

CPA Progress Assessment

10 June 2005



Progress Assessment Report

Tunbridge Wells Borough 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 July 2004 the Audit Commission published a Comprehensive Performance Assessment of Tunbridge Wells Borough 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 date 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 Tunbridge Wells Borough Council is making limited progress but is better placed than it was eight months ago. The Council has begun to tackle a demanding agenda in response to the 2004 CPA report. There is a developing determination amongst some councillors, the recently appointed interim chief executive, senior staff and a large body of middle managers to improve. However, intentions significantly outweigh achievements. Much activity represents work in progress; the Council still has some way to go and improvements secured are fragile.
- 4 The major theme of the inspection findings for the Council was the lack of strategic capacity and leadership. There had been limited effective interaction and partnership with the community and key stakeholders. The Council accepted the CPA report's challenging findings and has recently focused its efforts on making improvements in these areas.
- 5 Strategic capacity and leadership is improving, but progress has been slow and a number of weaknesses still remain. The mutually agreed departure of the former chief executive has given the Council the opportunity to introduce a new impetus to leadership. This process has taken much time and attention and the overall impact of the planned changes are therefore limited. Key partners are nevertheless beginning to recognise some signs of changes in culture and a more inclusive approach. The Council is showing a strong commitment to engaging the community through its revision of the community plan and its stakeholder conferences.
- 6 The picture of progress is not consistent. The required cultural change is not fully embedded. The leader has begun to articulate the Councils' future direction and priorities. However, the strategic approach of some members remains underdeveloped and therefore sustaining the drive and their commitment for improvement is not fully secured. Procurement practice and risk management remain weak. Performance management is not fully embedded. However, the interim chief executive is implementing radical changes to structures and processes, which although very recent should secure benefits in the long-term. The staff are very committed to the Council and to the delivery of good local services and positive outcomes.
- 7 The overall trend of improvements in services for 2002/03, identified in CPA, has continued for poorly performing services in 2003/04, albeit slowly, with 46 per cent of key performance indicators improving against 54 per cent not improving in many priority areas.
- 8 The Council is self-aware and shows clear intentions to move the Council forward. The revision of the community plan is a positive step, as is the increased participation of stakeholders in this process. The Council is also establishing a more effective relationship with its community providing greater clarity about its priorities and mutual roles and contributions.

- 9 Some progress is being made in planning but it remains slow, often not well focused and lacking in precision. The Council still does not have a clear long-term vision with specific and measurable objectives and targets, which hinders effective future planning. The Council has not adequately examined how its resources, particularly its reserves of £41 million could be better utilised and better targeted to priority areas. Economic development issues in particular have too low a priority and the analysis of needs for the area is underdeveloped.
- 10 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.

Context

The locality

- 11 The borough of Tunbridge Wells is on the western side of the county of Kent bordering East Sussex. The borough covers approximately 331 square kilometres, much of this is green belt and 74 per cent is designated an area of outstanding natural beauty. The population is 104,030 people living in 40,500 homes, almost half of which live in the town of Tunbridge Wells. The population has grown by 2.6 per cent in the last ten years to 2001 and this is predicted to continue with an increased rate of growth of 5.6 per cent up to 2011. Just under 19 per cent of the population are of pensionable age slightly above the regional and national averages.
- 12 Tunbridge Wells is an affluent borough and unemployment is very low at 1.1 per cent. Average weekly wages are just above the regional and national averages. Most people are employed in the service sector, the largest proportion in banking and finance. Deprivation is low and the borough is ranked 284 out of 354 English councils with 354 being the least deprived council area. However, pockets of deprivation do exist most notably in the Sherwood ward which is just outside the 25 per cent most deprived wards in England.
- 13 Key local pressures relate to the availability of affordable housing, road congestion in the town centre and on and around the A21, as well as sustaining the viability of Tunbridge Wells as a regional shopping centre and tourist attraction.

The Council

- 14 The Council adopted the leader and cabinet system of governance in 2002. This is supported by six committees; scrutiny, overview, licensing, standards and two for planning. There are 48 councillors, 35 of whom represent the Conservatives, 12 the Liberal Democrats and 1 is Labour. Eight councillors, all Conservative, sit on the cabinet.
- 15 The Council's management structure comprises the chief executive, two directors and 18 heads of services. The two directorates are operational services and finance. The line management for housing, planning and IT recently transferred to the interim chief executive.
- 16 The net budget for 2005/06 is £11.2 million and the capital programme is £9.7 million. The projected revenue reserves for 2005/06 are £41 million and its council tax for band D is £79, one of the lowest in Kent. Interest income of £2.1 million is being used to reduce net expenditure in 2005/06.

What is the Council trying to achieve?

- 17 The Council has made limited progress and its intentions are not yet matched by its performance. The CPA report highlighted the absence of community involvement and influence on the Council's direction and weaknesses in strategic leadership. There are some encouraging signs that the Council is addressing its deficiencies, but impact to date has been limited.
- 18 Progress on developing clear and consensual aims, mission, vision and priorities has been slow. The Council has however worked to address its weaknesses in prioritisation, producing new strategic priorities in January 2005. Further work is in progress to ensure that future priority-setting and planning has the full involvement and contribution from the local community and key stakeholders. However, these ambitions and priorities continue to be undermined by the absence of a longer-term vision and the lack of a clear articulation of relative need for the area. Without a longer-term vision, the Council does not have an agenda for longer-term improvement.
- 19 As a short-term transitional plan, the annual operating plan for 2005/06 sets out a range of activities to be undertaken by the Council, although it is less strong on outcomes and success criteria. The Council however still has not linked budget allocation to priority activities. There are examples where resources have been targeted to areas of underperformance, such as housing and external communications. However, the low priority given to economic development is an example of the Council not offering the necessary clarity. Equalities issues have a low profile, as does the theme of social inclusion.
- 20 Both officer and political strategic leadership have been weak in the past. However, the current leader has a more pronounced and inclusive role, but it remains unclear whether his improvement agenda has got the full political support. The departure of the former chief executive has both given the Council the opportunity to secure new momentum but has also served in the short-term to inhibit the necessary progress following the CPA report. The Council has recently adopted a more systematic approach when focusing on corporate and strategic matters. Meetings are now better structured around the Councils' improvement agenda.
- 21 The speed of the Council's decision-making processes continues to be slow. A lack of delegation of responsibility and decision-making to cabinet members and officers has exacerbated matters. However, plans to move to greater delegation, as part of the review of the constitutional framework, are appropriate. Scrutiny processes are not effective or well understood.
- 22 The Council's interaction with its communities is starting to improve. The Council is proactively encouraging community involvement and engagement in the development and setting of Council priorities. The Council is using the revision of the community plan, as the opportunity to ensure that future priorities are relevant and developed in line with community needs.

How has the Council set about delivering its priorities?

- 23 The Council has made limited improvements in strengthening strategic capacity, building additional capacity in the organisation and in ensuring performance is properly managed.
- 24 The capacity at the strategic level has been weak, but some recent progress has been made. With the retirement of the former chief executive, the Council has begun to build up and improve upon its strategic management capacity. The Council has commissioned consultants to complement its capacity and recent appointments have been focused on strengthening corporate capacity, to target underperforming areas and areas where service gaps have been identified.
- 25 There are early signs of stronger leadership at the corporate management and political level, which is providing officers and stakeholders with the appropriate focus. There is a proactive leader, who has started to articulate the Council vision and priorities and an energetic and forward looking interim chief executive. Middle managers are enthusiastic and committed; and have a genuine desire to see the Council do well. Good industrial relations exist within the Council.
- 26 Slow progress has been made in managing political business. The Council has only recently begun the rewriting of the constitutional framework and embarked on reviewing the political structures – the functions, roles and responsibilities of the portfolio holders and overview and scrutiny. The current structures and processes have continued to slow down the decision-making process and test the clarity of accountability in the political arrangements, particularly the delegation of powers and clarification of roles and responsibilities. Although working relationships between senior officers and elected members are more cordial, insufficient progress has been made in ensuring that they are better focused on business needs rather than minor issues.
- 27 There are good examples of partnership working with the statutory bodies. Particular successes were highlighted in the CPA report. However, the management of partnership involvement at a corporate level has not been consistent, but the culture of partnership working is starting to change: key relationships are improving; and there are signs that the Council is becoming more inclusive.
- 28 The Council has the financial capacity to deliver its key priorities. The Council has high levels of reserves and the capital programme matches available resources. Budget management and control is adequate. Budget setting processes are satisfactory, but they are based on historic resource levels and on current service and budget pressures. The Council has still to secure a clear relationship between the Council's priorities and objectives and its deployment of resources.

- 29 The Council's performance management arrangements are more systematic and becoming more effective, but the rigorous application of performance management is inconsistent. The Council has focused on strengthening its performance management processes and arrangements since CPA. The Council is tackling the majority of weaknesses identified and there are early signs of a performance management culture. The Council has drafted a performance management framework and has procured a performance management system. Service planning is developing well and through the annual operating plan, the Council has begun to set clearer targets. However, the connections between service planning, financial management and corporate planning are recognised by the Council as still not fully integrated. The Council is stronger at managing the collection and reporting of performance information, and the Council has recently begun to use performance information to manage and improve services. Examples include housing performance which was underperforming from 2002/03 and after further investment and better strategic planning has shown signs of improvement. However, the reporting on and challenging of performance at member level remains limited.

What has the Council achieved/not achieved to date?

- 30 The Council has made steady progress in a number of services, with several being in the best quartile and public satisfaction increasing. However, the Council has not improved strongly and consistently across all its service areas.
- 31 For performance in 2003/04, 47 per cent (23 PIs) of best value performance indicators (BVPIs) were below average with 16 per cent (eight PIs) in the worst quartile. Poor performing services include planning, NNDR collection and the recovery of benefit overpayments. Also, the Council is underperforming on a number of equalities PIs. However, there has been some progress in improving outcomes with the number of BVPIs above the average increasing from 34 per cent to 53 per cent between 2002/03 and 2004/05. Also, the Council is improving some services, with the 2003/04 BVPIs showing that 46 per cent of comparable indicators improved from 2002/03. Improvements were achieved in the quality of private housing, recycling and access to services.
- 32 Customer satisfaction rates in 2003 are in the best quartile with 65 per cent of residents satisfied with the overall service provided. Satisfaction with other services, such as the quality of the street cleaning services, culture and recreational services is also high. Further work however, is required before the public is able to clearly recognise deliberate improvement in prioritised aspects of the Council's work.
- 33 The Council has recently begun to invest in its corporate centre and is addressing identified weaknesses from the previous corporate assessment. However, progress has been very mixed, with some areas of weakness not being adequately addressed. Areas of investment include the introduction of a performance management and business planning framework and strengthening internal and external communications to help the Council to focus on its priorities and measure and communicate its achievements against them. Human resource management remains effective - various policies have been rewritten and implemented, the staff appraisal system has been re-launched and a members' competency framework is being developed. Councillor training – although better – is not as yet structured around identified training needs, Council priorities or corporate weaknesses.
- 34 However, in other key areas, for example procurement, strategic risk management, financial planning, service level agreements, decision-making structures and scrutiny, weaknesses predominate and the Council has few building blocks in place at the moment to support future improvements. Recognition has been given to this shortcoming and work has started on rectifying it, for example, the management of ICT, housing and planning has recently transferred to the interim chief executive and additional funding of £750,000 has been directed to improve these services.

- 35** The Council has a satisfactory record of corporate financial discipline. However, progress on developing the medium term financial strategy has been limited and there is a clear lack of urgency in moving this forward. The Council continues to use an incremental approach to financial planning and therefore its ability to adapt to changing needs has been restricted.

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

- 36 The Council is making some progress in the development of plans to secure and sustain service improvements. In its revision of the community plan and the corporate plan, the Council is developing a clear overall framework within which to develop its future plans. However, some weaknesses remain in terms of the lack of a shared longer-term vision, plan and priorities and an over reliance on external promptings.
- 37 The Council through its public statements and in the initial work it has done through the recovery plan has demonstrated a willingness to learn and improve. To date, it has predominantly learnt through external prompting and direction rather than as a result of self-analysis and review and independent learning, however this is beginning to change. The Council acknowledges that the task of changing its culture will be a demanding one.
- 38 Individual services and functions can claim notable successes as described earlier in the report. Some achievements and increased awareness are supported by reference to observed activity elsewhere – for instance performance management systems in other Kent authorities. Within the Council, there are some emerging examples of revised behaviour which demonstrate a more mature and considered practice. This includes having shared learning as an agenda item at corporate management team.
- 39 The Council has recently started to move in the right direction in addressing its difficulties. Progress is again very recent and not embedded. The effectiveness and focus of planning cannot yet be judged. The revision of the community and corporate plan and supporting processes are critical to the future focus and success of the Council. The corporate plan was not strong. The work undertaken on improving capacity at the senior officer level is underway.
- 40 There are a number of statutory plans in place that will drive improvement. The local plan has been adopted; there is a clear recycling plan, community safety plan, waste management plan, revised housing strategy and HR strategy. All these strategies are being reviewed, revised and further improved, as part of the Council's overview work programme.
- 41 However, some of the Council's plans are still incomplete or underdeveloped. The Council still has key issues around the development and sustainability of the local economy, in particular traffic congestion and sustaining the viability of Tunbridge Wells as a regional shopping centre, but these do not feature as prominently as they should in future plans. The Council does not yet have clear structures to link long-term plans with longer term resource planning. Medium-term financial planning is in the early stages of development and the targeting of resources to priorities is limited.

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"> Community plan sets clear aims and outcomes. Corporate aims are well known within the Council but not 'owned'. 	<ul style="list-style-type: none"> Inadequate community leadership. Weak relationships with key stakeholders with little support for community and corporate. Incomplete understanding of the community's needs. Corporate aims lack clear outcomes or targets. Resources to deliver aims have not been assessed.
Focus	1	<ul style="list-style-type: none"> Retained focus on some services and projects. 	<ul style="list-style-type: none"> Weak track record of sustaining a focus on aims and what matters to local people. Reliance on informal mechanisms and external pressure to ensure focus. Lack of formal mechanisms to ensure councillors and senior manager keep on track and take difficult decisions.

16 CPA Progress Assessment | In the light of what the Council has learned to date, what does it plan to do next?

<p>Prioritisation</p>	<p>1</p>	<ul style="list-style-type: none"> • Sound consultation mechanisms with residents. • Communication through popular Borough News. 	<ul style="list-style-type: none"> • Priorities not clear with no indication of outcomes or targets to be achieved. • Priorities not effective for service and budget planning. • Little awareness of priorities. • Weak basis for priorities. • Few examples of where resources directed towards priorities.
<p>Capacity</p>	<p>3</p>	<ul style="list-style-type: none"> • Financial capacity. • Quality of staff and managers. • Human resources management. • ICT improvements. • E-enabled services. • Key partnerships with other statutory bodies. 	<ul style="list-style-type: none"> • Decision-making meetings not effective. • Focus on operational issues. • Lack of delegation to portfolio holders and lack of financial delegation to officers. • Cabinet and officer tensions. • Poor range and take-up of councillor training. • Few partnership outside of statutory agencies. • Limited review of procurement and alternative methods of service delivery.

Performance management	2	<ul style="list-style-type: none"> • Sound financial management. • Service based range of performance information used to manage performance. • Risk management developing. 	<ul style="list-style-type: none"> • Performance culture and practice not effective in all services and corporately. • Lack of corporate performance management framework. • Limited capacity of the corporate performance indicator database. • Inconsistent use of the appraisal system. • Lack of system to continually monitor value for money. • Few service level agreements.
Achievement in quality of service	3	<ul style="list-style-type: none"> • Best quartile for some services: recycling, e-government, access for disabled people and use of brownfield land. • High levels of public satisfaction with services. • Positive impact on physical and natural environment. • Farmer's markets and tourism promotion. • High quality leisure facilities. • Low crime rates. 	<ul style="list-style-type: none"> • Sixty-six per cent of performance indicators in third or worst quartile. • Few affordable homes provided. • Limited achievements for health and transport.

18 CPA Progress Assessment | In the light of what the Council has learned to date, what does it plan to do next?

Achievement of improvement	2	<ul style="list-style-type: none"> • 60 per cent of performance indicators improved including access to buildings, electronic transactions and planning. • Public satisfactions with some services improved. • Recycling increased and amount of waste collected has reduced. • Crime has reduced by 7 per cent. 	<ul style="list-style-type: none"> • Some worst quartile services have not improved: housing, recovery of benefit overpayments and land searches. • Limited action to achieve improvements to rural and urban economy. • No improvements in housing performance – affordable homes and HMOs. • Few actions and no significant improvement to health, transport and voter turnout.
Investment	2	<ul style="list-style-type: none"> • Investment in some building blocks: HR and ICT. • Increased action on community engagement and communication. • Investment in community projects. • Additional resources secured. • Positive response to external and internal challenge. 	<ul style="list-style-type: none"> • Insufficient investment in: <ul style="list-style-type: none"> - procurement; - corporate performance management; - service performance management; - councillor development; - decision-making structures; - economic development; and - corporate risk management. • MTFP insufficiently developed.

Learning	2	<ul style="list-style-type: none"> • Examples of learning from experience – brown bins and customer service standards. • Open and proactive to learning from others. 	<ul style="list-style-type: none"> • Not self aware of critical weaknesses. • Not effective at sharing learning across the Council. • Ineffective use of mechanisms for sharing learning.
Future Plans	2	<ul style="list-style-type: none"> • Strong new local plan. • Some robust plans and strategies. • Asset management plan assessed as good by GOSE. • Housing strategy indicated as 'fit for purpose'. • Examples of good consultation. • Capacity assessed to deliver established plans. 	<ul style="list-style-type: none"> • Poor corporate plan. • Weak high level improvement plan. • Poor BVPP. • Many plans incomplete or under development. • Lack of plans in priority areas. • No mechanism to deliver the community plan. • Limited engagement in the development of plans and strategies.

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;
 - 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, and staff.
- 4 This progress monitoring report for Tunbridge Wells District Council was collated by the Audit Commission and reflects evidence gathered over the period from July 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.