

Progress Assessment Report

March 2006



Progress Assessment

North Devon District 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'.

Councils have prepared improvement plans following CPA and those councils classified as 'under performing' have received annual progress assessments by the Audit Commission. Those cases giving most cause for concern have also been the subject of formal engagement by the Office of the Deputy Prime Minister (ODPM). Through its network of relationship managers, the Commission worked closely with lead officials assigned by the ODPM in developing an appropriate monitoring programme.

Audit Commission progress assessment work has sought to measure the impact and sustainability of improvement activity. The progress assessment work has been tailored to local circumstances to provide appropriate public assurance and to contribute to improvement reporting. It involved an evidence-based judgement on progress against the original corporate assessment criteria, but without producing 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.

Introduction

- 1 In October 2003, the Audit Commission published a CPA category for North Devon District Council. This assessment categorised the Council as 'weak'. The key strengths and weaknesses from the original corporate assessment are set out in Appendix 2.
- 2 In January 2005 the Audit Commission published a report, commenting on the progress since the original CPA report. It stated that the Council has made good progress.
- 3 This report presents an analysis of the Council's progress since the last report and is based on the Council's implementation of its improvement plan and comparison with the baseline position of the Comprehensive Performance Assessment.

Summary

- 4 North Devon District Council is making strong progress in addressing the weaknesses identified in the 2003 CPA report.
- 5 The Council continues to be clear about areas of local priority and demonstrates strong leadership both to its staff and to residents and partners. Resources are directed to priority areas and the Council is increasingly developing mechanisms by which its focus on those priorities is strengthened. Whilst short to medium term aims are clear, it is less clear what the Council wishes to achieve in the longer term, although other developments are planned to inform further refinement of those ambitions. The Council has not started to develop an effective strategic approach to equalities and diversity.
- 6 The Council has improved performance in the majority of priority areas. It has high levels of satisfaction from customers both in overall terms and for specific services including waste collection, recycling and cultural services. It has increased provision of a kerbside recycling service and electronic access to services is comparable to the performance of the top 25 per cent of councils in the country. Planning is another service area where performance is improving.
- 7 Corporate capacity has been increased within the Council, but there is a perception amongst some staff that this has been at the expense of capacity amongst operational staff. New posts have been created and the Council has used consultants to deliver specialist roles to supplement existing skills. Partnership working is a strength, and this is delivering tangible improvements, for example in regeneration and addressing crime and the fear of crime.
- 8 Performance management remains an area of weakness - whilst elements of the framework have been strengthened, a performance management culture is not well established throughout the organisation.
- 9 The Council continues to learn from others and to recognise the importance of external challenge. Future plans offer clearer potential for delivery against many of the community's priorities and the Council plans to revise its corporate plan to reflect the revised community strategy.

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 recovery plan.

Context

The locality

- 11 North Devon is a predominantly rural district, with a population of 89,900. Around 70 per cent of the population live in the coastal towns and villages found within the district, particularly Barnstaple and Ilfracombe. The district covers 1,086 square kilometres.

The Council

- 12 The Liberal Democrats have a majority of councillors, by one seat, and have appointed a leader who is supported by an Executive made up of representatives from all parties.
- 13 Since the last assessment, there has been a restructuring exercise which has strengthened the capacity of the management team.

What is the Council trying to achieve?

- 14 Strategic leadership is continuing to improve and the council has set clear priorities and improved the mechanisms used to remain focused. However, clear, longer term ambitions are not in place.
- 15 The Council continues to set clear priorities for the short to medium term. The Corporate Business Plan (CBP) sets out four key priority areas: improving access to services; tackling the housing problem; improving waste management and recycling and keeping the streets clean; and promoting the local economy. These are supported by four improvement priorities and three cross-cutting themes. Resources are allocated appropriately to priority areas and away from lower priorities. The Council takes an active approach to reviewing priorities in light of consultation exercises and responds to both national and local priorities.
- 16 The Council continues to demonstrate strong leadership. Staff are clear about the direction of the Council and this clarity extends to partners who recognise the role the Council has taken in revising and reshaping the local strategic partnership (LSP). Partners commend the role that the Council adopts on local issues including its work through the area committees and local alliances. The Council recognises however that there is a need to refine its community engagement arrangements to ensure that the roles and potential influence is clear. Internally, a restructure of management arrangements has increased the impact and profile of the senior management team. The previous issues relating to leadership on waste management have been addressed through this restructure. There is greater clarity on the future direction of the Council both internally and with the Council's partners.
- 17 Mechanisms to sustain focus are being developed. The evolving performance management framework is being developed so that appropriate reports are provided at every level of the organisation. This will ensure that progress on achievement of corporate objectives is the focus for councillors and senior managers. This is further strengthened by the use of a project appraisal process for capital projects which includes an assessment of their relevance in achieving corporate priorities. These mechanisms ensure that the business of the Council remains focused on delivery of the corporate business plan.
- 18 However, while the Council remains clear and focused on its priorities, longer term ambitions remain unclear. The CBP focuses on delivering priorities over the next three years but there are no longer term aims and ambitions to cover the next five to ten years and beyond. The Council is aware of this issue and is developing a longer term vision in partnership through the LSP and the planned revised community strategy, and with other councils through the Local Area agreements (LAAs). Once these developments have taken place, the Council intends to further align its own ambitions and priorities ensuring the Council has a good understanding of the scale of the problems and opportunities the area is facing and what can be achieved for the community.

How has the Council set about delivering its priorities?

- 19 In most areas the Council is increasing its capacity to deliver but there remain areas of weakness, most notably in relation to equalities and diversity but performance management is not fully embedded.
- 20 Corporate capacity has been increased. The recent restructuring streamlined overall management arrangements and created further capacity within the senior management team. The Council has also created new posts relating to policy and communications functions. Consultants have been used to bring in specialist expertise where necessary and training of staff has improved and is targeted to business needs as well as development aspirations. Scrutiny is now starting to deliver a more rigorous challenge of performance and the decision making process. The Council is working with the Improvement and Development Agency (IDeA) to more fully define councillor roles and responsibilities. These increases in capacity should provide a stronger base from which to deliver continuous improvement. User focus is also improving. Service standards have been developed and there are plans to improve customer access through the development of a contact centre. A best value review on customer access has been undertaken which links to the priority of access to services. In some areas capacity is stretched. Some staff feel however, that the restructuring and the controls placed on filling vacant posts have increased workloads for them.
- 21 The Council is financially sound, manages its levels of reserves and balances and has financial planning and monitoring arrangements operating to an adequate standard. However, during 2004/05 the Council overspent against budget due to unforeseen costs of the new recycling scheme and related issues within the works unit. An overspend against budget is also forecast for 2005/06. The Council has taken action to address these issues and costs are now being managed more successfully.
- 22 The Council actively seeks opportunities to increase capacity by working in partnership or exploring alternative means of delivery. Examples of successful partnerships include the 'Transform' programme which is regenerating deprived areas of Ilfracombe and the successful crime and disorder reduction partnership. The Council is also working with Torridge District Council to develop a more regional approach to economic development and exploring how best to jointly deliver cultural services.
- 23 Processes relating to performance management continue to develop but are not embedded within the Council's culture. Corporate priorities have key performance indicators identified for them and these are regularly reported to senior management and councillors. Plans and strategies show increased use of measurable targets and managers are clear about their responsibility in reporting performance. Some progress has been made in strengthening the approach to risk management at both a service level and corporately.

Service plans have been strengthened through a robust challenge process. However, there remain weaknesses relating to the collection of robust performance indicator information and an absence of systematic benchmarking to compare performance and value for money across the Council.

- 24 The Council has been slow to address diversity and equalities. The council has not achieved level one of the equalities standard for local government and has only recently developed an equalities strategy. While there is evidence of specific improvements relating to accessing services there is currently no strategic approach to ensure that the Council is meeting the needs of the whole community.
- 25 There is no strategic approach to councillor development. The Council's improvement programme 'Stepping Up!' has a key objective of improving councillor development and support. This is an area where the programme has slipped. There is a continued need to clarify the roles and responsibilities of Councillors and the slippage on this project has slowed progress.

What has the Council achieved/not achieved to date?

- 26 Performance has improved both overall and in priority areas and the Council continues to make significant steps towards ensuring the building blocks for improvement are in place.
- 27 Performance is improving. The Council has 58 per cent of performance indicators above average with 40 per cent comparable with the best 25 per cent of councils nationally. The majority of indicators are improving (57 per cent) and the level of improvement has increased since last year when only 43 per cent of indicators were improving. In areas of corporate priority the majority of indicators are above average in comparison to other councils, with 55 per cent above average. In addition, 65 per cent of indicators relating to priorities are improving.
- 28 Overall satisfaction with the Council has improved from 51 per cent to 62 per cent between 2003 and 2005. Satisfaction levels have also increased in relation to waste collection, recycling and culture. The Council is achieving high levels of performance in provision of a kerbside recycling collection service, electronic access to services and in satisfaction with standards of cleanliness, parks, arts facilities and with museums. Areas where performance is improving include planning and recycling levels.
- 29 The Council is generally meeting its targets in delivering its improvement programme. With the exception of the member support and development project, the programme is on track and a large number of processes have been developed to support improvement. For example, a new management structure has been introduced and is starting to create extra corporate capacity, internal communications have improved, a corporate approach to consultation has been developed and the Council has achieved single status pay and conditions for all Council staff which is to be introduced in April 2006. In addition the Council has developed and is beginning to implement policies relating to procurement, equalities, human resources and communications. As outlined above, the performance management framework continues to be developed and aligned to corporate priorities. Investment in these areas is providing the Council with a platform for further progress and achievement.
- 30 However there are some areas where the Council is not meeting its targets. For example, the housing service has low levels of customer satisfaction when compared nationally. Also targets relating to the number of houses being made fit for social or affordable housing are not being met. As outlined above, within the 'Stepping Up!' programme the member support and development project targets have not been achieved. In addition, there is little evidence of progress on issues of corporate governance. As such, there remain areas which need attention.

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

- 31 The Council has clear plans for the future and has improved its approach to learning.
- 32 The corporate business plan (CBP) provides a structured approach to forward planning. It is linked to the current community strategy and there are clear plans to review the CBP and ensure it supports and reflects priorities contained in the revised community strategy. Stakeholders were consulted in the development of the CBP and the plan provides a framework to monitor progress and set measurable targets under the Council's four priority areas. The medium term financial strategy links directly to the CPB and provides a brief outline of how the plan will be resourced. It is also supported by service plans which align service delivery to corporate objectives. Individual projects are monitored and progress reported ensuring a planned and managed approach to Council activity.
- 33 The 'Stepping Up!' improvement programme continues to provide a sound basis for improvement within the organisation. It is embedded in the activities of the Council and has been effectively communicated internally with councillors and staff. It has been supported by the development of many internal strategies which provide a strategic approach to many cross-cutting areas including HR, equalities and procurement. Progress has been made on statutory plans with the housing strategy rated as 'fit for purpose' and the asset management strategy rated as 'good'. The Council is also making progress in rationalising some of its strategies to provide a more integrated approach including the integration of economic, tourism and renewable energies strategies.
- 34 The Council uses its own experiences and those of others to learn. There are many examples where the council has learnt from its own experiences including improvements to refuse collection and improving the efficiency of the service by improving collection rounds and rotas. The Council is using others to learn including the IDeA to support member development and Plymouth University to provide external challenge on the effectiveness of the LSP. Improvements are being made in sharing learning internally, for example through the senior management group monthly sharing and learning process. The Council also imports knowledge through guest speakers including on the national reputation projects. However, further improvements need to be made to share learning throughout the Council particularly cross-service groups for operational staff.

Appendix 1 – 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 2003/04.
- 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 North Devon District Council was collated by the Audit Commission and reflects evidence gathered over the period from January 2005 to February 2006.
- 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 and updating and improving the Improvement Plan as appropriate.

Appendix 2 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2003

Table 1

Theme	Grade	Strengths	Weaknesses
Ambition	2	Active and ambitious for its district. Effective local community leadership and partnerships. Intelligence on local community issues and in some service areas.	Strategic objectives are broad and non-specific. Cannot demonstrate that strategic objectives are robust. Detailed service targets obscure corporate priorities. Weak intelligence/ leadership in housing.
Focus	2	Long-term focus on some key issues. Sustained focus on some service delivery problems.	Weak mechanisms to sustain focus. Too many initiatives. Lack of focus on basic services.
Prioritisation	1	National and local priorities recognised. Some good consultation in local communities and in particular themes.	Objectives too broad to aid prioritisation. Priorities not informed by service improvement needs. No consultation to validate prioritisation. Weak links between resources and priorities.

16 Progress Assessment | Appendix 2 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2003

Theme	Grade	Strengths	Weaknesses
Capacity	1	<p>Enthusiastic staff.</p> <p>Financial resources from sale of housing stock.</p> <p>Generally positive officer/councillor working relationship.</p> <p>Strong partnership working and support for voluntary sector.</p>	<p>Strategic control.</p> <p>Financial planning/ budgetary control.</p> <p>Corporate governance arrangements.</p> <p>Capacity not linked to key objectives.</p> <p>Small service units – silo working.</p> <p>Middle managers overstretched – resistant to management development.</p> <p>Recruitment and retention – some areas.</p> <p>Workforce planning.</p>
Performance management	2	<p>Performance monitoring system in place and some outcomes from performance management.</p> <p>Customer charters.</p> <p>Links to individual objectives.</p>	<p>Performance management inconsistent and not strategic.</p> <p>Weak project appraisal.</p> <p>Risk management not yet embedded.</p> <p>Weak evaluation of value for money.</p>
Achievement	3	<p>Above average PIs.</p> <p>Meets most local targets.</p> <p>Leisure, recycling, public space, regeneration, community safety, benefits, environmental health.</p> <p>Achievement in priority areas.</p>	<p>Housing enabling – targets not met.</p> <p>Refuse collection service poor.</p> <p>2001 customer survey – low satisfaction overall.</p>

Progress Assessment | Appendix 2 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2003 17

Theme	Grade	Strengths	Weaknesses
Achievement of improvement	3	<p>Improvement – most PIs.</p> <p>Improvement against priorities.</p> <p>Some low performance addressed.</p> <p>New facilities and physical improvements.</p> <p>Regeneration and community cohesion through direct action, voluntary sector and partnerships.</p>	<p>Some physical investment directed at lower priorities.</p> <p>Lack of progress in housing enabling.</p> <p>Lack of progress in refuse collection.</p>
Investment	2	<p>Recent investment in strategic management capacity.</p> <p>Improved internal and external communication.</p> <p>Investment in services, supported by external resources.</p>	<p>Investment recent and effectiveness not yet demonstrated.</p> <p>Resource planning/ budgeting unresolved.</p> <p>Consultation not strategic.</p> <p>New culture not yet embedded.</p>
Learning	2	<p>Self aware – open to challenge.</p> <p>Acted on learning from best value and own experience.</p> <p>Some learning mechanisms in place.</p>	<p>Much learning recent.</p> <p>Limited learning from other councils.</p> <p>Limited learning across services.</p> <p>Weak corporate management of learning.</p>

18 Progress Assessment | Appendix 2 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2003

Theme	Grade	Strengths	Weaknesses
Future Plans	2	<p>Early implementation of CPA improvement plan; scrutiny arrangements.</p> <p>Management structure, corporate governance, performance/risk management.</p> <p>Comprehensive draft local plan.</p> <p>Long-term strategies – LA21, regeneration – crime/disorder.</p> <p>Planning with partners.</p>	<p>Ambitions not linked to resources – no current medium-term financial strategy.</p> <p>Plans to tackle weaker services unclear.</p> <p>Housing enabling – plans weak.</p> <p>Consultation on priorities for young people underdeveloped.</p> <p>Plans to establish performance culture underdeveloped.</p>

Scoring key:

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