

Inspection report

April 2005



Comprehensive performance assessment

**Corporate Assessment Report
Darlington Borough Council**

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Introduction

- 1 The local government White Paper *Strong Local Leadership – Quality Public Service* encourages greater focus on improved services for local people. Better performing councils are freed from central government controls and restrictions and poorer councils receive better focused support for improvement. The first step in this process was to make an overall judgement, a comprehensive performance assessment (CPA), of where each council stands.
- 2 In December 2002 the Audit Commission reported the results of the comprehensive performance assessment, for the first time, for each council. Your council was categorised as good.
- 3 In December 2003 new CPA information was published for each single tier and county council, based on reported changes in service performance during 2003 and your council was again categorised as good.
- 4 This report presents the results of a corporate assessment carried out in October 2004. The judgements are based on the Audit Commission's published key lines of enquiry, and include an update and analysis of your council's progress against:
 - ◆ the strengths and weaknesses contained in the 2002 report; and
 - ◆ the council's own priorities for improvement.

Summary of judgements

- 5 Since 2002 the council has focused well on Striving for Excellence, its organisational development strategy; particularly the introduction of a new service planning and performance management framework. The effects of this are evident throughout the council and service performance has improved as a result. The ambition within the community strategy is a particular strength, with very good partnership working and clear priorities driving both the partnership aims and the council's aims. Leadership and financial management remain strong and the council have now addressed many of the weaknesses reported in 2002. The council's overall corporate assessment grade has increased from three to four.
- 6 Partnership working continues to be a strength in Darlington, and since 2002 a new community strategy has been agreed. The council has worked hard to secure Darlington's place within the regional economy, and to continue to attract development to the area. The council has now also developed ambitious strategies for social inclusion and neighbourhood renewal. The council's three priorities for improvement are clear and widely shared but whilst there are links to financial planning, the council is not effective in moving mainstream resources out of non priority into priority areas. Consultation has improved but some communities do not feel that their views are heard by the council. The council has made a sustained effort to improve performance in social services and benefits, but could still improve its focus on aspects of educational attainment.
- 7 Officers and councillors in Darlington are clear about what they are responsible and accountable for. The council has strengthened its management development, and continues to invest in councillor training. Its approach to equality and diversity is developing.
- 8 The council's performance management has improved since the last corporate assessment, supported by a new performance management IT system. Risk management is more robust, and a revised appraisal scheme is helping to embed a performance culture. Sickness levels remain high despite a concerted management effort to reduce them. The council has not demonstrated it has the ability to use IT and procurement to increase capacity and is not able to clearly show it achieves value for money.
- 9 The council has made improvement in its three priority areas of improving the local economy, raising educational achievement and promoting inclusive communities, and satisfaction levels have also increased. 56 per cent of best value performance indicators (BVPIs) showed improvement in 2003/04, and two thirds of BVPIs are now above average. Environment, Housing and Cultural services are all generally strong but further improvement is still required in education and social services which are key to the council's social inclusion ambition.
- 10 The council has continued to address previous weaknesses identified through external regulation such as those identified in the inspection of children's services,. It has continued with the implementation of Striving for Excellence through improved human resource management, councillor and manager development, and performance management. The council also recognises remaining weaknesses such as its approach to procurement, and has started to address these. It is continuing to invest in initiatives designed to improve services

for its community such as neighbourhood renewal and community partnerships. The council has considerable success in securing additional resources for the area, and demonstrates robust medium term financial planning. The council still does not consistently use challenge to drive improvement, for example through best value reviews.

- 11 The council has got better at learning from its own experiences and from others, and has put in place a number of internal learning mechanisms. It is aware of which things have not gone well. The council has good strategies and plans for the future but some of them are still at an early stage of implementation.

Corporate Assessment Score

Key Question	Theme	2002 Final Weighted Score	2004 Un-Weighted Score	2004 Weighted Score
What is the council trying to achieve?	Ambition	3	4	4
	Prioritisation	2	3	3
	Focus	3	4	4
How has the council set about delivering its priorities?	Capacity	3	3	3
	Performance management	2	3	3
What has the council achieved to date?	Achievement	9	3	9
	Investment	8	4	8
In light of what has been learnt, what does the council plan to do next?	Learning	3	3	3
	Future Plans	3	3	3
TOTAL THEME SCORE		36		40

Context

The locality

- 12 The borough of Darlington is situated in the north east, lying in the Tees valley with boundaries to County Durham in the north and North Yorkshire in the south. The main east coast railway passes through Darlington, it is well placed between the A1 and the A19 trunk roads, and Durham Tees Valley Airport is also in the borough. The population of the borough is 98,200 of which 87 per cent live in the town of Darlington, and the remainder in the surrounding villages. There is a very strong local identity with the town. Only 2.1 per cent of the population are from the ethnic minority community but 31.3 per cent live in the 10 per cent most deprived wards in England. The west end of Darlington is home to a more affluent and mobile population many of whom travel outside the town to work elsewhere on Teesside. Whilst the council fails to qualify for neighbourhood renewal funding it is addressing deprivation through the development of community partnerships in its most deprived wards.
- 13 Four out of every five people work in the service sector, which is in line with the national average, but reflects a change for Darlington which used to have an industrial economy based in railways and engineering. The largest employers in the town, apart from the council and the health service, are in the service sector for example Orange mobile phones. In 2003 British American Tobacco (formerly Rothmans) announced the closure of its Darlington factory with the loss of 500 jobs. Average weekly earnings of women working in Darlington are low at £298.50 compared to a national average of £396 and a regional average of £347.30. This is as a result of the loss of well paid jobs such as Rothmans, and the arrival of lower paid jobs such as in call centres. Men's wages are in line with the regional average. Unemployment is currently low at 2.8 per cent.

The council

- 14 Darlington has been a unitary authority since local government reorganisation in 1997 when it ceased to be a district within Durham. The council is Labour controlled with a majority of 35 out of the 53 councillors. The cabinet has nine members with responsibility for housing, education, resource management, regeneration and planning, highways and transport, social services, community protection, and leisure services. There are five scrutiny committees – environment, resources, social affairs and health, public protection and community partnerships, and lifelong learning. The council has 4,755 staff working in five departments: corporate services, community services, education, social services, and development and environment, plus a small chief executive's office.
- 15 The council's current revenue budget is £104 million, and it has a capital programme of £24 million in the current year. The council has within the last year reached an agreement with 98 per cent of its staff to settle potential equal pay claims at a cost of over £3 million. This was in recognition that the cost of litigation could be so high that it would be unsustainable. The council is currently completing a job evaluation exercise as the basis for agreeing pay and grading with its staff.

What is the council trying to achieve?

Ambition

- 16 The council has made good progress in this area and now has many strengths and few weaknesses. Partnership working continues to be a strength in Darlington and a widely owned community strategy is now in place. The council has worked hard to secure Darlington's place within the sub region with a clear contribution and alignment to the Tees Valley Vision through the Darlington Gateway. The council has also developed ambitious strategies for economic regeneration, social inclusion and neighbourhood renewal. Leadership of the community and the council is strong.
- 17 The Darlington community strategy, approved in April 2003, grew out of the previous community plan and will be reviewed after five years. It sets out the long term vision for Darlington, based around eight themes, of which three have been identified as early priorities. These are: improving the local economy; promoting inclusive communities; and raising educational achievement. The strategy is strong, well communicated and understood, and is widely owned as a result. The council has a good understanding of its area and the problems and opportunities it is facing. The council's responsibilities are translated through its corporate objectives and set out in its best value performance plan. Both the local strategic partnership (LSP) and the council make good use of quality of life indicators to measure overall progress against ambitions.
- 18 Darlington has a longstanding and well regarded LSP. The business community is strongly represented on and actively involved in its deliberations. Community and voluntary sector representation has recently been strengthened, and this aspect is now working well. The council's partners think that partnership working is good, and the council offers good leadership. It has ensured that it does not dominate - the LSP and all four theme groups are chaired by someone outside the council. The council is a member of the Tees Valley partnership, and the Tees Valley regeneration company. The vision for the Tees Valley recognises Darlington as the gateway to the Tees Valley and identifies a number of development opportunities in a 'western corridor' based on Darlington's excellent transport links. This positioning is successfully being used by the council to attract substantial public and private investment for new development which is in turn helping the council meet its ambition of strengthening the local economy.
- 19 Promoting inclusive communities is one of three priorities agreed by the LSP and the council in April 2003. A number of projects contributing to this priority are being implemented such as Sure Start schemes and extended schools development. The social inclusion agenda has been pursued through good improvements to social care and benefits services and following extensive consultation is now embodied in a clear social inclusion strategy.
- 20 The social inclusion strategy has recently been tested by the presence of unusual numbers of travellers in Darlington, leading to complaints from residents. Travellers are identified within the social inclusion strategy as a potentially excluded group, and the council has longstanding provision for travellers. However, the council did not have a strategy towards travellers' illegal encampments agreed with key partners such as the police, and it did not offer strong community leadership on this issue. Its approach is now being reviewed

- 21 The council is also in the process of agreeing, in conjunction with its partners an ambitious neighbourhood renewal strategy. Although not eligible for neighbourhood renewal funding, the strategy targets the 11 most deprived wards and each will have a community partnership for which resources have been allocated. Some of these community partnerships are at an early stage of development and do not have the wide community engagement or strong links with the council and LSP which will be necessary to drive improvement and inclusion.

Prioritisation

- 22 Strengths now outweigh weaknesses in this area, which is an improvement from 2002. Priorities are now clear and are aligned with the community strategy. However the council is still not explicit about what are not priorities and so is not effective in moving mainstream resources from non priority services into priority areas. The new service planning framework links strategies, plans, priorities and the council's budget. The council undertakes a wide range of consultation activities, some of which are innovative, but fails to add value by drawing the results together into corporate intelligence about residents' needs and opinions, and some communities do not feel that their views are heard by the council.
- 23 In 2002 the council had not clearly articulated its strategic priorities for the area. It has now adopted three priority themes, and five lesser priority themes, through its community strategy. The three priority themes are clear and well communicated internally and externally, and are reflected in the local public service agreement (LPSA) targets. But the council is not prepared to make explicit statements about what is not a priority, and to communicate this to the public. This has implications for service planning, decisions about allocating resources and the openness of dialogue with the community.
- 24 The council has improved its consultation since 2002. The council uses a range of consultation initiatives such as a citizens' panel and an annual community survey. It has also targeted hard to reach groups and young people. Whilst mechanisms are in place to consult with rural communities, some parish councillors do not feel that their views are adequately considered in prioritising services and providing funding for local facilities. Sometimes the council fails to feed back results to consultees, for example the citizens' panel received no feedback for the two years prior to June 2004, and some young people feel they do not know what has happened as a result of consultation with them. Although the council carries out extensive consultation, the results are not well used to generate corporate intelligence.
- 25 The council's new service planning framework makes the links between strategies, plans and priorities. The council has sound arrangements for allocating resources through its service planning and medium term financial planning arrangements. Service planning feeds into financial planning and the budget setting process but only to the extent that the balance of resources and relative spend between service areas is affected. Service plans and projects are costed and budget setting processes reflect bids for new funding. The council does not disinvest from lower priority services: it relies on efficiency savings and increased income to fund developments in priority areas.

Focus

- 26 The council has strengthened its focus since 2002 and now has many strengths in this area and few weaknesses. The major improvements have been through the new service planning and performance management frameworks and the community strategy. The council has successfully maintained focus on social services and benefits where performance has improved considerably.
- 27 The council has successfully addressed the main weaknesses identified in the 2002 corporate assessment, particularly through the introduction of the new service planning and performance management framework. There has been considerable focus on Striving for Excellence, the council's organisational development strategy, and improvements in the council's performance management and people management have followed from this. In social services there has been a sustained effort to improve performance, with a focus on the action plan from the children's services inspection in 2003, and more recently efforts to improve performance on key indicators for adult services such as delayed discharges, and the waiting list for occupational therapists. This has now resulted in the award of two stars from the Commission for Social Care Inspection (CSCI). Risk management is now embedded in service planning which helps to maintain focus. The council also displays perseverance in its attempts to regenerate the economy.
- 28 Corporate management team (CMT) agendas and meetings are focused on the council's strategic priorities. They include forward planning of agendas for councillor meetings such as cabinet. CMT have twice yearly development days with the cabinet to discuss key issues and plans, as well as informal monthly meetings. CMT and the majority party group regularly review and shape key policy issues.
- 29 The strength and shared ownership of the community strategy is very effective in keeping the council focussed. This is particularly the case with the cross cutting issues of the economy and social inclusion and with education attainment for eleven-year-olds, but was less effective in relation to the performance of sixteen-year-olds - an important issue for the council if it is to realise its ambitions for improved social inclusion and higher average wage levels. Scrutiny topics are not always clearly related to council priorities, and the cabinet considers too many items which are neither strategic nor related to the council's priorities, for example grants for very small amounts of money.

How has the council set about delivering its priorities?

Capacity

- 30 The council has made some progress in strengthening its capacity for improvement but not enough to achieve a step change. Strengths still outweigh weaknesses in this area. Since the last corporate assessment, organisational development has continued with an emphasis on performance management, management development, and equality and diversity. However, the council has high levels of sickness absence and has not demonstrated it has the ability to use information technology (IT) and procurement to increase capacity.
- 31 The council's political and managerial leadership is both experienced and stable. Councillors, managers and staff share a strong sense of common purpose. Since 2002 the council has continued to deliver Striving for Excellence, which sets out its plans for the improvement of performance management, people management and communications. It has recently introduced a competency framework for managers and staff, which is used both in recruitment and in appraisal to assess development needs. It has also recently revised its management development programme and its approach to training of councillors is strong. However, some basic staff training is not consistently applied across the council, for example building services operatives have not received customer care training.
- 32 Councillors and officers are clear about their respective roles and responsibilities, and relationships are good. The standards committee, with a majority of members and the chair independent of the council, is working well. The council has developed effective arrangements for ensuring compliance with the requirements of the new ethical framework. Scrutiny committees take their role seriously, have developed forward plans, and make good use of task and finish groups but scrutiny topics are not clearly linked to council priorities, and some scrutiny committees are not providing sufficiently robust challenge.
- 33 The council has developed its approach to equality and diversity since 2002 which now comprises both an internally focused equalities plan, and an externally focused draft social inclusion strategy. Some progress has been made towards the workforce reflecting the ethnic make up of the population. The council has recently piloted its approach to equalities impact assessment, and now intends that impact assessments for all services will be completed by October 2005.
- 34 The council carries out an annual employee survey which shows consistently positive results. Sickness levels are high in Darlington; an average of 11.2 days sickness per employee in 2003/04 and the council's targets for improvement have not been met. The council has developed a corporate response to this problem, which includes closer monitoring and earlier intervention, and has also changed its occupational health provider. Unaudited council performance indicators show that sickness absence has started to decline in the latter half of 2004, but it is too early to say whether this trend will be sustained.
- 35 Financial management arrangements remain sound. The stability of reserves has improved significantly following the recent settlement with Durham County Council, helping to offset the cost of the council's recent equal pay settlement.

- 36 As a small council, one of the ways of increasing capacity and learning is to enter into joint working with other local authorities. Darlington has a number of examples of this such as the DEFRA funded waste minimisation project which is being run across Durham and Darlington, and the educational psychology service which is jointly provided with Stockton. There have been some examples of service delivery with external partners, such as the council's decision to work in partnership with the private sector to provide new care homes for the elderly. Social services have a good relationship with the independent sector: they have regular meetings with providers, and have three year contracts with built in quality standards for residential care. Other examples of partnership working include the innovative education village private finance initiative (PFI) with Kajima, and work with learning partners to develop the 14 – 19 strategy.
- 37 The council has not demonstrated that it has the ability to use IT and procurement to increase its capacity. The current best value review (BVR) of support services acknowledges that capacity, decentralised structures and project management are problems that need to be overcome. The joint report with external consultants written as part of the access to services BVR stated that the council does not have the technical expertise to operate a contact centre. Nevertheless the council is moving towards the implementation of a contact centre without a strategic partner when its capacity is already stretched by other initiatives - implementing a major social services IT system, an authority-wide performance monitoring system, delivering electronic government (IEG) targets, and delivering Freedom of Information Act compliance.

Performance management

- 38 There have been improvements in performance management since the last corporate assessment and strengths now outweigh weaknesses. The council now has in place a strong performance management framework. Councillor involvement in performance management has increased, and a revised appraisal scheme is helping to embed a performance culture within the organisation. Risk management is now robust and closely linked to service planning. However the council is unable to demonstrate value for money.
- 39 Performance management has continued to develop and the council is currently rolling out its computerised performance management system. The system now includes links between priorities, objectives and targets, and all service plans and performance indicators are modelled using this system. Performance reports can be tailored for cabinet portfolios, scrutiny committees and departments. Councillors' involvement in performance management has increased with portfolio holders helping to develop service plans, and both cabinet and scrutiny receiving regular reports on performance. The LSP has adopted the same performance management system as the council, enabling seamless reporting against community strategy themes and corporate objectives. Improved performance management has contributed to service improvements such as those in social services and housing benefits.
- 40 Managers and staff have a high level of awareness of how their work contributes to the achievement of the council's objectives, and what standards of service they are expected to provide. At the conclusion of the annual service planning round, a service plan poster is produced for each service setting out how it links to community strategy themes and corporate objectives, and these are widely displayed throughout council offices. The council has revised its approach to staff

appraisal - personal development reviews (PDRs) - and these now assess performance against targets as well as competency and development needs. Some staff, mainly former manual workers, receive group PDRs, but only 70 per cent of these were carried out last year. The council has a capability procedure which it uses in cases of poor performance. The council has a good complaints procedure and a report on complaints is made to each meeting of the cabinet.

- 41 The council has established robust risk management arrangements. Improvements since 2002 have included involving councillors in assessing and managing risks and ensuring that risk management becomes more of a continuous process linked to service planning and the achievement of priorities. The council's approach to equal pay, by which it has negotiated a deal with its staff to pay them compensation, in order to avoid multiple litigation claims, is an example of good risk management.

- 42 The council is not able to demonstrate that it achieves value for money. It relies on statements about historical under funding rather than engaging in market testing and rigorous financial analysis of its services. This has been highlighted by recent inspection reports for transport and housing. Transport services have a traditional approach to procurement for works services and the housing repair and maintenance service cannot demonstrate it is efficient and effective and offers value for money. In the case of housing maintenance, the service has not been exposed to competition since 1999 despite a consultant's report in 2003 which urged that building maintenance should move as quickly as possible towards testing the service by comparable tender.

What has the council achieved / not achieved to date?

Achievement of improvement

- 43 There have been further improvements in performance since 2002 and strengths continue to outweigh weaknesses. The council has had some success in improving its three priorities to improve the local economy, raise educational achievement and promote inclusive communities, however, a number of areas remain where further improvement is required. Environmental improvements are evident to local people and satisfaction levels have increased since 2000/01.
- 44 The council continues to show progress in improving overall performance. Fifty-six per cent of best value performance indicators (BVPs) improved in 2003/04 and two thirds are above average.
- 45 The council has had a number of successes in improving the local economy. Following the closure of the British American Tobacco factory with the loss of 500 jobs, the council-led taskforce secured a £1 million legacy and enabled 82 per cent of the former workforce to settle into new jobs, training, self employment or retirement. Over 600 jobs have been created since 2002. Unemployment has fallen at a faster rate than the national trend; falling from 4.1 per cent to 2.8 per cent. The council continues to attract investors and developers to the area and has successfully completed the infrastructure and development of sites such as Morton Palms and Faverdale East. These are visible signs of the health of the local economy; the ability to sustain success in this area is supported by a 2003 inspection of the regeneration service which found it to be good with excellent prospects for improvement.
- 46 During 2003/04 53 per cent of education BVPs improved and 60 per cent of these indicators are now above average. Performance at both key stages two and three is improving but attainment at key stage four (GCSEs) fell in 2004. The council has made great strides in addressing surplus capacity in schools but absence in secondary schools whilst improving still remains in the bottom 25 per cent of councils. A recent inspection of adult and community learning provision highlighted family learning as outstanding.
- 47 In relation to promoting inclusive communities, performance continues to improve, although the level of improvement varies between and within service areas. The council's continued commitment to improving social care is reflected in its recent award of two stars from the Commission for Social Care Inspection. The council's children's services are rated as serving most people well. The council has reduced the number of looked after children and their educational attainment levels have improved but its performance on key indicators such as adoptions and proportion of care leavers engaged in education, training and employment at the age of 19 is declining. Innovative ways of multi-agency working have helped to reduce the teenage pregnancy rate by 23 per cent from the 1998 baseline.
- 48 The council's adult services are rated as serving some people well with improvements in adult services including working with the NHS to reduce levels of delayed discharge from hospital, and stabilising the residential care market. The council also no longer has a waiting list for occupational therapy. However, performance remains comparatively low in a number of key areas including the number of older people helped to live at home, the delivery of equipment within

seven days, and the percentage of people who receive a statement of their needs and how they will be met. The benefits service continues to improve and all performance standards were met in 2003/04.

- 49 Challenges remain to address high levels of multiple deprivation in some wards and in particular to meet targets to increase the current very low average wage levels. However, some service developments are evident to local people, including examples in these most deprived wards. For example in Northgate the location of a Sure Start scheme in an area with a large number of residents from a minority ethnic community has improved access to services. The SRB funded regeneration of Firthmoor has completely transformed the area. Maidendale House, a newly built facility at Firthmoor brings together a housing office, neighbourhood management team, youth centre, volunteer project, café and other facilities into one community building.
- 50 Performance in other cross cutting areas such as community safety is good. The council has been awarded beacon status for its crime and disorder partnership. There has been a significant increase in the number of residents who feel safe when they are out after dark – from 36.9 per cent in 2002/03 to 51.8 per cent in 2003/04. There were reductions in recorded crime in relation to both burglaries and violent crime during 2003/04 and these are among the best 25 per cent of councils. Levels of vehicle crime increased significantly during 2003/04: the council and its partners have taken action to tackle the problem and vehicle crime is now decreasing.
- 51 Performance in environmental, housing and leisure services is generally good. Environmental improvements are recognised by the public, including improvements to the condition of highways, enhanced recycling facilities and environmental regeneration such as the former industrial site of West Park. Road safety casualty figures are comparatively very low and continue to fall. More than 94 per cent of local authority homes meet the decent homes standard and 75 per cent of housing performance indicators are in the top 25 per cent of councils, including a very high level of rent collection. The housing repairs and maintenance service is however only fair. Leisure usage and satisfaction is up and 78 per cent of leisure/ library performance indicators are above average.
- 52 The percentage of national customer satisfaction BVPIs where satisfaction levels are above average has increased from 45 per cent in 2000/01 to 75 per cent in 2003/04. In particular, customer satisfaction with the housing benefits service has improved significantly since 2001. The latest available customer surveys show that between 45 per cent (promoting inclusive communities) and 68 per cent (enhancing the environment) of residents feel that the council has been successful in tackling priority areas. This is significantly above those who feel otherwise.

Investment

- 53 The council has many strengths in this area and few weaknesses. It is investing in improvement in a number of areas, including those identified as weaknesses in the 2002 corporate assessment, for example organisational development, performance management, human resources, management development and councillor training. The council is also continuing to invest in community engagement and capacity building through its neighbourhood renewal strategy, and the formation of community partnerships. The council has success in securing additional resources for the area, and demonstrates robust medium term financial

planning. The council has begun to invest in a strategic approach to procurement, but still does not consistently use challenge to drive improvement.

- 54 The council continues to invest in its organisational development, human resource capacity, and performance management, including service planning, through Striving for Excellence. It has recently introduced a competency framework for managers and staff, which is used both in recruitment and in appraisal to assess development needs. It has also recently revised its management development – a foundation course has been attended by over 100 managers, a middle managers course has been piloted, and an executive mentoring programme for assistant directors and above has just been launched. This is supported by the introduction of a workforce planning framework to assist managers in identifying capacity and skills gaps, and planning ahead to meet them. The council continues to invest in training for councillors, for example to improve the effectiveness of its scrutiny function.
- 55 The council is continuing to support community engagement and capacity building in eleven community partnership areas, building upon and sustaining the success of the early partnerships such as Firthmoor which achieved community regeneration through single regeneration budget and other funding. Both the council's social inclusion strategy and its neighbourhood renewal strategy are intended to drive improvement in council services for the most vulnerable members of the community, although it is too soon to see tangible benefits from them across all partnership areas..
- 56 The council has had considerable success in securing mixed funding packages for economic regeneration and a positive economic climate for further growth, despite limited access to external public funding. Examples include attracting £5m of investment to the Morton Palms site where 71,000 sq feet of office space is under construction, the attraction of Argos Direct to Faverdale East which will result in 700 future jobs, the successful West Park scheme which is leading to the creation of a new sustainable community on the site of a former chemical works and the strategic development site of Central Park where a new college is about to be built and plans are being developed for new homes, office accommodation, hotel and leisure facilities.
- 57 Robust medium term financial plans have been developed for both capital and revenue, linked to asset management and service plans, to guide investment decisions in priority areas. Further improvements to risk management ensure the council manages the risks inherent in new initiatives. For example arrangements are in place to address the risks inherent in a £35 million PFI for an innovative education village. The council is well placed to meet the demands of the decent homes standard due to regular investment in its housing stock. A further £20 million has been earmarked to ensure the 2010 target for decent homes is met. Resources have been secured to fund the new management information system for social services. However, there are limited examples of disinvestments from non-priority areas into priority areas to accelerate the pace of change.
- 58 The council has begun to develop a strategic approach to procurement. It has recently approved a revised procurement strategy to reflect changes in the national context and include a new approach to options appraisal. It has also created a corporate procurement function, and set up a corporate officer procurement group, The appointment of a procurement adviser has led to progress with certain areas of procurement, notably the collection of spending

data by purchase and category, and this information has been used to obtain better prices for some goods and services, saving £146,000 last year. However, the council has not yet articulated its desired outcomes in terms of saving money and has yet to deliver significant results by developing new and innovative models of service delivery.

- 59 The council is responsive to external challenge, for example the inspection of children's services resulted in a reconfiguration of and major improvements in children's services, and the council has addressed almost all the weaknesses identified by the corporate assessment in 2002. The council's scrutiny process provides robust challenge. Whilst the council has taken an innovative approach in some best value reviews, for example joint BVRs with police and health, and inviting the business community to challenge the council's development control service, the council does not yet systematically build rigorous and meaningful challenge into all its best value reviews.

In the light of what the council has learned to date, what does it plan to do next?

Learning

- 60 Strengths continue to outweigh weaknesses in this area. The council has got better at learning from its own experiences and from others, and has put in place a number of internal learning mechanisms. It demonstrates awareness of where it needs to improve. The council has become more outward looking but it has not yet changed its service delivery arrangements as a result of learning from others.
- 61 The council has identified a number of areas where things have not gone well or progress has been slower than intended. These are procurement, social inclusion, customer services, and the rate of improvement in educational attainment. This demonstrates self awareness.
- 62 The council has learned from its own experience with recent projects such as the care homes closure, and the education PFI. The learning from these, particularly around project management and communication with stakeholders, is being used in current projects like the primary school review and the implementation of children's services. Striving for Excellence has been revised and updated as a result of learning from the experience of the first two years. The council carries out consultation with its staff, and has made changes to its internal communication as a result. The council's culture is more open and supportive of staff than it used to be. Cabinet and CMT joint development days are an externally facilitated opportunity for joint learning. The council is planning to reshuffle cabinet portfolios in order to give a higher profile to its initiatives on anti-social behaviour and community safety in response to growing public concern on these issues.
- 63 Whilst the council has become more outward looking, it is less good at learning from others and making changes as a result. It has made a determined effort to be more active in national and regional networks, for example the Centre of Procurement Excellence for the North East. It also actively participates in the Beacon Council scheme and seeks out opportunities to pilot new policy initiatives such as children's trusts. The council has not so far entered into any major service delivery partnerships with other authorities, which limits its learning opportunities in areas where it needs to improve. Despite a number of examples of external advice that it needs to modernise its approach, the council's service delivery remains traditional. Whilst the council is currently engaged in a joint procurement of a customer relationship management (CRM) system with Stockton, this is not necessarily being done with the expectation that the two councils will buy or run a joint CRM system. The learning might therefore be limited to the procurement of the software which would be a missed opportunity in terms of enhancing the council's capacity and value for money.
- 64 The council has put in place a number of internal learning mechanisms, including the corporate planning network, a procurement network, and an IT working group. It also holds managers' workshops for heads of service and assistant directors to share learning across the authority. These enable officers to share good practice and ideas across the council.

Future plans

- 65 There has been some progress in this area but not enough for a step change. Strengths still outweigh weaknesses. Overall the council's plans provide a consistent framework for the delivery of its priorities. The council's statutory plans are robust, and the council has developed plans for key priority areas such as social inclusion and neighbourhood renewal. Community engagement in future planning through the Darlington partnership and other stakeholders is strong, and dialogue with hard to reach groups is developing. However, local community plans are not yet in place, there has been slow progress in implementing plans to improve access to services and workforce planning is not yet in place.
- 66 Since 2002 the council and its partners have put in place the Tees Valley Vision, and the community strategy. These are robust overarching plans which provide milestones against which the council can monitor its progress. The council's statutory plans are good – the housing strategy has been graded as fit for purpose by government office, the asset management plan and the capital strategy are good. The council has also developed new plans and strategies, or revised old ones, to take account of new priorities and areas where progress has not been achieved. Examples include social inclusion, where detailed implementation plans are now developed to support each of 12 separately identified groups, and education, where specific schools are being targeted and action plans drawn up to improve GCSE attainment.
- 67 Partners continue to be effectively involved in planning for the future through the Darlington Partnership and its theme groups. This is reinforced by the use of a shared performance information database and quality of life targets. The launch of the council's intranet has improved internal communication with future planning. Whilst community engagement is generally good and with some groups like older people it has improved, other interest groups do not feel that they are involved and engaged in the council's plans particularly young people and people from a minority ethnic background.
- 68 Darlington is a small unitary council and mainstream resources, both in terms of money and staff, are limited. The council does not qualify for the significant grant funding packages which are available to neighbouring authorities with higher deprivation levels. However, the council has demonstrated that it is skilful in working in partnership with others, securing additional resources and developing mixed funding projects, to maximise the use of scarce resources and deliver future plans. The council intends to produce local community plans for each of the 11 most deprived wards but these are not complete. These plans are important for the council if it is to realise its ambitions for neighbourhood renewal and social inclusion.
- 69 Service plans and project initiation documents are used to assess resources required for new projects and processes are in place to prioritise bids for both capital and revenue funding, as part of budget setting arrangements. On the other hand, the council has made slow progress in implementing plans for change in key areas such as access to services, and is planning to introduce workforce planning for the first time in 2004/05.

Summary of theme scores and strengths / weaknesses

Theme	Grade	Strengths	Weaknesses
Ambition	4	<ul style="list-style-type: none"> • Clear contribution and alignment to the sub-regional Tees Valley Vision • Strong, clear and widely owned community strategy sets out the long term vision for Darlington • Effective partnership working with strong business and community involvement in the Darlington Partnership • Good political and officer leadership of the community and the council • Robust economic ambitions and strategies for social inclusion, based on consultation and analysis 	
Prioritisation	3	<ul style="list-style-type: none"> • Clarity around three top priorities of economy, education and social inclusion • Service planning framework has improved links between strategies, plans, priorities and budgets • Improvements in consultation since 2002 including consultation with hard to reach groups • Sound medium term financial planning arrangements 	<ul style="list-style-type: none"> • Budget changes are mainly incremental • Consultation not well used to generate corporate intelligence
Focus	4	<ul style="list-style-type: none"> • Performance management frameworks are successfully driving focus on priorities and service improvement • The 'Striving for Excellence', programme has successfully strengthened many areas of corporate ability • Robust community strategy provides shared and continuing clarity of purpose for the organisation • Sustained effort has improved performance in social services 	<ul style="list-style-type: none"> • Less effective focus on sustaining improvements in educational attainment at GCSE level.

		<p>and benefits</p> <ul style="list-style-type: none"> • Effective forward planning between the management team and the cabinet 	
Capacity	3	<ul style="list-style-type: none"> • Clarity about roles and responsibilities • Scrutiny and standards committees working well • Strong management development and councillor training • Competency framework introduced • Developing approach to equality and diversity, and some progress in recruitment • Sound financial management and stable reserves 	<ul style="list-style-type: none"> • Sickness levels are high • Limited use of IT and procurement to increase capacity
Performance management	3	<ul style="list-style-type: none"> • New performance management framework introduced and computer system being rolled out • Increased political leadership involvement in performance management • Revised appraisal scheme helping to embed performance culture • Robust risk management arrangements, linked to annual service planning process 	<ul style="list-style-type: none"> • Appraisal scheme not yet applied to all staff • Value for money is not demonstrated • Absence of rigorous financial appraisal and market testing
Achievement	3	<ul style="list-style-type: none"> • Social inclusion priority achievements, particularly in relation to social care for children and the benefits service • Economic priority achievements with continuing fall in unemployment at faster rate than national average • Further improvements to some areas of educational attainment with half of education BVPIs above average • Public satisfaction with services increasing and more residents feel safe after dark • Environmental improvements recognised by the public, 	<ul style="list-style-type: none"> • Social care for adults is comparatively weak in some areas, e.g. the time taken to start assessments for older people • Fall in GCSE results in 2004 and absence in secondary schools remains in the worst 25 per cent of councils

		<p>including condition of highways, recycling facilities and environmental regeneration such as the former industrial site of West Park</p> <ul style="list-style-type: none"> • Regeneration of Firthmoor has completely transformed the area • 75 per cent of housing performance indicators are in the best 25 per cent of councils 	
Investment	4	<ul style="list-style-type: none"> • Continued investment in organisational development e.g. councillor and management development, and workforce planning • Capacity building in deprived areas through community partnerships • Robust medium term financial planning • Investing in operational procurement through revised strategy and creation of corporate procurement unit • Developing mixed funding packages for economic regeneration and positive economic climate for further growth 	<ul style="list-style-type: none"> • Inconsistent use of rigorous challenge to drive improvement
Learning	3	<ul style="list-style-type: none"> • Awareness of need to improve faster on procurement, social inclusion, customer service and educational attainment • New internal learning mechanisms such as corporate planning network and senior managers' workshops • Good networking regionally and nationally • Learning from projects such as care homes closure and PFI schemes 	<ul style="list-style-type: none"> • Little evidence of service delivery arrangements changing as a result of learning • Limited service delivery arrangements with other authorities limits learning opportunities
Future Plans	3	<ul style="list-style-type: none"> • Tees Valley Vision and community strategy provide a consistent framework for delivery of council priorities • The council's statutory plans are robust 	<ul style="list-style-type: none"> • Local community plans not yet in place • Slow progress in implementing some plans for change in key areas such as access to

		<ul style="list-style-type: none">• Partners effectively involved in planning• Community engagement strong with some groups e.g. elderly people• Skilful in developing mixed funding packages to resource future plans	<p>services</p> <ul style="list-style-type: none">• Workforce planning not yet in place
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Framework for comprehensive performance assessment

- 70 This comprehensive performance assessment was carried out under section 99 of the Local Government Act 2003. This section imposes a duty on the Audit Commission to, from time to time, produce a report of its findings in relation to the performance of local authorities in the exercise of their functions. This report must categorise local authorities as to their performance.
- 71 The main elements of the assessment were:
- ◆ a self-assessment completed by the council;
 - ◆ the council's improvement plan;
 - ◆ the Audit Commission's qualitative assessment of continuous improvement;
 - ◆ updated performance indicators;
 - ◆ inspection findings; and
 - ◆ the 2002 corporate assessment and supporting documentary evidence.
- 72 The assessment for Darlington was undertaken by a team from the Audit Commission and took place over the period from 11 October 2004 to 15 October 2004.
- 73 This report has been discussed with the council, which has been given the opportunity to examine the Audit Commission's assessment. This report will be used as the basis for improvement planning by the council.

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