containing further examples of notable practice can be accessed at www.audit-commission.gov.uk/ifcpa
What have councils achieved?

10 The purpose of corporate assessment within CPA is to assess how well councils engage with and lead their communities, deliver community priorities in partnership with others, and ensure continuous improvement across the range of their activities. It seeks to answer three headline questions.

- What is the council, together with its partners, trying to achieve?
- What is the capacity of the council, including its work with partners, to deliver what it is trying to achieve?
- What has been achieved?

11 The last of these questions examines the progress councils have made in delivering their priorities and improving quality of life for local people. We consider councils’ achievements against the central/local government shared priorities of:
  - sustainable communities and transport;
  - safer and stronger communities;
  - healthier communities;
  - older people; and
  - children and young people.

12 Our assessments to date have found councils making good progress in these key areas of importance to local people. Few, however, have so far succeeded in linking up their activities across the shared priority areas to maximise their impact.

The detailed key lines of enquiry that underpin each question can be found at www.audit-commission.gov.uk/CPA
Our survey of council partners and stakeholders has found them generally positive about the effectiveness of councils’ work in all of the achievement areas. Work relating to community safety and children and young people are seen as particular strengths.

In this section we consider the findings for each of the achievement areas in turn, identifying aspects of good performance and areas where further attention is needed. Examples drawn from our assessment reports highlight the positive impact that some councils, with their partners, have achieved in addressing these priority areas.

**Sustainable communities, including transport**

Our assessments examine what councils, with their partners, have achieved in their ambitions to develop sustainable communities. Successful approaches require councils to integrate action on economic development, physical and social regeneration of deprived areas, ensuring housing and transport needs are met, while preventing environmental damage and improving public space.

To date we have seen that councils have set out ambitious visions, agreed with partners, for shaping their areas into sustainable communities. But there is less evidence that councils have coherent strategies for integrating economic, housing and environmental action to achieve this, while enhancing accessibility for all sections of the community.

**Sustainable economy**

Regeneration is a key ambition in many areas. Councils are showing leadership, working with partners and the community to develop a strategic vision based on understanding of their area. Regeneration activity is taking place at a very local level, in the most deprived neighbourhoods, and also with neighbouring councils, recognising that transport and markets operate at a sub-regional level.
A number of the councils assessed have a track record of effective regeneration activity in partnership, backed by external funding, which has had a tangible impact on particular neighbourhoods. Councils are generally working effectively with businesses to attract new employment and ensure that, where appropriate, their section 106 powers are used to secure community benefits from major developments. In a few areas, however, planning services are still not performing well and councils are having mixed success in their efforts to improve public transport between residential areas and work places.

With partners such as Learning and Skills Councils, councils have had some success in helping more vulnerable people, such as the long-term unemployed or those with learning difficulties, to find work. Links between businesses and schools, to prepare young people for employment, are also improving. In some cases, however, the focus has been on physical renewal and new jobs without enough attention to linking this to social regeneration and action to enable local people to benefit from new opportunities, for example by ensuring that there is easy access on public transport. Without such a link, the gap between prosperous and deprived communities remains.

Housing market

The role played by housing within sustainable communities is recognised as important by all councils (including counties, which do not have direct responsibility but can act to support districts). The problems being tackled reflect geographical differences in housing markets, with high prices and lack of development sites in the south, areas blighted by market failure in the north, and insufficient specialist housing for vulnerable groups, including young people, across the country.

Some councils are taking effective steps to influence the housing market, based on sound research into needs and partnership with registered social landlords. Actions taken include identifying land for development, requiring a high level of affordable homes in new developments where there is a clear housing need, and improving the condition of both private and public sector housing. Where Housing Market Renewal Pathfinders are in

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II A government-backed initiative to address low housing demand by 2010.
operation, these are having a positive impact. However, some assessed councils do not have an adequate housing strategy, and a number are not on target to meet the decent homes standard. I

Environment

22 Councils are increasingly recognising the importance of the environment to the well-being of their residents. More attention is being given to open and public spaces, such as parks, and many councils are working with local communities to improve them. There is a good record of improvement in keeping streets clean and removing graffiti. Councils are, however, having mixed success in managing waste sustainably. Some are struggling to meet national targets for recycling and composting, but others have exceeded them. There has been less progress with reducing the volume of waste and long-term planning for its disposal.

23 It is encouraging that some councils are thinking beyond these direct services to an overall strategy for sustainability and seeking to mitigate their local impact on climate change, while planning ahead for the problems climate change will bring. However, the degree to which these strategies are backed by resourced plans, or have impact outside the council itself, varies. Promising actions include participation in the Eco-Schools Programme, II using alternative energy sources for council buildings and vehicles, and demonstrating alternative technologies to business.

Transport

24 Councils are designing integrated transport strategies to reduce traffic congestion and encourage greener travel, but have had limited success in implementing them. They are working in partnership with neighbouring councils and transport providers (and, where applicable, Passenger Transport Executives) to improve travel options on key routes and to encourage use of public transport. There has been some success in extending bus, metro or cycle routes to support new employment sites. Some are also encouraging major employers to have green travel plans for staff, and setting an example themselves.

I A government-set standard which specifies housing conditions including kitchens, bathrooms and energy efficiency to be attained by social landlords by 2010.

II An initiative, coordinated by ENCAMS, to enable schools to become more sustainable.
While there are examples of success in increasing bus use, overall this has had little impact outside London\(^1\). New cycle ways are being constructed, but success in encouraging cycling and walking is mixed. Traffic congestion remains a problem in all areas, with adverse impact on the economy and environment. The condition of roads and footways is unsatisfactory in a number of areas, with significant maintenance backlogs.

### Case study 1

**Developing sustainable communities**

The **London Borough of Sutton**, which despite its leafy appearance has pockets of deprivation, has some significant achievements in regeneration. Realignment of mainstream funding has supported improvement, turning one of its worst estates into an area that is popular with residents and has reduced crime rates. The Council also works with voluntary agencies and organisations such as MENCAP to extend opportunities for people with disabilities.

**Hillingdon**, is a London borough where the population is growing, becoming younger and more diverse, and there is a stronger identity with local neighbourhoods than with the borough. Housing priorities clearly align with the community strategy themes and support achievements under other shared priorities. For example, extra care sheltered housing schemes promote independence for the elderly and good progress has been made in meeting the decent homes standard.

**Staffordshire County Council**, as an ambitious and effective energy-saver, has reduced its carbon emissions from buildings by 44 per cent since 1993, introduced power saving devices, purchases green electricity and incorporates high environmental standards into its new buildings. A private finance initiative (PFI) is replacing street lights with low-energy alternatives. Recycling rates are good and a high percentage of energy is recovered from waste.

**Herefordshire**, one of the most sparsely populated counties, recognises the links between the different shared priorities and is taking action to achieve its ambitions for older people through improved transport. It has invested in ensuring that 80 per cent of the fleet are low-floor buses on rural routes, and has seen an 11 per cent increase in passenger journeys on those services.

**Source:** Audit Commission

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\(^1\) This issue is examined in more detail in our joint report with the National Audit Office in December 2005, *Delivery Chain Analysis for Bus Services in England*. 
Safer and stronger communities

26 We examined what councils, with their partners, have achieved in their ambitions for building safer and stronger communities. Although emphasis has differed according to the priorities of each council, we have assessed six broad themes relating to: crime and fear of crime; anti-social behaviour; drugs and alcohol; reducing accidents; emergency planning; and community cohesion.

27 Overall, we have found councils forming good partnership arrangements, reducing crime levels and delivering some visible improvements. Many have grasped the connection between reducing crime, tackling environmental nuisances and improving the environment overall in order to improve quality of life for local people. Several have also understood the importance of identifying and targeting hotspot areas. There are some examples of good linkages being made across shared priority areas between council departments and with partners which are delivering benefits for localities and communities.\(^\text{I}\)

28 To comply with the requirements of section 17 of the Crime and Disorder Act, further attention is needed to address the extent to which community safety issues are embedded in all services. Performance management and measurement of outcomes need strengthening and quicker progress is needed in some key areas, for example, tackling alcohol misuse. Approaches to community cohesion require better coordination, supported by more consistent monitoring around diversity.

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\(^{I}\) For example, abandoned vehicles or graffiti.

\(^{II}\) Our 2006 report *Neighbourhood Crime and Anti-social Behaviour* examines how community safety partners can work more effectively together.
Crime and fear of crime

29 Progress is being made in partnership working and most councils assessed have achieved reductions in levels of domestic burglary and vehicle crime reflecting national trends. In many places, the Crime and Disorder strategy is linking well to the community strategy, though councils have been slow to respond to their responsibilities under section 17 of the Crime and Disorder Act. Where the council and the police have worked in focused geographical areas to target areas of local concern, residents are seeing improvements to safety. But improvements in data sharing with partners will lead to better targeting of resources to tackle emerging issues.

30 Tackling the fear of crime is more problematic and many councils are not yet able to demonstrate any impact. While partnership working is generally good at a strategic level, performance management data is limited at operational level.

Anti-social behaviour

31 All councils assessed, even those which are not high crime areas, acknowledge tackling anti-social behaviour as an issue of public concern. Where councils have strong partnership working, they have been able to increase capacity to tackle anti-social behaviour through, for example, funding additional police community support officers. But few councils have devolved budgets and processes where local people can shape priorities and resources can be allocated accordingly.

32 Most councils are better at measuring the broad range of activities to tackle anti-social behaviour than consistently measuring the impact of these. Not all have brought their activities together into an overarching strategy. Few are using intelligence to provide targeted action and support for individuals or nuisance families.

 Drugs and alcohol

33 Some councils were found to be working with partners in an integrated and positive way, for example, multi-agency approaches to divert drug users into treatment programmes. We also found evidence that education and awareness raising were being used in imaginative ways in schools.
But overall provision in this area is patchy and evidence that harmful behaviours have reduced as a result of interventions and activities is lacking. Most councils were making slow progress in working with others to tackle alcohol-related crime and disorder. Nominations and referral routes to drug and alcohol projects are not always in place and supporting people programmes are not consistently meeting the needs of drug and alcohol users; particularly young users.

Reducing accidents

We found evidence that councils are being proactive to reduce accidents with some positive results. Councils are able to demonstrate significant improvements in road safety. Some have identified hot spot locations and are raising awareness through education. There was some positive working with partners, such as the fire service, and across services. For example, in one council health and social services have developed a joint strategy aimed at responding to falls and reducing the number of accidents.

Response to emergency situations

We found evidence that most councils’ emergency arrangements are fit for purpose to deal with emergency situations but business continuity plans needed further development and testing. Where councils have worked collaboratively in partnership with neighbouring boroughs, they appear to be further ahead in conducting test exercises.

Stronger communities

While we found evidence that councils are committed to stronger communities, their approach is often not systematic or coordinated. Community cohesion work, in particular, is not being brought together in a coherent way, reducing its impact and lessening the sharing of learning. Individual service departments are linking with isolated groups, but the approach is not consistent. Diversity and equalities monitoring and evaluation of participation and take-up of services is not sufficiently consistent to demonstrate how well councils are progressing. Engagement with key stakeholders such as older people and black and minority ethnic groups also needs to be improved to ensure they are aware what impact their input is having on shaping service delivery.
Case study 2
Developing safer and stronger communities
In Stoke-on-Trent, joint working with partners has resulted in a more effective use of resources to tackle crime and deal with associated social problems. For example, a joint project in one area, supported by effective outreach activity, has led to a one-third reduction in the number of women involved in prostitution from 182 to 119. A significant number of the women have a drugs problem, and around 50 per cent of them are participating in a treatment programme.

In Stockport there is effective support to help children and young people to develop socially and emotionally, especially through difficult times in their lives. Partnership working is encouraging more positive contributions from children and young people at risk of offending. Youth offending and re-offending has reduced to the national average. This improvement is particularly striking among looked after children.

Source: Audit Commission

Healthier communities

38 We have examined what councils, with their partners, have done to achieve their ambitions for the promotion of healthier communities and the narrowing of health inequalities. Assessments sought evidence across seven areas: health improvement; partnership working; vulnerable people; families; excluded communities; inequalities; and decent homes (including fuel poverty).

39 Generally this is an area where councils are at an early stage and assessments so far indicate a significant level of variation in how councils have responded to this agenda. Few councils were able to show that they had a strategy, an action plan, relevant activity and improved outcomes as a result of these. But even those where tackling health inequalities was not a key priority, were able to demonstrate some activity in this area.

40 Most assessed councils have undertaken or commissioned a health needs analysis of their population; in some cases mapping health inequalities by ward. The majority are using this information to help them decide where to target their efforts. Most know what the specific health issues are in their area, whether they stemmed from the nature of the population (for example, asylum seekers, travellers) or from the area’s own history (for example, a tobacco factory in Bristol, the pottery industry in Stoke).
However, the extent to which this has led to a systematic approach to addressing health issues is variable. For example, one council has made ‘a healthier city’ one of six key priorities in the community strategy, and ‘promoting health and independence’ is one of five key priorities in its corporate plan. It has followed this up with actions across a very wide range of relevant issues. Another council has used geographical information systems (GIS) to map health data and identify inequalities. While tackling health inequalities was not one of its key priorities, this council had, in fact, also taken a number of important actions.

For many councils, specific prioritisation and target setting are problematic. There are examples of councils with significant priority areas for health improvement where associated strategies and action plans are weak or lack measurable outcome targets.

Many councils are striving to tackle health inequalities as well as undertaking activities aimed at increasing the health of their population generally. There are positive examples of small-scale projects supporting particular vulnerable groups, such as projects for Asian girls and health and home safety advice to older people. Others have targeted specific issues, such as smoking in pregnancy, in their most deprived areas. These efforts, however, are not always sustained.

Around a quarter of councils assessed have jointly appointed Directors of Public Health, and /or jointly appointed or co-located health promotion staff. Some councils have also chosen to appoint their own staff to tackle this agenda, for example, a health inequalities coordinator or community-based health activists. These councils are generally doing well in tackling health inequalities.

One of the issues faced by all councils is the length of time it may take for health improvement work to achieve its desired outcome. While some improvements are possible in relatively short periods of time, for example, reducing teenage pregnancy or smoking, this is dependent on councils selecting appropriate actions. Even then it can be difficult to establish a direct relationship between a council’s actions and the improvements achieved. General health improvements can take much longer to come about, and it is always going to be very difficult to prove a relationship between health promotion work undertaken by councils, and any long-term improvements in the health of their populations.
Where councils are working in partnership with others there is little evidence of performance management of the partnership’s work on improving health. Many do not have systems in place which hold them to account for their work in their area. Even where strategic partnerships do monitor progress, they do not routinely review the relative impact of the different initiatives on meeting the key outcomes desired.

In terms of specific health-related issues examined, most assessed councils are doing better on improving services for children and families than on areas such as smoking or teenage pregnancy. All, however, are striving to achieve improvements in these areas. Several have had some success in addressing smoking reduction, and some have ambitions to be smoke free. On teenage pregnancies, about a third of assessed councils are failing to reduce their rates sufficiently to meet the government’s target for 2010\(^1\). Only a small number of assessments found evidence of positive action by councils to address fuel poverty and affordable warmth.

Case study 3
Promoting healthier communities

In Slough, improving health and reducing health inequalities is a theme which underpins many Council services such as children and young people, housing and culture. Health partnerships work well, with good outcomes for local people such as success in encouraging healthy eating through schools and increased awareness of diabetes among the more susceptible Asian population.

Through joint working with the health service, West Sussex County Council identified schools where teenage pregnancies were high, so that social and health education could be enhanced. This resulted in teenage pregnancies decreasing between 1998 and 2003 at nearly double the national rate.

In Stockport, the Council and its partners have been successful in tackling health issues that cross age ranges, such as stopping smoking. Targeted initiatives are part of the SureStart programme in deprived wards. The proportion of expectant mothers smoking is below the national average and decreasing. The Council is also engaging the public on the wider debate of smoking in public places. It has undertaken robust consultation and this is informing strategic decision making.

**Source:** Audit Commission

\(^1\) To halve the under-18 conception rate in England by 2010.
Older people

48 Our assessment in this area explores what councils and their partners have achieved in their ambitions to promote and support the independence and well-being of older people. It places emphasis on corporate approaches to improving the lives of older people and the extent to which these are shaped by older people’s views.

49 We found that councils are at an early stage in going beyond health and social care to harness the wider potential for public services for older people. In none of the councils assessed to date has a wider approach been implemented, to the point where it is possible to identify what difference the council as a whole makes to older people’s lives.

Strategic approach

50 The development of broad strategic approaches to older people is at an early stage in most assessed councils. Older people are still viewed primarily as users of care services, although a minority of councils are, with partners, drafting strategies that go beyond care services. These cover the wide range of issues that older people see as most important, for example, housing, leisure activities, travel and income, and link these to policies for strong neighbourhoods.¹

51 Some councils, even if they do not have an agreed strategy for older people, include relevant objectives within other plans, for example on promoting healthy living to older people, challenging age discrimination, and valuing older people in their own employment practice. However, a number still have a traditional approach focused on care for the vulnerable elderly, without explicit ambitions for older people as active citizens. Such councils tend to see older people as the responsibility of social services, without considering the influence of other services such as libraries, sports facilities and transport.

Engaging older people

52 Mechanisms for engaging with older people are in place in almost all assessed councils, although these are variable in their sophistication and stage of development. Engagement tends not to be systematic, particularly with older people in communities seen as hard to reach.

¹ In March 2006 the Healthcare Commission, Commission for Social Care Inspection and Audit Commission jointly published Living Well in Later Life: A Review of Progress Against the National Service Framework for Older People. The report examines the contribution made by a range of services to the well-being and quality of life of older people.
Older people’s forums have been established in a number of councils, and where effective are enabling the council to engage older people in a wide range of issues, for example regeneration or budget setting. There is increasing involvement of older people on local strategic partnerships (LSPs), which has encouraged focus on issues of importance to them. Some older people’s strategies have been shaped at consultation events with wide participation, but others have had little engagement of older people.

Some councils are making efforts to build networks with voluntary and community organisations to reach older people, but success varies. The engagement of older people in detailed planning tends to be strongest around care services such as sheltered housing. Other councils rely mainly on generic approaches such as a citizens’ panel or public meetings to assess the views of older people. Only a few councils are addressing the challenge of engaging isolated or housebound older people, for example through teleconferencing. A number of councils recognise that they need to do more to understand the views of older black and minority ethnic people.

A comprehensive, coordinated range of services

Councils provide a wide range of projects and initiatives for older people, but there is little evidence that these form a comprehensive, coordinated whole. Many councils, in reporting their achievements for older people, cite only their social care services. They have been unable to demonstrate that older people’s needs and aspirations are being addressed outside health and social care (and sometimes housing).

There are examples of useful initiatives supporting a wider understanding of older people’s needs. These cover areas such as benefits take-up, crime prevention, safety in the home, use of leisure and cultural facilities, rural transport and lifelong learning. However, many councils have not taken specific account of the needs and aspirations of older people in designing their services, so are missing opportunities to enhance independence and well-being and so reduce demands on care services.

The integration of health and social care is important to older people, and progress with this is encouraging. A number of assessments noted strong partnership working between councils and primary care trusts (PCTs), including pooled budgets and joint front line teams. Some councils are working with the health service in innovative ways to meet the needs of frail older people.
Case study 4
Meeting older people’s needs

Staffordshire County Council’s work with partners on ‘re-abling’ and assistive technology (AT) allows frail older people, including those suffering from dementia, to remain living independently for longer. This reduces care home costs as well as promoting choice and peace of mind for relatives. AT sensors linked to local control centres form part of the standard offering of aids and adaptations in most areas of the county. Intensive, holistic, multi-agency rehabilitation enables many elderly and disabled people discharged from hospital to return home with AT support, rather than to residential care.

The Bristol Older People’s Forum has a membership of more than 3,000, and Bristol City Council consults it on broad issues, not just on care. Other consultation with older people is conducted via focus groups, individual interviews, the citizen’s panel and press adverts. The Council has responded to the results of consultation well, with improvements to buses through lowering platforms, grab rails in community areas and increased crime prevention advice in the home.

The percentage of older people in Wirral who use cultural and recreational services, including sport and leisure, libraries, theatres and parks, is high compared to other boroughs. There is some good inter-generational work in schools, including ‘living history’ and promotion of flu jabs to older people through their grandchildren. Services for vulnerable older people are improving, and service users nominated by the Senior Citizens’ Forum have been involved in the selection of social care providers.

Source: Audit Commission

Children and young people

Corporate assessment reports contain a summary of the findings from the joint area review of services for children and young people (JAR) which takes place at the same time as the corporate assessment. The JAR assesses the quality of service management and considers the contribution services make to the well-being of children and young people, defined in terms of five outcomes: being healthy; staying safe; enjoying and achieving; making a positive contribution; and achieving economic well-being.

I Re-ablement services help individuals to regain or learn new skills to support independence.

II Further detail can be found in the JAR reports, available at www.ofsted.gov.uk/reports
Service management

59 Services for children and young people are a key priority in all assessed councils. Most are successful in securing additional funding in this area and work well with partners to develop and deliver services.

60 Most councils have established, or are in the process of setting up, integrated children’s services divisions incorporating the previous education department and children and families social services. Although there is progress towards providing integrated services, this is sometimes hampered by the lack of a comprehensive needs analysis and by the lack of baseline data upon which priorities for action and realistic, challenging targets could be based.

61 All assessed councils have challenging ambitions for improving services. These are generally well understood across councils but not always clearly articulated within the council’s strategic plans. A significant number of the councils demonstrate strong senior officer leadership in services for children and young people but scrutiny by elected councillors is not always robust.

62 Many councils experience a high turnover of social workers and social care staff with consequent difficulties in recruitment and retention. Performance management and financial management are generally adequate although value for money processes are underdeveloped in a significant number of councils.

63 Nearly all assessed councils are performing adequately or better in the provision of services for children and young people. However the outcomes for children and young people are less good for those from vulnerable groups, such as looked after children, and for those from disadvantaged areas.

Being healthy

64 Most councils collaborate well with partners in promoting children’s health and contribute to multi-agency initiatives targeting particular problems. However in some councils limited improvement has been achieved in specific problem areas, for example, in reducing teenage pregnancies, despite considerable input of resources. And in a large number of assessed councils some children and young people with mental health problems have to wait too long for the help they need.
65 Assessments found that most schools are supportive of the Healthy Schools programme and engage in a range of health-related work.

Staying safe

66 In most councils the majority of children appear to be safe. There are generally good processes in place to safeguard those most at risk although three councils were judged to be inadequate in this area. In these councils, systems for monitoring cases, prioritising work, recording of decisions and quality assurance were not firm enough to ensure early identification and assessment. Additionally, inter-agency child protection procedures were out of date.

67 Thresholds for accepting referrals are high in a significant number of councils. Consequently, children and young people that do not require protection but are deemed to be in need do not get consistently good support.

Enjoying and achieving

68 Most assessed councils are providing effective support for school improvement and school attendance. The majority have targeted activities in place which have helped to close the attainment gap between certain groups of pupils. However, attainment levels for looked after children remain below those of their peers.

69 All councils show commitment to the inclusion of pupils with learning difficulties and disabilities but some are much more successful at implementation. In these, special schools and resourced units are increasingly supporting pupils with learning difficulties in mainstream settings and there is effective inclusion of children with physical disabilities. However, the cost of out-of-borough placements for these pupils is high in most councils and is both a main area of budget concern and a value for money issue.

70 In all councils there is a reasonable range of recreational opportunities, but transport difficulties, especially in rural areas, and the cost of activities are barriers to some young people accessing them.
Making a positive contribution

71 Assessed councils are developing their processes for encouraging children and young people to take personal responsibility and to make a positive contribution to their communities. All have school councils and most have a youth forum. The quality of youth services varies markedly, however, from inadequate to good.

72 While all councils have ways of consulting with representative groups, all face difficulties engaging with specific minority groups. Many also fail to report back the results of consultations to young people.

73 All councils work well with partners to support young people who are likely to offend and satisfactorily with those who have offended. However, re-offending rates have increased in a number of councils.

Economic well-being

74 Assessments found councils addressing the economic well-being of children and young people with general increases in the numbers in education, employment and training. However, overall strategies for 14-19 education and training and partnership working are still in the process of being developed in several councils. Limited opportunities are provided in some councils for young people aged 16 and over with learning difficulties and/or disabilities.

75 Across all assessed councils there is a shortfall in housing provision especially for the most vulnerable groups such as those leaving care with complex needs and those with substance misuse needs. On the other hand there are examples of effective supported housing for groups such as young mothers.
Case study 5
Children and young people
In Trafford a whole-systems approach to planning and building capacity has resulted in services with a lower comparative cost but improved outcomes for some children and young people. This has reduced high spending on out-of-borough placements, diverting resources to prevention.

High levels of early years provision, with expenditure well matched to identified need, have helped make early years a major strength in Salford. This ensures that children make a good start to their formal learning. The benefits of this are seen in Key Stage 1 performance.

In the London Borough of Sutton provision to encourage children and young people to contribute positively within the community is good, and the youth service has been particularly effective in this respect. Approaches to preventing anti-social behaviour include joint working between crime and youth services, through inter-generation work.

Source: Audit Commission
What are councils doing to improve?

Our assessments of councils’ achievements also provide evidence of how councils are working to deliver improvements for local people. From 2005 we have strengthened our approach through corporate assessments to examining and reporting on what councils are doing to:

- lead and engage with their communities;
- enhance user focus and address the diverse needs of their communities; and
- work in partnership with others.

Our survey of council stakeholders provides valuable additional evidence.

Our use of resources assessments also enable us to examine the progress councils are making in their arrangements to manage resources more effectively and secure value for money.

This section provides a more detailed analysis of councils’ progress in these important areas.

Leadership

Through corporate assessments we examine and report on the effectiveness of the community, political and managerial leadership provided by the council, its members and officers. The quality of leadership is a key determinant of how effectively councils, with the public and partners, work to determine and execute appropriate strategies for improving local quality of life.

1 Undertaken in all single tier, county and district councils in 2005/06.
Our survey found stakeholders had mixed views about the leadership provided by local councils. They recognised that councils had worked with partners to develop ambitions, visions and community strategies that reflected local needs and were strongly committed to improving local services. However, of all the areas on which their views were sought, stakeholders were least likely to agree that councils made clear and timely decisions about their plans and priorities.

Community leadership

Our assessments have found councils working well with statutory, community, voluntary and private sector partners in the development of community strategies. The majority are determining challenging ambitions for their local areas and demonstrating responsiveness to local issues and demands. However, in some cases councillors are not sufficiently focused on the long-term strategic vision and in a minority of councils the vision is either absent or not widely shared and agreed.

Local people and partners recognise the leadership being shown by councils in priority areas, for example, in addressing social cohesion and tackling health inequalities. They also welcome the progress being made by local councils in providing strong leadership around difficult issues such as relocation of schools and closure of residential homes in favour of community-based care.

Where community leadership is strong, councillors are active in their communities. Engaging with communities and partners at the local level is having a positive impact on local democracy and helping some councils connect with traditionally isolated groups. But weaknesses in external communications are limiting the ability of some councils to advance their community leadership role.

Councils are actively involved in LSPs, and helping to develop the leadership and strategic capacity of local partners. In some cases this is helping secure involvement of groups that have been previously under-represented, such as faith communities, but further work is needed to develop the capacity of voluntary and community sector organisations.

There are good examples of councils using their influence with partners to secure positive outcomes for local people, for example, in new housing development. There are also increasing levels of engagement with sub-regional partners as councils begin to look beyond the local authority boundaries at wider issues, such as transport infrastructure, and the long-term future of their communities and regions.
Case study 6

Leading the community

Brent, is an ambitious Council with a well articulated desire to improve the area for all its residents. The Council demonstrates strong community leadership through councillors, officers and in its partnership working.

Strong internal and external leadership is shown in constructive partnership working. Partners and the Council share a common purpose, for example, working together to support community cohesion, establishing clear priorities to address unemployment and improving the quality of housing. Councillors, partners and staff have a good understanding of these ambitions and are realistic that it will take time to deliver many of the improvements that communities desire.

A local area agreement is to be established during 2006 with the overarching aim to reduce inequalities and improve life chances in the borough. The Council is working ambitiously with key partners to ensure the agreement is fit for purpose. The Council plays its part within the sub-region, as an active member of the West London Alliance.¹

Executive councillors reflect the community they serve, with councillors being very active in their communities, championing resident concerns and acting as local ambassadors. Councillor development is good. The Council is further strengthening community leadership and engagement through the roll out of the Wardworking programme. This initiative reinforces local democracy and partnership working and is helping connect with the most isolated groups.

Source: Audit Commission

Political leadership

In many councils political leadership provides strategic direction; helping to establish priorities and promote these internally and externally. Even in councils where there has been no overall political control for a number of years we have found well developed methods of working to reach agreement on major issues.

¹ The West London Alliance (WLA) is a partnership between the six West London Boroughs of Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon and Hounslow. The WLA provides a voice for the interests of the West London sub-region, aiming to improve economic, environmental and social well-being of its communities.
Where leadership is strong there is political and officer consensus on priority areas which leads to a collective responsibility for performance. This is supported where there is clarity around respective roles, schemes of delegation are clear and there is a culture of openness and respect.

Member development is evident in many councils, with some councillors receiving individual training needs analysis. However, further work is needed in some councils to help councillors better understand their wider community leadership role. Where councils are doing less well in this area, councillors have tended to be more inwardly focused on the council’s operational issues rather than leading on development of a strategic vision and setting policies.

In a number of councils there is scope to strengthen the involvement of councillors in performance management. Scrutiny requires further development and in some councils is only just beginning to have an impact. Where scrutiny is underutilised, the executive are not always rigorously held to account. More can be done to ensure that opposition councillors have opportunities to contribute to decision making, for example, through representation on key bodies such as local area or partnership boards.

Managerial leadership

There are many examples within councils of good managerial leadership that is well regarded by staff and partners. This is enhanced where management works consensually with political leadership and has a clear focus on performance management and improving service delivery. Visible leadership by senior managers that communicate effectively with staff ensures there is wide understanding of priorities and commitment to achieving these.

In a number of councils new management structures have had a positive effect, with simplified lines of accountability and better cross-council working leading to improvements for service users. For example, in one council, the integration of housing into community and cultural services has enabled a better link between occupational therapy assessments and home alterations, to give those in need a better quality home environment. In some councils, structural change has had a positive impact on organisational culture and delivered significant savings.

Councils making progress in this area are developing mechanisms, in some cases establishing designated groups, to monitor, challenge and intervene where necessary in the delivery of cross-cutting priorities. However, improvements in senior manager leadership have had a more limited impact where performance management further down the organisation is weak.
While some councils are recognising the importance of developing leadership capacity within the management structure, with strategies developing, others have not yet addressed this.

Case study 7
Leading the organisation
Managerial leadership in Calderdale Council is good, with a strong focus on directorates and services. The Chief Executive provides clear and strong leadership. Senior managers are visible and communicate effectively with staff. There is a good understanding of the Council’s priorities and staff surveys indicate a very high level of satisfaction and commitment. Performance information is used by members and officers in a proactive way to secure improvement, for example in benefits, planning and social services. There has been a continuous trend of improvement in most areas, with 65 per cent of performance indicators improved in 2005/06.

Source: Audit Commission

User focus and diversity
Understanding the needs of individuals and diverse communities and ensuring that they are treated fairly and with respect are key to the success of local councils in improving quality of life. Effective communication and consultation are needed to ensure that the views of all communities are heard and inform decision making. Ambitions, priorities, services and policies should be designed around the needs of local people to maximise effective use of resources.¹

User focus
Stakeholders believe that councils have a good understanding of their local communities, localities, and the challenges they face but are less sure that councils listen to communities and stakeholders when setting priorities and planning services. They indicate that councils could do more to:

- involve service users, residents and partners in monitoring services;

¹ The Commission’s Knowing Your Communities toolkit, launched in April 2006, supports councils’ improvement in user focus and diversity. It can be accessed at www.userfocus.audit-commission.gov.uk
• keep service users, local communities and partners in touch with what they are doing; and
• report transparently about levels of performance.

96 Our assessments have found much positive evidence of how councils are enhancing their approaches to user focus. Many are making services more accessible to users through the provision of one stop shops or joint service centres.

97 Councils making good progress have a clear vision and ambitions for their local areas that have been developed through consultation with the public and partners and are consequently widely owned by stakeholders. These councils seek citizens’ views through a wide range of consultation processes, such as citizens’ panels and targeted consultation with specific groups. By clearly understanding the needs of their communities, councils are better placed to make informed decisions on how to use their resources. For example, focusing economic regeneration activity to target areas and communities most in need.

98 Better performing councils have a well-coordinated approach to consultation, with established corporate consultation strategies and a range of standing consultation mechanisms that continually inform councils’ understanding of local needs. They also work with partners to share information. There is some evidence that councils are making good use of area and service user forums to enhance accountability of the council to local people.

99 Councils could do more to encourage greater involvement of users in the planning and evaluation of services. Positive examples include a user and carer participation strategy aimed at including older people and other groups explicitly in service design and the involvement of users in scrutiny reviews.

100 Some councils are making good use of user satisfaction and complaints data to review and improve service performance. This is supported where complaints systems are user focused and well publicised. However, in some councils published standards setting out what users can expect from services are underdeveloped. Councils also need to ensure that standards are communicated to service users and delivery against these routinely monitored.
Diversity

101 While councils have made good progress generally around user focus our assessments show more work is needed to ensure they are fully engaging with and supporting their diverse communities. A number of councils have made improvements in their management of equalities and diversity, including appointments of corporate leads and the introduction of new monitoring software. However, even where councils have supported initiatives to address issues of diversity and equality some have not yet been able to demonstrate the impact of this work either on corporate performance or in improvements for local people. Beyond work around ethnic diversity our assessments have reported limited evidence of councils’ progress in relation to other minority groups.

102 The findings of our stakeholder survey echo this. While respondents generally agree that councils have clear priorities which focus on things that matter to local communities they are less confident that priorities and plans balance the needs of all sections of the community. Stakeholders do, however, consider councils and their services to be accessible to service users and all sections of the community.

103 Engagement with black and minority ethnic (BME) communities is effective in most assessed councils. Even where limited, action is being taken to address this, for example, refreshing the membership of citizens’ panels to expand BME representation. There are also positive examples where strong approaches to diversity have gained national recognition and resulted in significant reductions in the numbers of racially motivated incidents within communities.

104 As well as their general statutory duty to promote race equality, councils have a specific duty to publish a Race Equality Scheme to explain how they will meet their obligations under section 71(1) of the Race Relations Act. We found one council to be significantly behind schedule in producing a new Race Equality Scheme, thereby failing to meet the legal requirement and being unable to demonstrate its commitment to addressing race equality.
Promoting community cohesion is a key objective for many councils and their partners, though in some cases there is no discernable strategy by which this will be achieved. Councils are lacking community intelligence to anticipate and alleviate tensions, and more could be done to share information with partners. Where councils are making progress community cohesion is seen to be integral to the decisions made by the council, there is strong dialogue with communities and attention is paid to celebrating differences in the community, for example, through support for community-based festivals.

Engagement with older people is effective in some councils with good use of a range of consultation methods that have led to services being designed and delivered in ways that better meet the needs of older people. But in some councils consultation lacks coordination to ensure that its impact is maximised. And some are also struggling to engage older people from hard-to-reach groups such as those from the BME population, older people with mental health needs or those in residential or nursing care.

While the opinions of children and young people in some areas are informing the reshaping of children’s services in others we found more limited opportunities for children and young people to influence the work of the council.

Approaches to engagement with disabled residents, other than disabled older people, have been less frequently reported, though there is some evidence of progress. For example, individual councils are increasing funding to improve disabled access to council buildings, are seeking disabled residents’ views on access issues within planning applications and have increased employment rates for people with disabilities.

Addressing the needs of lesbian, gay, bisexual and transgender communities has also not featured prominently in our assessments to date. Where this was reported, councils had explicit ambitions to deliver equal opportunities for these communities and had sought to improve engagement through establishing consultative forums. But in others there was no regular dialogue between the council and lesbian and gay residents and limited information, for example, of gay or lesbian hate crime, against which to measure progress.
Some councils are not yet sufficiently identifying and working with diffuse or transient communities, such as travellers, migrant workers, asylum seekers and university students. But there are examples of innovative practice, such as a health bus providing outreach to the traveller community or partnership projects resulting in increased GP registrations among refugees and homeless people.

Internally, many assessed councils have achieved or are making good progress toward a workforce that broadly reflects the ethnic profile of their communities, particularly for front line staff. And plans are evident to increase the levels of BME staff and women in senior management posts. More work is needed, however, especially to increase the proportion of council staff with disabilities.

**Case study 8**

**Promoting cohesive communities**

In Slough, local people and partners recognise the role the Council plays in meeting the significant challenges of social cohesion, deprivation and inequalities. Slough’s population has a higher than national average number of young people and those of working age. One-third of the population was born outside the UK, 37 per cent are from black and minority ethnic (BME) backgrounds, and over 50 different first languages are spoken. Unemployment is above the national and regional averages.

The Council is strongly aware of its role in enhancing community cohesion. It has a good understanding of the needs of all local communities and, through the LSP, has built a clear vision with a focus on social inclusion. There is a commitment to recognising diversity and building stronger communities. The community strategy states that ‘Slough will be a place where all people whatever their age, gender, ethnicity, disability, sexual orientation or faith, can meet their full potential as individuals and as members of their communities.’

The Council carries out a wide range of activities to refine its local knowledge. Older people are involved in discussions about issues affecting the community. A new Faith Forum brings in views from people who would not normally work closely with the Council. Most children and young people in Slough feel it is easy to have a say in the way things are run in their school and, increasingly, their local communities.

Diversity, user focus and human rights considerations routinely underpin service delivery decisions. Some service priorities recognise and address issues arising from diversity, such as the under-achievement of Pakistani pupils. The Council is starting to
build a coordinated approach to focus on issues and initiatives for older people. Good provision is made for children with learning difficulties and/or disabilities. Action is taken to build capacity within the local communities to help to provide bespoke services where necessary, for example, training members of different faiths as advocates for people with mental health problems within their communities.

Staff broadly match the ethnic profile of the local area, although this is not yet reflected at a senior management level, and people with disabilities are under-represented. A survey in 2004 showed that 73 per cent of residents feel that people from different backgrounds get along well together in their local area, with more positive results recorded by BME respondents. The number of racial incidents reported has fallen.

Source: Audit Commission

Partnership working

112 Partnership is now integral to the way local authorities set and seek to achieve their ambitions. All the councils assessed are key members of the LSP\(^I\) and have agreed a community strategy with partners. In most cases these express commendable ambition for the area and genuinely shared objectives. Through shared information and consultation, councils and their partners are reaching a common understanding of local problems, for example of crime and disorder or health inequality, although the quality of analysis varies.

113 Councils recognise partnership as an important means of building capacity. Partnership with other public agencies and community groups is proving fundamental to councils’ approach to achieving each of the shared priorities. Strategic service delivery partnerships with other councils or with the private sector are helping to improve efficiency of support services.

114 Despite this commitment to partnerships, there has been limited progress in ensuring that their structures and governance arrangements are fit for purpose.\(^I\) Councils are starting to address this, but none has yet been identified as having a comprehensive approach to ensuring that all their partnerships are sound, and risks are mitigated.

\(^I\) County councils are members of district-based LSPs and usually a complementary county-wide one.

\(^I\) Our 2005 report *Governance of Partnerships* explores this in more detail.
There has been most progress with the LSPs, which have been subject to significant external scrutiny. Many of these have recently revised their structures and ways of operating following reviews, or to prepare to address local area agreements. Often the relationship between LSPs and the key thematic partnerships, for example on regeneration or older people, is still being settled, and accountability may be unclear. The way councils enable local businesses, voluntary agencies and community groups to participate in partnerships has improved, but some tensions remain. Some councils are encouraging development of a neighbourhood model of partnership working, but the implications of this for governance, for example, clear and accountable decision making, have not been fully assessed.

The role of councils in partnerships is generally valued by their partners particularly where senior councillors or the chief executive give an effective lead. In our survey, stakeholders tend to agree that councils make effective use of partners to deliver their priorities and outcomes for the community. However, they are less likely to agree that roles and responsibilities for delivering outcomes between councils and their partners are clear.

Translating shared ambitions and broad objectives into joined up action remains challenging. Councils are not consistently backing partnership agreements with resources and action. The effectiveness of delivery is variable, even on themes defined by government-funded programmes such as neighbourhood renewal, supporting people or tackling drug misuse.

While information sharing is improving, few councils mapped with their partners how their collective resources are used. Some councils fail to take account of agreed partnership strategies in setting their own service plans, leaving delivery to externally funded short-term projects. On the interface between council and health services, joint posts, integrated teams and pooled budgets are now common. Such integration increases the potential benefits for users, but also the risks if governance is unclear.

Councils have made only limited progress in ensuring they know how well they are achieving objectives agreed with partners. LSPs are now getting to grips with performance management at the level of the overall community strategy but performance management of individual partnerships is variable. The link between monitoring within a partnership and the council’s own performance management system is often weak. Assessments cited few examples of effective scrutiny arrangements for partnerships. Evaluation remains a weakness, particularly the evaluation of overall programmes rather
than single projects. As a result, councils are often not able to back up their confidence in the benefits of their partnership work by robust evidence of impact on their citizens, or of value for money.

**Case study 9**

**Working well with partners**

The London Borough of Enfield is working well in partnership to deliver its priorities, with visible outcomes for local people.

The Enfield Strategic Partnership (ESP) is effective, with good commitment from statutory and non-statutory partners. Ambitions, which include the achievement of long-term sustainable outcomes such as tackling child poverty, are based on a shared understanding of local needs. Partnership working is focused and shows an understanding of the roles and responsibilities of other members. The voluntary and community sector are represented in each themed action group and on the ESP and have influenced agendas and outputs.

The ESP has good governance arrangements that have developed over time and are becoming more embedded. A commissioning framework is in place. Performance management is effective and supported by data made available by the Council to partner organisations through the Enfield Observatory. The ESP reviews performance of shared priorities on a quarterly basis and analyses trends.

The Council has made good use of partnerships to deliver industrial estate improvements and the Enfield Business Centre one stop shop. It is working well with partners to safeguard vulnerable children. The Council also plays a key role in the analysis of health inequalities with health partners. Joint service provision, such as intermediate care and community mental health, has been established. The absence, however, of formal partnership agreements in some areas poses a risk.

Rochdale Council has been instrumental in developing a shared community intelligence website through the Rochdale Interagency Information Group. This provides up-to-date data about the borough, including health, crime and employment, with extensive analysis at neighbourhood level.

Performance management works well within the Bournemouth Partnership. Bournemouth Council reviewed arrangements for setting and monitoring targets.
under the local public service agreement (LPSA). This led to agreement of data sharing protocols, and improved reporting of performance against the 12 targets by partners. The Council and its partners are building on this experience to develop a robust performance management framework for the new Local Area Agreement and revised Community Plan, which start in April 2007. The Council is giving clear community leadership in this process.

Source: Audit Commission

Use of resources and value for money

The Audit Commission makes a scored overall judgement on councils’ use of resources based on auditor judgements on five scored themes:

- financial reporting – covering how the council prepares and publishes its accounts;
- financial management – how well the council plans and manages its finances;
- financial standing – how well the council safeguards its financial position;
- internal control – how the council ensures money is spent properly and that significant business risks are managed; and
- value for money – whether the council achieves good value for the community from the money it spends.

Use of resources assessment scores have now been published for all councils. The results reported at the end of 2005 for single tier and county councils, and in spring 2006 for district councils, were encouraging but not outstanding. While many councils were found to be delivering consistently above minimum requirements, only two per cent achieved the maximum overall score for use of resources (Figure 1).

Source:


Good governance is central to an organisation’s ability to achieve its strategic objectives. Too often, governance arrangements in councils are seen as peripheral to the delivery of services and, as a result, are not given the time and resources they need. A lack of sound arrangements to ensure effective stewardship and accountability can prevent the achievement of value for money for taxpayers.

Our report *Stewardship and Governance 2005* summarises the findings of auditors’ work in 2005 relating to stewardship and governance issues.
Our assessments have shown that councils that use resources well have put in place the basic building blocks for proper stewardship and accountability.\(^I\) These councils had made progress in a number of areas:

- internal control, including risk management, is becoming more fully embedded throughout the council as part of an effective governance framework;

- good quality financial reporting is seen as an essential part of accountability to local people. Year-end processes and accounts preparation are based on fully effective in-year financial monitoring, rather than being seen as a one-off exercise;\(^{II}\)

- financial planning is linked effectively to business planning within the context of integrated medium term planning and asset management. Annual budgets are developed with reference to the longer-term financial plan that includes an annually updated rolling forecast; and

- financial and performance information is monitored and acted upon.

In better performing councils these arrangements are being strengthened for the future.

**Case study 10**

**Managing risks**

Solihull MBC regularly reviews its risk management strategy with key partners and stakeholders and actively promotes risk management with local strategic partnership (LSP) members. The Council also shares its risk management software with those partners and stakeholders who deliver services with or on its behalf. All projects are risk-assessed, and the Council provides regular training and workshops for members and officers on risk management.

The London Borough of Barnet has had an audit committee for several years. The committee is chaired by a member of the opposition and includes all parties represented on the Council. The committee is currently chaired by a person with a professional background that provides a strong understanding of governance, internal control and risk management. Members of the committee have consistently operated in a non-partisan way, providing a strong degree of challenge to officers. It scrutinises effectively the quality and scope of internal audit and the Council’s corporate anti-fraud team.

\(^I\) Considered in the themes of financial reporting, financial standing and internal control.

\(^{II}\) Our 2005 publication *World Class Financial Management* provides further information.
There is a good process for following up recommendations. Ensuring the proper conduct of public business is essential to good stewardship of taxpayers’ money. **South Ribble Borough Council** is proactive in promoting good governance and probity. Each year it reviews compliance with ethical standards and holds roadshows for councillors and staff which cover all aspects of corporate governance. The Council’s standards committee reviews the results of ethical governance audits and monitors agreed actions.

**Source:** Audit Commission

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**Case study 11**

**Making financial information accessible**

**Mole Valley District Council** consults stakeholders on what financial information they want. The Council posts the summary accounts and annual report to residents and businesses. These include clear explanations, aimed at members of the public, of budgets, council tax setting arrangements, savings achieved and key cost pressures. The annual report is available in a wide variety of languages as well as large print. The Council’s website is also speech-enabled to enhance accessibility.

The **London Borough of Greenwich** has very effective arrangements for preparing and reporting its financial statements in good time. This helps ensure that the published information is timely and therefore more valuable to readers of the accounts. Good-quality working papers, and early liaison with the auditor contribute to this achievement.

**Source:** Audit Commission

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**Enhancing value for money**

125 Building on their arrangements for proper stewardship and accountability, some councils have been able to make further progress in their use of resources. In particular, our assessments show that effective financial management can help councils improve their arrangements for enhancing value for money.

126 Councils that manage their finances well have a good understanding of their current costs and performance. They use effective financial planning and management to ensure that resources are applied in accordance with council priorities, to identify and achieve
efficiency gains, and drive improvements in value for money. Councils making the most progress in this area:

- have developed a better understanding of the relationship between service performance (both in terms of service outputs and their impact on users) and associated costs;
- have improved the quality of information, on both performance and costs, which has helped them to identify opportunities to improve value for money;
- understand their local context and circumstances but actively benchmark costs and performance against others; and
- follow through the results of reviews and benchmarking and implement changes so that they can demonstrate a track record of value for money improvements.

Case study 12
Managing finances to deliver priorities and improve value for money

Lancashire County Council’s priority-based budget process and decision conferencing ensures its corporate business plan drives the county finance strategy and resource allocation. Items of expenditure are ranked using the decision conferencing methodology to inform decision-making by members. Rankings take account of priorities and objectives, resident satisfaction and service performance.

The Council’s approach to medium term financial planning to deliver its strategic priorities mirrors the CIPFA model on financial management. Priorities, risks and performance issues are built into medium-term financial plans and budgets.

At Horsham District Council, a cross-party budget strategy group scrutinised all expenditure heads in the budget for 2006/07. Taking account of the Council’s priorities, this process identified efficiency gains worth £700,000 in addition to Gershon efficiencies. A culture of good financial management is further reinforced by including value for money and resource management as part of each senior officer’s performance appraisal.

I A decision-making methodology involving intensive working meetings attended by groups of interested stakeholders.

II Chartered Institute of Public Finance and Accountancy.

III Efficiencies identified in response to Sir Peter Gershon’s 2004 review of public sector efficiency, Releasing Resources to the Front Line.
In Nottinghamshire County Council a business improvement board, established in 2000, with an independent chair, brings together business and Council representatives. It sets its own work programme and approach. In 2005/06 it selected five areas for review and challenge, based on areas where the Council was engaged in major development and improvement work.

East Riding of Yorkshire Council targets investments at priority areas, with a long-term perspective. Effective processes are in place to promote cost and performance review, and these prompt robust challenge. The Council has successfully tackled some under-performing areas, including rent collection. Investment has resulted in significant improvements to education attainment. The Council has improved access to services for its dispersed communities. It met the national target for electronic government more than a year early, and effective deployment of technology has resulted in savings. A leading edge public-private partnership agreement is generating inward investment, job creation and further service improvement potential.

Source: Audit Commission
The findings presented in this report provide useful pointers to local councils and their partners as they seek to achieve further improvements for the communities they serve. Through our ongoing programme of assessments we will be following the progress councils are making in leading their communities and the extent to which, with partners, their activities are delivering ambitions across the shared priority areas.

The findings from our assessments continue to provide valuable evidence to inform the development of the CPA framework in the coming years, and to shape the development of our approach to assessment beyond CPA. In July 2006, following widespread consultation, the Commission published its final proposals for CPA of district councils from 2006 and the CPA framework for single tier and county councils for 2006. Further details on the current methodologies can be found on the Commission’s website at www.audit-commission.gov.uk/cpa.

To support our work on use of resources we have refreshed the data in the VFM profiles tool, which is available on the Commission’s website. The tool has already proved useful for both councils and auditors by providing valuable and easy-to-use comparative information on performance and costs. We will continue to look for ways of enhancing the quality and timeliness of the data available.

In keeping with our strategic aim of encouraging continual improvement in public bodies we will continue to identify and publish examples of notable practice emerging from our assessments. With this in mind we have published alongside this report a web-based collection of notable practice case studies drawn from corporate and use of resources assessments undertaken to date. We will update the collection with new examples from future assessments. It can be accessed via our website at www.audit-commission.gov.uk/lfcpa.
Useful resources

The following recent Audit Commission reports and resources will be of assistance to councils seeking to address issues explored through corporate assessments and referred to in this publication.

- **Securing Community Benefits Through the Planning Process** (August 2006)
- **Living Well in Later Life: A Review of Progress Against the National Service Framework for Older People** (March 2006) published jointly with the Healthcare Commission and Commission for Social Care Inspection
- Knowing Your Communities toolkit (April 2006) available at [www.userfocus.audit-commission.gov.uk](http://www.userfocus.audit-commission.gov.uk)
- **Governing Partnerships: Bridging the Accountability Gap** (October 2005)

Further resources to support improvement are available through the Improvement Network website at [www.improvementnetwork.gov.uk](http://www.improvementnetwork.gov.uk).
Appendix 1 – CPA – the Harder Test

133 CPA is the means by which the Audit Commission fulfils its statutory duty under Section 99 of the Local Government Act 2003 to make an assessment, and report on the performance, of local authorities.

134 CPA for single tier and county councils was introduced in 2002. The framework (Figure 2) was revised in 2005, following widespread consultation, and now comprises:

- direction of travel assessments, reported by the Audit Commission;
- annual use of resources assessments, based on the work of the Commission’s appointed auditors;
- annual service assessments by the Audit Commission (environment, housing and culture), or provided to the Commission by Ofsted (children and young people), the Commission for Social Care Inspection (CSCI) (children and young people and adult social care) and the Benefit Fraud Inspectorate (BFI) (benefits); and
- periodic corporate assessments by the Commission of a council’s capacity to improve.

135 The first results for CPA–The Harder Test were published in December 2005.¹

136 The Commission publishes quarterly CPA updates to take account of revised scores for CPA framework components. In particular, quarterly updates allow for recalculation of CPA ratings on the basis of new corporate assessments that are being undertaken on a rolling programme from 2005-08.

137 Further information on the assessments used within the CPA framework is available from the Commission’s website www.audit-commission.gov.uk/cpa.

138 Corporate assessments are normally aligned with a JAR. In practice this means that a council’s achievements in relation to children and young people are assessed using the evidence provided from the JAR. In addition, examples of outcomes and activity, which are relevant to the other themes and which are identified through the JAR, are considered within the corporate assessment.
Figure 2
The CPA framework for single tier and county councils

*Note: Fire and Rescue service assessment – applicable to those 16 councils with responsibility for fire and rescue.

Source: Audit Commission

The JAR covers all services for children and young people that are directly managed or commissioned by the council, as well as health and youth justice services provided by other bodies. It focuses on the contributions made by services to improving outcomes. The separate JAR report covers the leadership and management of services for children and young people and, in particular, the way that such services work together to improve outcomes. The description and judgement in respect of children and young people in the corporate assessment report is summarised from the JAR report.

Further information on JAR can be found at www.ofsted.gov.uk.
Appendix 2 – Survey of council partners and stakeholders

141 The Corporate Assessment Stakeholder Survey (CASS) gathers the views of a wide range of council partners and stakeholders, to inform the work undertaken during a corporate assessment. Surveys are undertaken on a rolling basis. To date we have undertaken surveys in relation to 47 councils, with a total of 1,489 responses (a 50 per cent response rate).

142 Councils are consulted on a list of stakeholders to be invited to complete the survey. This will include:

- other local councils;
- other public bodies, such as police, probation, health bodies, fire authorities;
- registered social landlords and tenants and residents associations;
- community and interest groups, such as youth, older, black and minority ethnic, disabled, gay and lesbian and faith communities;
- local voluntary and business sectors; and
- trades unions.

143 Respondents are asked to indicate their level of agreement (on a five-point scale) with a series of statements about the effectiveness of their local council’s activity. The statements are linked in the main to corporate assessment key lines of enquiry but have been expanded to capture a picture of what it is like to do business with the council from a range of perspectives. Open response questions provide the opportunity for respondents to identify key strengths or weaknesses of the local council.

144 Individual responses are treated in confidence, however each council receives a summary of the quantitative survey responses. This allows them to benchmark their performance against other anonymised councils and against the overall response for surveys completed at that time.
Figure 3 provides a summary of the responses at June 2006 for each of the areas where stakeholders are asked to comment on councils’ activity and effectiveness. This shows that, overall, stakeholders are generally positive about many aspects of councils’ activity. In particular:

- Stakeholders are most likely to agree that councils have a good understanding of their locality, communities and the challenges they face.
- They are least likely to agree that councils make clear and timely decisions about plans and priorities.
- Councils are seen to be more effective in relation to community safety, children and young people and the local economy and environment than they are in relation to the other shared priority areas.
Figure 3
Responses to stakeholder survey from August 2005 to June 2006
Councils’ partners and stakeholders are generally positive about councils’
effectiveness across a range of areas

1. The council has a good understanding of all its local communities, the locality, and the challenges facing it
2. The council has clear priorities for action which focus on things that matter to local communities
3. The council listens to local communities and stakeholders when setting priorities and planning services
4. The council’s priorities and plans balance the needs of all sections of the community
5. The council makes clear and timely decisions about its plans and priorities
6. The council takes effective action to deliver its priorities
7. The council involves service users, residents and partners in monitoring services
8. The council reports transparently about levels of performance
9. The council makes effective use of partners in the private, public and community and voluntary sector to deliver its priorities and outcomes for the community
10. There are clear roles and responsibilities between the council and its partners for delivering outcomes
11. The council and its services are accessible to its service users and all sections of the community
12. The council keeps its service users, local communities, and partners in touch with what it is doing
13. The council works effectively to promote the quality of the local economy and environment
14. The council works effectively to address the area’s housing requirements
15. The council works effectively to make the community safer
16. The council works effectively to improve and support the health of the community
17. The council works effectively to support the independence and well-being of older people
18. The council works effectively to improve the safety and well-being of children and young people

Note: Based on responses, as indicated, where a view was expressed. Question 14 was introduced to the survey in February 2006.

Source: Audit Commission
Appendix 3 – Evidence base

The findings in this report are based on a detailed analysis of the following corporate assessment reports, published between September 2005 and April 2006:

- Brent – April 2006
- Bristol – April 2006
- Bournemouth – December 2005
- Calderdale – December 2005
- Enfield – December 2005
- Herefordshire – December 2005
- Hillingdon – February 2006
- Rochdale – December 2005
- Salford – April 2006
- Slough – December 2005
- Staffordshire – December 2005
- Stockport – February 2006
- Stoke-on-Trent – December 2005
- Sutton – February 2006
- Trafford – April 2006
- West Sussex – September 2005
- Wirral – December 2005

Other evidence has been provided by use of resources assessments undertaken in all 150 single tier and county councils, published in December 2005, and all 238 district councils, published as part of councils’ annual audit and inspection letters in April 2006.
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