

CPA Progress Assessment

8 June 2005



CPA Progress Assessment

Oxford City Council

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Progress assessments

In 2002, Comprehensive Performance Assessment (CPA) was introduced at single tier and county councils (ST&CCs), and at district councils in 2003/04, as a way of supporting councils to deliver improvements in services to local people.

CPA brought together existing information on service performance in councils with a corporate assessment of each council's ability to improve. This was used to reach an overall conclusion about whether a council was 'excellent', 'good', 'fair', 'weak' or 'poor'.

Those councils classified as 'poorly performing'¹, were the subject of formal engagement by the Office of the Deputy Prime Minister (ODPM), and were required to produce a recovery/improvement plan following their CPA. Through its network of relationship managers, the Commission worked closely with the lead officials assigned by the ODPM in developing an appropriate monitoring programme for the recovery/improvement plan.

The progress assessment will measure the impact and sustainability of the Council's improvement activity. Where necessary, it will report on regress. The progress assessment is tailored to local circumstances, provides appropriate public assurance and contributes to improvement reporting. It will report an evidence-based judgement on progress against the original corporate assessment criteria, but it will not give a score.

The progress assessment is part of the Commission's commitment to helping councils ensure continuous improvement to services for local people. It does this in the context of its strategic regulation principles which look to minimise the burden of regulation at the same time as maximising its impact. We are committed to working in partnership with other regulators and the ODPM in this aim.

¹ 'Poorly performing' is defined as councils that were classified as 'poor' or 'weak' with a corporate assessment score of 1.

Introduction

- 1 In June 2004 the Audit Commission published a Comprehensive Performance Assessment of Oxford City Council. This assessment categorised the Council as 'weak'. The key strengths and weaknesses from this assessment are set out in Appendix 1.
- 2 This report presents an analysis of the Council's progress to April 2005 based on the Council's implementation of its improvement and recovery plan and comparison with the baseline position of the Comprehensive Performance Assessment.

Summary and recommendations

- 3 Oxford City Council has made good recent progress, but there is much left to do to ensure that its improvement focus is consolidated and sustained across the Council.
- 4 Ten months after our CPA inspection, the Council has made considerable efforts to move forward. It has introduced significant changes that will help it sustain the momentum of improvement and improve the level and quality of its services. It has achieved some service improvements that, while not delivered consistently across the Council as a whole, illustrate a fresh energy for improvement that is beginning to be felt across the Council. There are still substantial weaknesses to overcome but the rate and extent of change have each been developing positively, particularly in recent months.
- 5 Councillors, managers and staff at all levels have been involved in improvement. The Council's focus for this has been its first corporate plan, the *Oxford Plan*, which captures a series of aims and identifies key priorities and improvements for the city and the Council. A new chief executive took up post in August 2004, and is tackling the cultural changes and business planning that will be needed to shift the Council's quality and effectiveness towards those of stronger councils. This is building on the efforts already made to begin to stabilise the Council's financial position and improve decision-making and scrutiny through corporate performance management, information technology and other systems.
- 6 Capacity had been a major weakness for the Council and, although it remains weak, the Council has begun to focus both attention and resources on this to good effect. It remains self-aware, acutely conscious that change requires fresh capacity, and is investing in securing deep-rooted and strategic change. Its successful bid to the ODPM for capacity-building funds is enabling the Council to work with an independent improvement partner. This is helping the Council change its thinking about the way in which councillors and managers might work most productively together on behalf of the local community.
- 7 However, the Council has not secured all the improvements needed to direct its performance towards that of the best performing councils. It has not established clarity in its long-term ambition, as its future planning – although making some good progress and underpinning operational improvements – remains patchy. Many services are average quality. Its costs are often high, which it cannot yet explain, and the Council recognises that achieving value for money alongside focused and sustained change presents it with significant challenges. It remains slow to respond to the diverse needs of local people and has not provided the means to secure stable community and customer-focused improvement alongside continuing political challenge.

- 8 It is recommended that the Council:
- actively and promptly shares the findings of this progress assessment with staff;
 - takes it to an appropriate public committee meeting; and
 - uses the key findings as the basis for revising the recovery plan in conjunction with direction from its Improvement Board.

Context

The locality

- 9 Oxford remains a diverse community, with a population of 134,248 (2001 Census). It faces the challenges of some significant deprivation – particularly in housing – as well as conservation and green belt areas that attract large numbers of tourists. It is a busy urban area, with a diverse economy, and with a high proportion of residents aged 16 to 24 and single-person households when compared with other English districts. It is surrounded by more prosperous areas of Oxfordshire, from which many people commute into the city.

The Council

- 10 There has been a loss of overall Labour control since our CPA inspection. Following elections in June 2004, the Council has been governed by a minority Labour administration, with 20 of the 48 seats (down from 29). The Liberal Democrats now hold 18 seats (from 15), the Green Party now hold 7 (from 3) and the Independent Working Class Association 3 (from 1).
- 11 In June 2004, the Council restructured its executive portfolios, introducing a new portfolio with specific responsibility for performance and improvement. It also established an Improvement Board, with cross-party and external membership. Under the ODPM's capacity building programme for poor and weak councils it contracted with an independent improvement partner in January 2005, commissioning them to carry out a diagnostic review of the Council's capacity that was completed in April 2005.
- 12 The Council remains structured around 18 business units and three strategic directors. It employs 1,460 staff (1327.19 full-time equivalents), an increase from 1,392 (1260.2 FTE) at the time of our CPA inspection. A new chief executive took up her post in August 2004. Its net revenue budget for 2005/06 is £24.7 million, the same as for 2002/03.

What is the Council trying to achieve?

- 13 The Council has made some progress in clarifying and focusing its ambitions.
- 14 Since CPA it has consolidated its improvement priorities into a single corporate plan, the *Oxford Plan*. This is the first year it has achieved and delivered a corporate plan, and it represents a substantial and symbolic step to have its aims and priorities together in a single public commentary.
- 15 The Council has agreed a revised statement of its ambition through its corporate plan. This has helped it focus on improvement, as its plan has both consolidated existing priorities and ambition and addressed weaknesses highlighted in our CPA report. Through its corporate plan the Council has set out a clear commitment to progress towards an 'excellent' CPA assessment over the next two years by establishing ten improvement priorities that have been clearly articulated throughout the Council. These ten priorities are in two groups: 'improving services' and 'transforming the way we work and building our capacity'. This is already making a difference in individual services and is helping unite staff, managers and councillors in an agreed purpose and future direction.
- 16 The Council has engaged both its staff and councillors in understanding – as well as shaping – the Council's priorities and actions to deliver them. It has taken its plan forward through clearer, consistent and more open communication. For example, it has consulted with local people on its budget priorities, and with its tenants on the future of its housing stock.
- 17 However, the Council has not aligned all its resources to its corporate plan. In order to accommodate changes arising from the loss of overall political control in May 2004 the plan was finalised relatively late in the year. This was after the Council set its budget, and thus the corporate plan does not feed directly into budgeted service plans. The business planning cycle is being addressed for the coming year, but meanwhile the Council risks taking on things that it may find it cannot deliver. This limits the clarity and effectiveness of the Council's ambition.
- 18 The Council also lacks a clear longer-term vision developed through consultation with local people and partners. This limits the alignment between its own work and that of the city's wider community strategy. The detail of its plan is relatively short-term and it recognises that it has not achieved sufficient community engagement to develop clearer scenarios for its role in the future. For example, its responses to diversity remain weak and it has been unable to extend the relationship with the relatively under-developed local strategic partnership. There are areas where the Council's ambitions lack clear customer focus, as it has not explored in detail what its customers most need and its partners can best help deliver. Services still lack clear standards. This leaves gaps in the extent to which it can measure its performance and its staff and customers know what to expect.

How has the Council set about delivering its priorities?

- 19 The Council has made good recent progress in improving its approach to its delivery of its priorities.
- 20 Capacity and performance management were weak at the time of our CPA, with capacity significantly so. Each has seen progress. The Council's executive has taken some firm actions to stabilise its finances, with finance scrutiny taking a strong role. A new corporate team is making a positive difference and focusing on council-wide improvement. The Council has also sought the support and challenge of an Improvement Board, which it set up after CPA to bring councillors and its senior management team together with independent external advisors. Given the loss of overall political control after the elections of May 2004, these have been important steps in bringing councillors from different political parties towards a shared understanding of the Council's needs.
- 21 The Council's own investment in exploring its capacity has highlighted that internal roles and relationships are not clear, and that councillors and staff do not fully own the improvement agenda. However, it is a real strength that the Council recognises this and is tackling the culture changes that will develop its longer-term potential. For example, managers and councillors recently welcomed its improvement partner's report on its governance and management, despite its very challenging – and realistic – messages. Work on this is at an early stage, but is being designed to increase capacity and is already effective in highlighting significant issues for further improvement.
- 22 The Council has improved its financial capacity in the last 12 months, thus addressing a major long-term weakness. It has increased its capital reserves, providing much of the investment that will be needed to meet the decent homes standard for its own housing stock. It has also developed financial information and debt collection systems that will increase its overall capacity. However, its risk assessment remains under-developed, its capital programme is not fully funded and its understanding of some of its high service costs is limited.
- 23 The Council has improved its performance management, focusing on setting up critical indicators and robust systems. It has bought and set up performance management software, with the capacity for clearer management information, including on an updated council intranet and through reports to councillors. The Council has designed its new systems so that performance feedback can be used to improve its decision-making.
- 24 Performance management has not been established throughout the Council, however, and is not used consistently or comprehensively, for example as a routine part of governance and scrutiny. Its priorities and budgets for 2005/06 were set without clear links to performance information, other than main statutory indicators, or to a clear and timely business planning framework. This means the Council lacks a systematic approach to improvement across all its services. The Council is aware of these weaknesses and is seeking improvements.

What has the Council achieved/not achieved to date?

- 25** The Council has made some progress in improving its services, underpinned by investments to help future improvements. Public satisfaction improved by 2 per cent in 2004, moving from being one of the worst performers in 2002/03, to above average in 2003/04, and when similar councils elsewhere experienced an average drop of 12 per cent. Overall, however, service improvement is not consolidated and consistent. While 51 per cent of its 2003/04 key performance indicators were above average when compared with similar councils elsewhere, 51 per cent did not improve between 2002/03 and 2003/04.
- 26** Some individual services have achieved marked improvement since our CPA inspection. This includes achievements with real impact, such as a new leisure centre and improved access to council buildings, information and payment services. Some day-to-day council processes have improved. More invoices are paid on time and the benefits service is more productive and more accurate. Council tax collection remains poor, however.
- 27** Achievement under key priorities is mixed. The Council has sustained its focus in community safety, and approved increased resources for street wardens and community support. The planning service now exceeds government targets for processing minor applications but has received critical central government attention, as one of only nine such services in England with exceptionally poor performance – largely, recently, for the appeals rate on major public enquiries. Some council housing services have also improved; for example there are more decent homes, and rent collection rates are getting better but each remains weak relative to other councils. The Council is also still relatively slow to repair and re-let its housing stock.
- 28** The Council has been investing significantly and effectively in improving its infrastructure, reflecting its improvement priorities to transform the way it works. Staff sickness and turnover have decreased. New ICT and communication systems have helped focus on poor and under-performing services. Teamwork, inter-departmental working and problem solving have been encouraged, supported by success in external funding, and are leading to improvements. This ethos has been supported by a greater investment in external challenge.
- 29** However, although it is aware of the challenge, the Council has not found a consistent way to deliver significant changes that will make a difference for local residents. For example, it has not got a clear view of the level and nature of improvement that it will need to deliver for some key aspirations, including affordable housing. Some signs of change are slow, and systems are not in place to secure change. Most notably, it does not always offer value for money, as some key services are high cost when compared with similar councils elsewhere – and it does not know the reasons for this. Such weaknesses continue to absorb resources, rather than creating efficiencies to re-invest in service improvements.

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

- 30 The Council remains self-aware, and has used this strength to make significant improvements in learning, and to strengthen its future plans.
- 31 Many critical weaknesses in learning are being addressed. The Council has demonstrated considerable will and capacity for external challenge, and is developing the momentum to translate this into a new culture of continuous improvement. Using external support, the Council is committed to developing the learning of its councillors and managers. Staff training has been increased and communication and dialogue strengthened throughout the Council. The Chief Executive is personally committed to and active in developing an open culture that encourages all staff to play a part in, and generate ideas for, improvement.
- 32 Future planning, while still not a strength, has improved and supports both the rate and impact of improvement in the medium-term. Several plans that were under-developed a year ago have begun to come to fruition, although are not established in practice. For example, progress has been made with procurement and some with risk management, but not to the extent that either are a clear part of scrutiny or service and business planning. The Council intends to address this, and is also at an early stage in reviewing its business planning and consultation in the light of its previous experience. Some service strategies, including for work under the existing partnership on community safety, have been developed and agreed. These developments mean that the Council's intentions will become more robust, and better anchored in the wishes and concerns of its community.
- 33 The Council has also made progress with the considerable task of updating its HR policies, from a very low historical base. It has done this by prioritising, resulting in making a difference through key issues such as training and development, and sickness absence, and by developing other policies in draft form. However, the Council as a whole has not got a consistent and fit-for-purpose suite of policies for managing its own staff. As a result, it is not able to manage its staff effectively, which is essential if the Council is to provide better services for local people.
- 34 In the longer-term, however, the Council remains hampered by the lack of clear plans to deliver services and other opportunities at a level that reflects those of excellent councils. The Council is showing awareness of this, as it is linking visioning with its capacity building and developing its thinking about service delivery and partnerships. This is at a very early stage, with key senior players recognising that the Council may have to address its future in a different way. This is important because, despite improvement progress, simply consolidating at its current level means that the Council will be unlikely to meet more stretching targets and ambitions.

Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2004

Theme	Grade	Strengths	Weaknesses
Ambition	2	<ul style="list-style-type: none"> The Council has a realistic set of ambitions, with some community engagement. Leadership to build sustainable communities. Strong political leadership. 	<ul style="list-style-type: none"> No clear and agreed long-term vision for the city as a whole. Lack of targets and outcome measures. The Council's draft Corporate Plan 2003/06 is under-developed. The Council's revised vision is not yet fully understood.
Priorities	3	<ul style="list-style-type: none"> Clear priorities for improvement which underpin its vision. Positive use of consultation and research to inform these priorities. Priorities respond to national and local priorities and are effectively communicated. The Council has shifted resources to match its priorities. 	<ul style="list-style-type: none"> There is limited clarity about what are not council priorities. Not sufficiently engaged with some hard-to-reach groups.

14 CPA Progress Assessment | Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2004

Theme	Grade	Strengths	Weaknesses
Focus	3	<ul style="list-style-type: none"> • Sustained focus over time on some key priorities; for example, community safety, financial stability, transport, Direct Labour Organisation and regeneration. • Some effective mechanisms to retain its focus. 	<ul style="list-style-type: none"> • Lack of sustained focus on other key priorities; for example, housing disrepair, council tax and rent collection, communications and equal opportunities.
Capacity	1	<ul style="list-style-type: none"> • Clarity of roles and responsibilities. • Strengthened approach to partnership working. • Exploring some other methods of service delivery. 	<ul style="list-style-type: none"> • The Council does not have the financial capacity to deliver some of its key priorities. • Under-developed approach to workforce planning and monitoring. • There has been a lack of proactive work to improve recruitment of the right people. • Oxford's diverse community not reflected in the staffing profile of the Council. • Insufficient councillor training and development. • Lack of engagement of some portfolio holders in the Council's corporate agenda.

CPA Progress Assessment | Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2004 **15**

Theme	Grade	Strengths	Weaknesses
Performance management	2	<ul style="list-style-type: none"> • Some positive measures to improve performance management information. • Increasing awareness of the importance of managing performance. • Some good examples of the Council using information to manage performance. • Significant improvement in financial management. 	<ul style="list-style-type: none"> • Performance management is not fully embedded and inconsistently applied across the Council. • Scrutiny committees have limited performance data to provide an adequate basis for challenge. • Service standards are not fully developed. • The Council does not have a robust system in place to manage risks. • Little evidence that the Council systematically reviews financial performance to determine whether services are delivering value for money.

16 CPA Progress Assessment | Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2004

Theme	Grade	Strengths	Weaknesses
Achievement in quality of service	2	<ul style="list-style-type: none"> • Waste management performance is good. • Council works well with the County Council on the Oxford Transport Strategy, including running three park-and-ride sites. • Some good practice in customer services. 	<ul style="list-style-type: none"> • Performance is below average when compared to other councils based on national performance indicators. • User satisfaction with the services provided by the Council is poor. • Inspection results indicate below average service quality. • Planning performance is variable. • Performance on homelessness is poor. • Performance in council tax collection is poor. • Processing of housing benefits is also poor. • Public dissatisfaction with telephone call handling at the Council's offices.

CPA Progress Assessment | Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2004 17

Theme	Grade	Strengths	Weaknesses
Achievement of improvement	2	<ul style="list-style-type: none"> • Inspections have found that improvement in services is likely. • Planning service has improved significantly since 2001/02. • Crime rates of city of Oxford have decreased relative to family group. • Improved council tax collection. • Council is improving quality of life through regeneration projects. 	<ul style="list-style-type: none"> • Performance against comparable audited performance indicators has shown no overall improvement in 2002/03 since 2001/02. • Performance in some poor performing areas has deteriorated. • Recycling not improving sufficiently to meet targets. • Progress on the Council's equal opportunities agenda has been slow. • Housing benefit performance has deteriorated in some areas. • Housing maintenance response times deteriorated between 2001/02 and 2002/03. • Key revenue PIs continue to be in worst quartile.

18 CPA Progress Assessment | Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2004

Theme	Grade	Strengths	Weaknesses
Investment	3	<ul style="list-style-type: none"> • Putting in place strategies and arrangements which address existing gaps. • Developments that will improve its management of risk. • Building blocks to address performance management. • Taking steps to address sickness absence. • A clear medium-term financial strategy for revenue expenditure. • Many of the building blocks are in place to help achieve the DHS. 	<ul style="list-style-type: none"> • The Council does not have a corporate strategy for bidding for external funding. • Not always proactive in introducing external challenge to its ways of working.
Learning	2	<ul style="list-style-type: none"> • Positive examples of learning from others. • The Council is self-aware. 	<ul style="list-style-type: none"> • Learning is not systematically shared across the Council. • Structures for sharing learning across the Council are not embedded. • The Council does not use external benchmarking constructively.

CPA Progress Assessment | Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2004 **19**

Theme	Grade	Strengths	Weaknesses
Future Plans	1	<ul style="list-style-type: none"> • Good capital strategy and asset management plans. 	<ul style="list-style-type: none"> • Not fully established an overall framework within which to develop its future plans. • Significant gaps in the Council's future plans regarding corporate issues. • Procurement strategy still under development. • Variable involvement of staff and stakeholders in the development of future plans. • Does not re-assess its future plans in a systematic manner.

Scoring key

- 1 – Weak
- 2 – Weaknesses outweigh strengths
- 3 – Strengths outweigh weaknesses
- 4 – Strong

Appendix 2 – Progress monitoring against the findings of the Comprehensive Performance Assessment

- 1 The original Comprehensive Performance Assessment was carried out under the Local Government Act 1999 and published in 2004.
- 2 Under Section 3 of the Local Government Act 1999 ('the Act'), best value authorities have a duty to make arrangements to secure continuous improvement in the exercise of their functions, having regard to the principles of economy, efficiency and effectiveness. By virtue of Sections 10 and 13 of the Act the Audit Commission may carry out inspection activity to ensure that a best value authority is complying with this duty, and may issue a report as to its findings. This progress monitoring activity and reporting to assess improvement falls within Sections 3, 10 and 13.
- 3 The main elements of this progress monitoring report were collation and analysis of evidence from:
 - self-assessments of progress made, completed by the Council;
 - appointed auditor evidence from performance and financial audit activity;
 - audited performance indicators, inspection reports and plan assessments;
 - reviews of key corporate documents including performance reports, committee papers and management reports; and
 - observations, interviews and focus groups with managers, staff, customers and partner organisations.
- 4 This progress monitoring report for Oxford City Council was collated by the Audit Commission and reflects evidence gathered over the period from February 2004 to April 2005.
- 5 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 reporting progress to any Monitoring Board and updating and improving any Improvement/Recovery Plan as appropriate.