

Progress Assessment Report

March 2006



Progress Assessment Report

Thanet 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 'underperforming' 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 July 2004, the Audit Commission published a Comprehensive Performance Assessment category for Thanet District Council. This assessment categorised the Council as 'weak'. The key strengths and weaknesses from the corporate 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

- 3 The Council continues to make reasonable progress in addressing the weaknesses assessed in CPA, and by last year's progress assessment, though with some key challenges still remaining.
- 4 The Council is better able to decide on what priorities should be. It has just completed the first of a series of public consultations, carried out by MORI. A sample of 1,000 residents was interviewed and the results have been instrumental in informing the Council of what are and are not priorities. The consultation has confirmed that improving the street scene is a top priority for residents as are activities for teenagers and a low level of crime; although the Council has not decided how it intends to react to the results of the consultation.
- 5 The Council is meeting some targets to improve its services such as the standard of council housing, increased recycling as well as the percentage of homes built on previously used land. Extra money is being spent on improving street cleanliness and piloting improved methods of refuse collection. Improvement in services is not, however, universal. Overall 52 per cent of performance indicators improved, including 14 indicators that were in the worst quartile. However, of the six indicators that were in the worst quartile in 2002/03, four of them remain in the worst quartile.
- 6 The Council is improving its economy and efficiency. In order to meet increased pressures on the budget, it is completing an Efficiency Review that aims for fewer employees, simplified structures and a better focus on what residents agree are priorities for action. Councillors and managers continue to show strong leadership to drive change in what are difficult circumstances and are now focussing on priorities for action. The Efficiency Review will contribute circa £1.4 million in savings within the 2006/07 budget and direct these towards the top priority area of waste, recycling and street cleaning.
- 7 There is a better focus on customer service through the opening of the Thanet Service Centre that is already meeting industry standards in terms of speed of answering calls as well as dealing with more calls at first point of contact. The Council is also working in close partnership with Kent County Council to plan and deliver an innovative integrated face-to-face contact point in the Margate Central Library maximising the use of shared resources and providing a platform for better services in the future.
- 8 The Council is self-aware. It is learning to examine how well it is equipped to deliver the changes required to meet the challenges facing a modern authority. This includes identifying non-priorities and communicating these to stakeholders, challenging the provision of discretionary services, streamlining decision-making processes, and aligning senior management posts with portfolio holders to deliver better cross-sector working and a more focused service to customers.
- 9 The Council is therefore well placed to embed higher service standards and to tackle some persistent poor performance within some of its services.

Recommendations

- 10 It is recommended that the Council:
- seeks through councillors, officers and staff, systematically to embed good practice that is already present in many areas of its work as a priority in the coming year;
 - ensures that there is a consistency of approach and application on the main improvement themes;
 - 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 Isle of Thanet is located in north east Kent and is a geographically small district of three main towns and six villages. Main towns are Margate, Ramsgate and Broadstairs. It covers 10,300 hectares in area and has 26 miles of coastline. The urban area is the second largest in Kent after the Medway towns.
- 12 Although unemployment in Thanet has reduced by 0.5 per cent since February 2004, at 3.4 per cent it still remains twice that of the south east average and higher than the UK, which in January 2005 was 1.9 per cent. Twenty-seven per cent of all households are in receipt of housing benefits and/or council tax benefit.
- 13 The population is 126,702, with the proportion of young people mirroring the national average. A large number of older people retire to the district making the proportion of this group 6.2 per cent, which is higher than the national average. The proportion of the population from ethnic groups other than 'white British' is 2.3 per cent. This compares with 3.12 per cent for Kent.

The Council

- 14 The Council remains under Conservative control and of the 56 councillors, 31 are Conservative, 23 are Labour, 1 is Liberal Democrat and 1 is Independent. In May 2004 the Constitution was changed to align portfolio responsibilities more closely with services. The Cabinet, comprising seven councillors, meets on a six weekly cycle.
- 15 The net revenue budget for 2005/06 is £19 million and Band D council tax is £172.89 and increased by 4.46 per cent over the previous year. The Council continues to manage its 3,190 homes in-house. The Council employs 620 people.

What is the Council trying to achieve?

- 16 The Council is effectively tackling the weaknesses stated in the CPA report in 2004 as well as last year's progress assessment. It has clarified its aims and has improved its approach to prioritisation to help focus on what matters to local people. The Council's strategic approach to external communication is being helped by the use of external experts. MORI was commissioned by the Council to interview a sample of 1,000 residents and the results are helping the Council to understand what residents say are and are not priorities. The consultation has confirmed that improving the street scene is a top priority for local residents as are two further key priorities – activities for teenagers and a low level of crime. The Council has a better foundation on which to allocate resources to services that residents say need to be improved.
- 17 The Council is modernising pay and conditions of staff to improve equity and value for money, including a job evaluation programme. This represents a major and potentially disruptive change for the organisation but it has been communicated widely, with briefing sessions delivered by the Chief Executive for all staff. The Council is tackling a sensitive issue well.
- 18 The Corporate Plan is clearer on the key priorities to be delivered over the next two years. As a direct response to the CPA report, the Council adopted an annex to the Corporate Plan that sets out SMART targets for its delivery and includes the actions from the Community Strategy for which the Council is responsible, together with the targets in the Improvement Plan. Many of the original projects have now been completed, some have been de-prioritised, and others carried forward into a revised Improvement Plan for 2006. The CPA Improvement Plan is currently being reviewed with portfolio holders and cabinet. All agreed Improvement Plan projects are also being transferred directly across to service plans, which will be monitored through the monthly performance packs. The Council is responding well to the challenge that CPA has presented.
- 19 The Council recognises that it must place more emphasis on the Corporate Plan's two cross-cutting themes of Sustainability and Equalities. A Race Equality Scheme was adopted in July 2004 and an independent audit to identify the work required to achieve Levels 1 and 2 of the Equality Standard for Local Government was completed in June 2005. Additional resources have also been identified to support the Equalities agenda and a Corporate Equalities Planning Group has recently been established. The Council's Procurement Strategy highlights the need to consider sustainability issues in procurement decisions, which are not currently considered adequately.

How has the Council set about delivering its priorities?

- 20 The Council is increasing its capacity well to meet the challenges of delivering corporate priorities and ensuring that performance is properly managed. Councillor and officer development is strengthening, in partnership with the IDeA, with a better focus on managing corporate business. The Corporate Performance Pack is a strong mechanism, but not all councillors are comfortable with analysing and using performance information. Scrutiny performance continues to be variable overall though with some improvement in its approach to financial decisions.
- 21 The Council is improving managerial capacity. A grant of £100,000 in 2005 by the ODPM has allowed the Council to appoint the Office for Public Management (OPM) and the IDeA to deliver an extensive development programme for councillors and senior officers. The programme is now well underway, with the first two cohorts of councillors attending the IDeA's Leadership Academy, and the first cohort of officers having recently completed OPM's 'Leaders in Local Governance' programme. Development workshops have also taken place with CMT and Cabinet and the feedback from these is resulting in some positive changes. For example CMT meeting agendas are more focused on corporate priorities and performance management. The Council is therefore tackling the need to improve the skills and development of its councillors and managers.
- 22 The policies and procedures adopted to tackle sickness and absenteeism are boosting capacity. Absence per member of staff has reduced from 10.4 days per annum in 2003/04 to 9.3 days per annum in 2004/05, moving Thanet up into the second quartile nationally.
- 23 Performance management is strengthening though weaknesses remain. Building on the work already undertaken, the Corporate Performance Pack system is being reviewed and modified to meet changing needs. Improvement plans were developed in 2005 for all BVPIs in the bottom quartile, to address poorly performing areas. Now all bottom quartile performance indicators are monitored monthly. Local performance indicators have now been developed and are monitored through the monthly performance packs, and procedures have been set up for all indicators to increase accuracy and accountability. Service plan guidance has been enhanced this year through interactive workshops and revised templates, making it easier for service heads to ensure that their service objectives are aligned with corporate priorities. But the improvement plans are not fully SMART, with resource requirements of some proposed changes being unspecified. Also not all councillors are comfortable with analysing and using performance information and so performance is not embedded. The Council is not using performance information to drive improvement in all its services.

- 24 Scrutiny is improving but not fully effective. Scrutiny of budgets is part of the Councillor training programme and most Scrutiny recommendations were accepted for the 2005/06 and 2006/07 budget processes. Scrutiny is sometimes still seen within the Council as adversarial and political, and its policy development role except in finance, remains ineffective. The Council has, however, undertaken a scrutiny health check by the IDeA as part of the capacity building programme with a range of recommendations for the Council to follow.
- 25 Management systems are improving. The Medium Term Financial Strategy (MTFS), Capital Investment Strategy and the Treasury Management Strategy have all been revised and refreshed. The way in which the Council reports and controls its financial resources has improved from being weak to adequate in the last year. Thanet's procurement policy is relatively recent, agreed in March 2005. It reflects the best practice in the National Procurement Strategy, and together with the procurement code of practice, it was successfully applied in the procurement of Refuse Vehicles; whole life costings were included, in addition to the MTFS allocating resources for the vehicles' replacement after seven years. Joint procurement on the service centre occurred with Shepway - saving £50,000. Also, joint procurement in a telecoms e-auction saved £30,000. Further annual savings have occurred with KCC on insurance and lease cars. The Council is able to improve its internal systems and provide the bedrock for future management of Council resources.

What has the Council achieved/not achieved to date?

- 26 The Council continues to improve most though not all priority services. Improvements are being supported by further investments targeted at poorly performing areas.
- 27 Current priorities in the corporate plan are:
- creation of fairly paid jobs;
 - improving the look, cleanliness, vitality and safety of the Thanet Street Scene, particularly in town centres and coastal areas;
 - increasing the extent to which improving economic prosperity benefits the whole of Thanet by focusing regeneration efforts on key wards;
 - continuing to improve the quality of all services;
 - consulting and involving Thanet people in decisions that affect them;
 - Thanet's housing needs; and
 - Re-branding Thanet.
- 28 The Council is making substantial environmental improvements. These include a dedicated phone line and Rapid Response Team with £100,000 having been invested over a two-year period. This has achieved 2,000 square metres of graffiti removal, 50 tonnes of dumped rubbish collected, 400 pieces of street furniture repainted, 350 pavements in different locations repaired, and more than 100 litter bins. Recycling increased from 13 per cent in 2003/04 to 19 per cent in 2004/05. In addition, the Council is returning the direct responsibility for delivering street cleaning to its control from April 2006 to improve standards. It is also prioritising areas for cleaning, investing in more mechanical sweepers and creating environmental improvements across the district, including the planting of more than 135,000 flowers, new lighting installations on the area's main roundabouts and improvements to the seafronts, including new beach boardwalks and palm trees.
- 29 The Council is making steady progress on residents' housing needs. The percentage of Council homes at the Decent Homes Standard has increased from 93 per cent in 2003/04 to 99.5 per cent in 2004/05. On empty properties, more than 60 vacant dwellings have been returned into occupation during 2004/05, which is three times higher than in 2003/04.

- 30** Overall achievement is, however, variable. While 52 per cent of performance indicators improved, 48 per cent did not, including 14 indicators that were in the worst quartile; of six indicators that were in the worst quartile in 2002/03, four of them remain in the worst quartile. The priority of creating fairly paid jobs has not been helped by the closure of EUjet, the commercial airline at Manston Airport, with the loss of jobs although these were largely offset by the 1,200 new part and full time jobs created by the opening of the new Westwood Cross shopping centre in 2005. On Re-branding Thanet, uncertainty has been caused the recent change of course by Thanet's partners to re-site the Turner Contemporary building, thus delaying the project.
- 31** The Council has made substantial savings to bolster priorities. It undertook a comprehensive efficiency review in 2005 with the aim of containing future revenue costs and meeting the Government's future efficiency targets. This has resulted in savings of approx. £1.2 million in 2004/05, with £1.4 million agreed savings for 2006/07. In addition, council tax collection, adjusted for deprivation, is in the best quartile and is improving.

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

- 32 The Council has responded well to the need to improve services, looking outward as well as inward to drive up service standards.
- 33 The Council has accepted its 'weak' CPA rating which created a powerful impetus for learning and further change. This was reinforced through working closely with the IDeA and ODPM on issues surrounding capacity building and organisational development, as shown by the Capacity Building Fund bid. The Council recognised the need for increased focus on strategic leadership and capacity building for councillors and officers.
- 34 The Council recognises its position and is planning to drive further improvement. The Council's Improvement Plan states that it will be a 'good' Council by 2007, with the 2006/07 draft budget pointing to substantial savings for reinvestment in priorities. The Council plans that performance management will receive more priority in Corporate Management Team meetings, with the emphasis on making changes to improve key performance indicators. Service planning for 2006/07 is more firmly embedded and forms the platform for delivering service improvements through the year. Information from the Simalto and MORI consultations are being used to make investments into priority services as part of the 2006/07 draft budget and the results of the MORI work are being shared with all staff and members to further inform the change programme.
- 35 The Council has used learning from the Efficiency Review to examine how well it is equipped to deliver the changes required to meet the challenges facing a modern authority. This included:
- identifying non-priorities and communicating these to stakeholders;
 - challenging the provision of discretionary services;
 - streamlining decision-making processes; and
 - aligning senior management posts with portfolio holders to deliver better cross-sector working and a more focused service to customers.
- 36 The Council is already strengthening the skills at middle and senior management levels and wants to encourage shared learning throughout the organisation. Quarterly managers' conferences have been introduced and action learning sets are used to encourage problem solving and the transfer of best practice. The Council is encouraging staff to use the Learning Resource Centre, which is well stocked with training material, and also offers the opportunity for staff to access online learning. Overall, the Council is doing the right things to facilitate improvement.

- 37** The recent MORI survey has shown that citizens want action on crime and on activities for young people. The Council already has agreed a range of actions within the Community Safety Strategy in 2005 which have led to dedicated multi-agency task groups focused on youth and crime hotspots. In addition, the Council has approved an additional £50,000 funding in the budget for 2006/07 for services to young people.

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

Table 1

Theme	Grade	Strengths	Weaknesses
Ambition	2	<p>Clear political leadership and substantial cross-party consensus on its ambitions.</p> <p>Ambitions are aspirational and broad.</p> <p>Well developed community leadership role.</p>	<p>No measurable outcomes identified in corporate plan.</p> <p>Cross-cutting issues not addressed sufficiently.</p> <p>Some weakness in leadership profile of CSB.</p>
Focus	2	<p>Sustained focus on the priority of regeneration over time.</p> <p>Starting to focus externally on issues.</p>	<p>Not maintained focus on poor services.</p> <p>Scrutiny is underdeveloped.</p> <p>Mechanisms and tools to sustain focus on service delivery and improvement are weak.</p>
Prioritisation	2	<p>Council priorities are clear.</p> <p>Some success in balancing national and local priorities.</p>	<p>Council priorities not based on sound consultation and engagement of all sections of the community.</p> <p>Approach to communications is underdeveloped.</p> <p>Non-priority areas are not clearly expressed.</p> <p>MTFS does not link expenditure to corporate priorities.</p>

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

Theme	Grade	Strengths	Weaknesses
Capacity	2	<p>Positive working relationships between cabinet and senior management.</p> <p>Staff quality and enthusiasm.</p> <p>Open attitude to procurement.</p> <p>Good partnership arrangements.</p>	<p>Strategic management capacity.</p> <p>Councillor capacity.</p> <p>Strategic approach to HR not fully developed.</p> <p>IT infrastructure is weak.</p> <p>Financial management is weak.</p> <p>Senior officer roles and responsibilities are not clear to all.</p>
Performance management	2	<p>New performance management framework recently introduced.</p> <p>Starting to use data to improve services.</p> <p>High quality appraisal system.</p>	<p>Poor track record in managing performance.</p> <p>Service plans are inconsistent in quality and not SMART.</p> <p>Few service standards published.</p> <p>Poor track record in preparing and using data.</p> <p>Approach to managing risk is weak.</p> <p>Financial monitoring is underdeveloped.</p> <p>Performance data not widely shared.</p>
Achievement	2	<p>Outcomes from regeneration.</p> <p>Some achievement against ambitions.</p> <p>Creating new employment opportunities.</p>	<p>Published data is inaccurate.</p> <p>Citizen satisfaction worst 25 per cent in 2000/01.</p> <p>Below average performance and 20 per cent of service are worst performers nationally.</p> <p>Fair judgements for external assessments.</p> <p>Customer care is poor.</p>

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

Theme	Grade	Strengths	Weaknesses
Achievement of improvement	2	Of accurate BVPIs, 13 improved and 10 declined. Promising improvement scores in AC inspections.	Not delivering improvement fully against all ambitions. Deterioration in some key areas. Fair judgement of proven capacity to improve in BFI assessment.
Investment	2	Starting to fill gaps in capacity. Starting to invest in performance management systems. Securing external funding to support improved delivery. Some successful outcomes from BVRs.	Many key building blocks still in development. Lack of effective project management to deliver plans. MTFS is weak. No strategic approach to procurement. No robust and sustainable funding arrangements in some key areas.
Learning	2	Starting to learn from past experience. Self aware of key weaknesses. Making use of external expertise and support.	Slow to learn and improve systems and processes. Learning from external sources is not consistently used to improve services. Learning from local people is weak. Learning is not shared systematically and consistently across the Council. Learning at senior management is still developing. Learning from complaints is weak

Progress Assessment Report | 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	2	Robust statutory plans in some areas. Some plans being developed to improve a range of services.	Longer-term strategic planning is at an early stage. Many current initiatives are very new or work in progress. Quality of plans generally not good. No policies in some key areas to inform key plans.

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 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 councillors, managers and staff.
- 4 This progress monitoring report for Thanet District Council was collated by the Audit Commission and reflects evidence gathered over the period from May 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 to any Monitoring Board and updating and improving any improvement/recovery plan as appropriate.