

CPA Progress Assessment

10 June 2005



Progress assessment report

Castle Morpeth 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 April 2004 the Audit Commission published a Comprehensive Performance Assessment of Castle Morpeth 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 as at the end of 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

- 3 The council is now progressing satisfactorily, though progress is variable and the council was initially slow to respond effectively to the CPA findings.
- 4 Very recent positive progress has been made in some important services to the public, including benefits services, housing repairs and environmental services. The establishment of a one-stop-shop and First Call Centre has improved the quality of customer access and customer services significantly.
- 5 Political leadership within the council has improved markedly on a cross-party basis, and agreement has been reached to establish an all-party administration and a new constitution in May. Elected members have agreed on overall priorities, an outline corporate strategy and some specific commitments for 2005/06. A detailed medium-term corporate strategy which can provide a coherent basis for service planning and resource allocation is not yet in place.
- 6 There has been little progress in developing a realistic action plan to underpin the community strategy. The local strategic partnership has not worked effectively and it has not commanded commitment from key stakeholders. However it has recently been restructured in order to address these issues.
- 7 The council was slow to develop an improvement plan that addressed its key weaknesses effectively, but this is now in place, underpinned by a project plan. The service improvement element of the plan was not sufficiently thought through and in consequence action teams to address this issue are only now being put into place. Only about half of the improvement plan milestones for 2004/05 have been achieved to date.
- 8 Improving the council's capacity through training and development has received considerable attention but progress with implementation of these plans is variable. Performance appraisal and absence management have been improved. However, implementation of individual performance reviews is behind schedule in some parts of the council. As yet, sickness absence has decreased only slightly from very high levels.
- 9 Procurement arrangements have been improved and savings achieved as a result.

Recommendations

- 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 improvement plan.

Context

The locality

- 11 Castle Morpeth is located just to the north of the Tyneside conurbation. It has a population of 49,300 and covers an area of 240 square miles. There are two major centres of population, the market town of Morpeth and the town of Ponteland which, together with the affluent neighbouring community of Darras Hall, functions as a dormitory suburb immediately north west of Newcastle. There is a much less affluent former coalfield area to the east, which is similar in socio-economic make up to the less advantaged areas of the Tyneside conurbation. Most of the remainder of the borough is a sparsely populated rural area.
- 12 Unemployment stands at 1.7 per cent compared with the national average of 2.2 per cent and a regional average of 2.8 per cent. The index of local deprivation ranks Castle Morpeth 211th out of 354 districts with two wards in the 20 per cent most disadvantaged nationally and none in the most disadvantaged 10 per cent. In recent months, the closure of the last colliery in the North East, located within the Borough, and other job losses have further reduced sources of traditional male employment for residents.

The council

- 13 The Council comprises 33 councillors: 10 Labour, 9 Conservative, 6 Liberal Democrat, 7 Independent and 1 Green. A political administration comprising the Labour and Liberal Democrat Groups plus the Green Party member has continued in effective control of the council by a majority of one. However, an informal all-party group comprising the Group Leaders and Deputy Leaders of all four parties plus the Green Party member has been meeting weekly for several months to develop an agreed overall strategy for the council and new constitutional arrangements, with an all-party Executive Board, to be implemented in May.
- 14 The Council's revenue budget for 2005/06 is £7.042 million and its capital budget is £6.078 million. Council Tax increased by 3 per cent to £169.72 for a D band property. The Council has 259.5 full-time equivalent employees.

What is the council trying to achieve?

- 15 Some progress has been made by the council towards establishing clearly what it wishes to achieve. Key weaknesses in the CPA report which have been addressed include political instability and lack of clear priorities for the council. Partnership working and community leadership are still weaknesses, though efforts are being made to address these issues.
- 16 The council has made significant progress in determining new political governance arrangements and establishing agreed priorities. Following on from a series of externally facilitated workshops in autumn 2004, the Leaders/Deputy Leaders Group have agreed political management arrangements which command all-party support and have developed a consensus around overall priorities for the council. Agreement has been reached on a new constitution to be implemented from the beginning of the new municipal year. The key feature of this is the establishment of an Executive Board, comprising six members, four of whom will be portfolio holders, reflecting the four key priority areas which have been agreed: environment, economy, community and improving the council.
- 17 Substantial progress has been made in developing a corporate plan. A great deal of work has been undertaken, particularly by the Leaders/Deputy Leaders Group, to identify overall as well as specific priorities for the council. A skeletal corporate plan, incorporating specific 'promises' for 2005/06 and some longer-term commitments, has been agreed by the council. £100,000 had already been allocated in the current year's budget to be available to support the priorities that were yet to be determined when the budget was set. In its present form the corporate plan does not provide a detailed basis for medium term service planning and resource allocation.
- 18 The current community strategy is not underpinned by clear priorities or a realistic action plan. The local strategic partnership (LSP) did not command effective commitment from key stakeholders and was not working effectively. The level of officer support provided to date to the LSP has not been adequate. A considerable amount of effort has been invested by the council and its partners to resolve difficulties within the LSP. Consultants were commissioned to advise on restructuring of the LSP and their recommendations have led to recent agreement on a restructured LSP. Key stakeholders have signed up to it and its membership appointed. The new LSP has as its priority task a review of the community strategy.
- 19 The council was slow to develop an improvement plan that addressed its key weaknesses effectively, but in November 2004 the council adopted an improvement plan focussing on four key areas: leadership, working with partners, service improvement and organisational development. This is now underpinned by a project plan. The service improvement element of the plan was not sufficiently thought through and in consequence progress with this element of the plan has been slow.

10 Progress assessment report | What is the council trying to achieve?

- 20 The council has, nevertheless, improved its focus on improvement. It operates a comprehensive performance management system, with directors holding monthly performance clinics with their unit managers which examine performance and progress in detail. It has demonstrated its ability to focus on delivery of major projects by the smooth simultaneous transfer of operations from poor accommodation at Kylins to modern offices at Longhirst and opening a new one-stop-shop and call centre in Morpeth town centre, also involving the implementation of major new ICT systems. All this has been achieved at no additional cost and yielding a £7.2 million capital receipt.

How has the council set about delivering its priorities?

- 21 Some progress has been made in the way that the council sets about delivering its priorities but this has been mixed. Key weaknesses in the CPA report have started to be addressed but still have some way to go; these include development of middle management capacity, performance appraisal arrangements and high levels of sickness. A more strategic approach to procurement has been adopted.
- 22 The delivery of the improvement plan has been patchy. Overall, only about half of the improvement plan targets set by the council for completion by the end of March 2005 have been achieved to date. While there is frequent reporting to the corporate management team (CMT) and to the informal Leaders/Deputy Leaders Group, formal monitoring by the council is not in place. A 'Fast Forward' team of two senior officers has provided a vital focus and catalyst for the work involved. However, it took some time for them to be fully released from their normal commitments and the original intention to have a third member to focus on the partnership aspects of the plan has not been fulfilled. Progress with this has been slow and service improvement action teams are only just being established.
- 23 Extensive training and development programmes, involving the Leader, Deputy Leader and members more generally, unit and other managers, as well as staff more widely on key topics such as project management and customer services, have been implemented or are planned. These programmes are starting to make an impact.
- 24 A sound system of individual performance reviews is in place but these are behind schedule in some parts of the council. In consequence assessment for Investors' in People, originally planned for February has been put back to the autumn.
- 25 A new procurement team has started to make a significant impact. Purchasing has been centralised, resulting in savings on prices paid, and combined with moving as far as possible to electronic ordering and payment, transaction costs have reduced. An e-procurement review by consultants in January, undertaken as part of a national exercise funded by ODPM, concluded that Castle Morpeth had made 'impressive achievements over the past year'. The council adopted a revised and much more strategic procurement strategy in March. It is well placed to make further progress.
- 26 Scrutiny is also starting to have a more significant impact. Particularly through 'Task & Finish' Groups, a more constructive contribution is being made to development of policy and services. Examples include access to services and issues in Morpeth Town centre, where the council played a key role in bringing conflicting interests together. This success has encouraged the council to give scrutiny a major role in policy development under the new constitution.

12 Progress assessment report | How has the council set about delivering its priorities?

- 27 Good progress has been made in developing and embedding performance management. New performance management software has been introduced, making the provision of performance information simpler and more flexible. Progress on key plans and recommendations has been incorporated and a risk management module, being piloted in three units, is about to be implemented. Monthly monitoring meetings take place with directors and PI reports for selected services are presented to scrutiny at each meeting.
- 28 Improvements to the way in which absence is managed have been introduced though as yet the impact on very high levels of sickness absence has been small. Actions including much quicker referral to occupational health, return to work interviews and training for managers should have more impact on future levels of sickness absence.
- 29 The council's communications capacity has been significantly enhanced by the appointment of a specialist officer. This has enabled the establishment of new channels of communication, both internally and with the public, which are widely appreciated. A more open approach adopted by the council more generally has been reflected by improved confidence that partners have in the council.
- 30 The move to much better accommodation at Longhirst has improved the council's image and staff morale, though there are staff concerns about a range of issues such as lack of lunch facilities and poor public transport access for staff.
- 31 In the Annual Audit and Inspection Letter the external auditor concluded that 'the Council's balances represent a significant improvement in the Council's overall financial position, and build on the financial progress made in 2002/03.'

What has the council achieved/not achieved to date?

- 32 Significant achievements have been made by the council, particularly in some important services to the public, albeit from a low base. The key weakness identified in the CPA report of poorly performing services with no clear plans for improvement has been addressed for most services.
- 33 Service performance in 2002/03 was generally at a low level, with half of the council's performance indicators (PIs) in the bottom 25 per cent of councils. Improvement was recorded in over 60 per cent of PIs in 2003/04, excluding satisfaction PIs where there was less progress (and where the comparison was with 2000/01 data). However, the proportion of PIs among the worst 25 per cent remained at around half. According to data for 2004/05, as yet unaudited, there has been improvement across a wide range of PIs.
- 34 In particular, there has been a remarkable turnaround in the performance of the benefits service from one of the worst to one of the best in the country. Time taken to process new claims has improved from 100 days in 2003/04 to a current figure reported by the council to be 16.7, while time taken to process changes in circumstances has reduced from 27 to just 1.6. This has involved a major review of management, staffing and processes.
- 35 The new one-stop-shop and call centre, supported by a customer relationship management (CRM) system, are providing a high quality of customer service. The 'front end' of an increasing number of services has transferred to them. Where they cannot deal in full with an enquiry, appointments for a number of services are made directly by the staff. Video links with a number of local community centres are due to be trialled shortly. Other innovative approaches to service delivery being piloted include covert cameras at tipping 'hotspots', as a result of which a number of prosecutions are pending, and use of mobile phone/cameras by operatives in the field linked to CRM and other systems.
- 36 The housing repairs service has improved considerably over the last year, according to unaudited figures. Urgent repairs dealt with within the time target have increased from 56 per cent to 95 per cent and the proportion of repairs where an appointment is made and kept is also 95 per cent, as is satisfaction with the repairs service. No progress has, however, been made in dealing with problem private sector properties.
- 37 Waste management services have improved, as reflected in a 'good' rating in a Commission inspection report published in January. The level of recycling/composting has increased from 15 per cent to 28 per cent.
- 38 Revenues collection has improved across the board. Rates of council tax, rent and non-domestic rate collection have all improved, with council tax collection improving still further after recording the 15th biggest increase in the country in 2003/04. These PIs were all among the bottom 25 per cent of councils in 2003/04.

14 Progress assessment report | What has the council achieved/not achieved to date?

- 39** Speed of determining planning applications, by contrast, has declined in all three categories of application.
- 40** The council has been successful in securing £2.7 million under the ODPM's Liveability Fund. This is a significant achievement for a small council to be one of three in the north east and 27 in England to be selected. Castle Morpeth's innovative approach involves a partnership with the county council, a neighbouring district council, two private landowners, local schools, the police and the local communities to improve the area, uncover its hidden potential and develop more integrated and new forms of service delivery. The Castles, Woods and Water Project, developed on the basis of extensive consultation, includes environmental improvement, signage and interpretation, enterprise development, renewable energy generation, access for disabled people, leisure provision, community safety and education. Part of the consultation involved the provision of professional support to a group of local pupils to make a DVD outlining what they saw as the potential of the area concerned.

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

- 41 The council has demonstrated good progress in building on what it has learnt and in putting in place plans for the future but it has a considerable way to go before it will have a fully effective and coherent planning system.
- 42 The council has made good use of what it has learned from other councils. Visits made to Tynedale and South Ribble provided valuable examples of other councils in similar circumstances. This helped members to clarify their thinking about political management arrangements. There is, however, no systematic process for sharing learning from its own experience across the council.
- 43 There is the basis for comprehensive corporate planning to be put in place for 2006/07, which is what the council intends:
 - members have completed an initial assessment of their priorities;
 - a second SIMALTO consultation has been undertaken. This is a sophisticated form of survey which will provide consultees' views of a range of costed options for specific services;
 - staff workshops on values, to feed in alongside a planned workshop for members, and on the council's strengths and weaknesses have been held;
 - an independent staff survey has been undertaken, the results of which are now due;
 - development of a community engagement strategy is in hand; and
 - the LSP is due to embark on a review of the community strategy shortly and the council have earmarked £100,000 of capital to support key proposals which emerge from this.
- 44 The council has in place interim measures to guide its planning for 2005/06 with some indication of commitments beyond the current year. However, a fully worked out medium-term corporate strategy, with an effectively integrated medium-term financial plan does not exist at the present time. This means that there is not currently a coherent planning process feeding down into service plans and ultimately through to the individual performance review process.
- 45 The new LSP is untested. Tensions arising from needs of very different geographical areas are still strong. While their impact has been reduced within the council by the political maturity that has been demonstrated in recent months, they still exist; and among a number of partners represented on the LSP they are particularly live. This could undermine the adoption of a strategic approach to the needs of the Borough and its localities.

16 Progress assessment report | In the light of what the council has learned to date, what does it plan to do next?

- 46** The housing stock options appraisal has been completed, with good tenant consultation, and the council has agreed to the transfer of the stock to a housing association, subject to the outcome of a tenants' referendum. If approved, this will generate significant investment.
- 47** Ambitious plans, building on Castles, Woods and Water, are in preparation. These could generate investment of £13 million, including £3 million from the council.
- 48** Service plans and wider plans such as the community safety and disorder reduction strategy have clearly set out actions, outcomes and timescales. There is a detailed action plan for developing the local development framework which will supersede the local plan. Improved quality of planning by the council is demonstrated by the Commission's waste management inspection rating of improvement prospects being 'promising' and a 'good' rating from the Government Office for the council's Asset Management Plan. The council is undertaking an examination of the land and property assets it holds, with a view to disposal of those which are not related to service delivery or realisation of its priorities.

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

Theme	Grade	Strengths	Weaknesses
Ambition	1	<ul style="list-style-type: none"> • Short term ambition for financial recovery clearly set out in recovery plan. • Corporate Strategy drafted – with outward focus. 	<ul style="list-style-type: none"> • No medium or longer term vision for the district and limited local leadership. • Corporate plans take no clear direction from Community Strategy. • The council is not adequately addressing different geographical and community profiles and priorities. • Corporate strategy and other key corporate plans do not have outcome focus – they list council and service-based actions.

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

Theme	Grade	Strengths	Weaknesses
Focus	3	<ul style="list-style-type: none"> • A clear focus on financial recovery successfully maintained during last 12 months; council now has a stronger basis for service improvement. • Maintenance of service delivery during severe financial crisis. • Many services have operational targets. • Executive committees and Scrutiny process are beginning to work together more effectively to help the whole council to focus on what is important for local people. • Work programmes and meeting agendas are clear. • Committee meetings are well structured and managed; decision making is good. 	<ul style="list-style-type: none"> • No strategic service planning and operational service planning is patchy. • Targets in the medium term financial strategy are not sufficient to drive service improvement in line with identified and owned priorities. Overall target setting at the corporate level is under-developed.

Theme	Grade	Strengths	Weaknesses
Prioritisation	2	<ul style="list-style-type: none"> • Simalto consultations and borough debates have been used to inform service/operational planning and priorities for improvements. • There is evidence of shifting resources linked to the corporate strategy eg bin wagons (Green and Clean) and consultation priorities eg street cleaning and grounds maintenance. 	<ul style="list-style-type: none"> • Simalto consultations, borough debates have not been used effectively to inform development of vision and strategy. • Engagement with local communities beyond formal consultation is weak, and some sections of the community not adequately consulted. • Medium term financial strategy identifies most council functions as 'top' or 'high' priority. • Informed consultation is not a routine part of how the council works, so partners are not clear about the council's plans. • Reactive and passive approach to regional and national priorities.
Capacity	2	<ul style="list-style-type: none"> • New senior management team gives effective leadership to the organization. • Recovery and budget process, financial management is radically improved and financial reserves and balances significantly improved. • Completed management review and restructuring, with key posts filled. • Improved training for members and managers, positively received. 	<ul style="list-style-type: none"> • Roles and responsibilities of councillors are not clearly enough defined. • Strategic management capacity is limited and concentrated within a few key political and senior management roles. • Some members fail to think strategically; they are too operationally focused. • Insufficiently developed capacity on project management and strategic procurement. • Under-investment in middle management capacity limits strategic planning, delegation and service change.

20 Progress assessment report | Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in April 2004

Theme	Grade	Strengths	Weaknesses
		<ul style="list-style-type: none"> • Some positive developments and trends for council staff: morale is improving, improved trust, internal communications and more empowerment. • Some very good examples of professional (officer) partnerships with neighbouring districts. • Arrangements in place to ensure compliance with the requirements of the New Ethical Framework; beginning to consider good practice guidance issued by the Standards Board. 	<ul style="list-style-type: none"> • Partnership working is underdeveloped, not embedded and some relationships are strained. • Insufficiently engaged with County Council on development of key strategies and plans. • Not currently active in exploring alternative ways of providing services. • Very high sickness levels remain a significant drain on the council's capacity for improvement.

Theme	Grade	Strengths	Weaknesses
Performance management	2	<ul style="list-style-type: none"> • Significant improvements, implementing Section 11(3) recommendation (from 2001). • Individual Performance Reviews for front line staff are starting to be implemented. • Within the current limitations of the performance management system, culture is developing, and officers and members are getting some of the information they need to monitor performance and make decisions. • Good initial work on strategic risk assessment. 	<ul style="list-style-type: none"> • Although improved and better at operational front line, performance management is not sufficiently comprehensive or linked to strategic objectives. • Diverse nature of local communities is acknowledged but not reflected in council policy and activity. • Inadequate mechanisms for monitoring and managing performance against strategic objectives. • Service standards are very limited. • There are no Individual Performance Reviews for most managers. • Individual Performance Reviews for staff are not carried out consistently. • Risk assessment processes not yet rolled out to service/operational plans and risk management culture not fully embedded across the council. • External communication is underdeveloped, especially at corporate level.

22 Progress assessment report | Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in April 2004

Theme	Grade	Strengths	Weaknesses
Achievement in quality of service	2	<ul style="list-style-type: none"> • BVPIs 2002/03 – top 25 per cent performance against 18 per cent key PIs. • Some good examples of activity around the council’s key themes. • Financial recovery and five section 11(3) recommendations satisfactorily implemented in the last year. 	<ul style="list-style-type: none"> • Limited outcome evidence for activities: the council does not identify achievements in terms of outcomes for residents, and so cannot demonstrate whether its activities link to aims and objectives. • BVPIs 2002/03 – worst 25 per cent performance against 45 per cent key PIs, including public satisfaction (2002/01 PIs). • Re-inspections of housing maintenance and ICT services, only ‘fair’. Benefits inspection rated service as ‘poor’. • Assessments of council’s performance on public space and decent homes show significant need for improvement. • Examples of weak performance against the council’s key themes.

Theme	Grade	Strengths	Weaknesses
Achievement of improvement	2	<ul style="list-style-type: none"> • 2001/02 to 2002/03, a 100 per cent increase in the number of BVPIs improving and a 30 per cent reduction in the number not improving, which is movement in the right direction. • Worst 25 per cent BVPIs that have improved include housing re-let times, early retirements and proportion of ethnic minorities staff. • Some good examples of improvement around the council's key themes. 	<ul style="list-style-type: none"> • The council does not identify improvement in terms of outcomes for residents, and so cannot demonstrate whether its activities are contributing to improved quality of life. • Worst 25 per cent BVPIs that have not improved include local tax collection rates, benefit renewal claims, household waste and sickness absence. • Majority of BVPIs not improving, some of which relate to important local services.

24 Progress assessment report | Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in April 2004

Theme	Grade	Strengths	Weaknesses
Investment	3	<p>Numerous building blocks are being/have been put in place, including:</p> <ul style="list-style-type: none"> • leading member roles and responsibilities agreed; • new member/officer protocols, with training on officer member relations; • HR Strategy Framework and training plans in place; • Project Management Framework approved, including IT improvements; • new performance management system to be implemented January 2004, with improved service plans and IT; and • IT improvements, including website; financial management; communications strategy. 	<ul style="list-style-type: none"> • No overall change management plan for the council to build ownership and keep change process on track and within capacity. • Rationale for obtaining and using external funding is not clear: council could do more. • Effective support to partnership development and capacity building slow to develop.

Theme	Grade	Strengths	Weaknesses
Learning	2	<ul style="list-style-type: none"> • The council is aware of its achievements in the last year and the issues which need to be addressed in the future. Some of this learning is embedded in improved systems eg financial control. • Partnerships have enabled some useful learning, eg HR, audit and ICT partnerships with Alnwick and Wansbeck. • Positive use of Open Space events. 	<ul style="list-style-type: none"> • Recent learning has been inwardly focused, with little immediate benefit for service users. • The council does not have systematic approach to learning, and is particularly weak on review and evaluation. • Staff are encouraged to innovate, but this has yet to produce any tangible benefits.

26 Progress assessment report | Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in April 2004

Theme	Grade	Strengths	Weaknesses
Future Plans	1	<ul style="list-style-type: none"> • Plans have been/are being developed, including ambitious corporate governance plans intended to consolidate the council's recovery. • Council is 'opening up' – increasing consultation and engagement with local communities and stakeholders, with some positive feedback. • The council is 'planning to plan'; developing a better service planning framework and beginning to plan a route forward for further change. 	<ul style="list-style-type: none"> • Strategies and plans for the future are not yet coherent or robust; some significant gaps and weaknesses in the council's planning framework. • Priorities and non-priorities for improvement are not clearly defined, so 'alignment of resources to priorities' is not clear. • Inadequate service and resource planning means that capacity for future improvement is not assessed effectively. • No consistent approach to resourcing for the future. • The council is not yet planning effectively with partners and key stakeholders. • The council is not yet taking a whole-council approach to planning – a risk to the council's recovery. • Lack of a clear strategy leaves the council being reactive to short term political, community and organisational pressures.

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 April 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 Castle Morpeth Borough Council was collated by the Audit Commission and reflects evidence gathered over the period from April 2004 to March 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.