

Comprehensive Performance Assessment

September 2008



Comprehensive Performance Assessment

Shepway District Council

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For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

www.audit-commission.gov.uk

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Introduction

- 1 Comprehensive Performance Assessment (CPA) is the means by which the Audit Commission fulfils its statutory duty under section 99 of the Local Government Act 2003 to make an assessment, and report on the performance, of local authorities. Corporate assessment is one element in the overall assessment that leads to a CPA score and category.
- 2 The purpose of the corporate assessment is to assess how well the Council engages with and leads its communities, delivers community priorities in partnership with others, and ensures continuous improvement across the range of Council activities. It seeks to answer three headline questions which are underpinned by five specific themes.

What is the Council, together with its partners, trying to achieve?

- Ambition
- Prioritisation

What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?

- Capacity
- Performance management

What has been achieved?

- Achievement and Improvement

Executive summary

- 3 Shepway District Council has improved since the last corporate assessment in 2004 when it was assessed as weak. It is now a 'good' council.
- 4 The Council has clear and realistic ambitions which are shared with partners, and address the broad needs of the community. The Council has an effective local strategic partnership (LSP) to deliver its ambitions, and its active leadership to create a broader based East Kent LSP, makes it well placed to maximise partnership arrangements. It is effective in community leadership at community and inter-agency level. The Council is also a robust champion for the needs of its area and has been very effective at developing strategic alliances. Ambitions are supported by a range of effective strategies. The Council is willing to make difficult decisions in support of its ambitions.
- 5 The Council effectively prioritises its actions. It has appropriately focused on internal capacity-building improvements. It has identified clear priorities for improvement which reflect local concerns and fit well with national priorities and those of its partners. Most corporate priorities have clear, outcome-focused targets. Resources are being focused on priorities. Actions to deliver priorities are included in service plans that provide clear direction, though having scope for improvement.
- 6 The Council has effective capacity to deliver effective services and achieve its ambitions. From a score of weak in its previous corporate assessment, it has worked hard to give itself the foundations for future improvement. The political and managerial leadership within the Council is strong following a major restructuring of the senior management team and changes made to the organisational culture. There are good working relations between councillors and staff and an effective approach is taken to scrutiny. Financial resources are limited but the Council is successful in attracting external funding. The approach to achieving value for money is adequate and improving. Although staff capacity is stretched, the Council has been successful at enhancing its capacity through its use of shared services. There is a structured approach to learning and development which is also enhancing capacity. Risk management whilst effective at corporate level, has not been introduced within partnerships. The Council has an adequate approach to procurement and is taking a strategic approach to ICT. The Council has an effective approach to diversity.
- 7 Performance management is developing. A performance management framework has been established but the culture to support it is not yet fully understood. Performance reporting focuses on progress towards meeting the priorities, but is not prompting early action to ensure the majority of targets will be achieved. Project management techniques are applied but are not fully effective. The performance management processes for the local strategic partnership and other key partnerships are not fully developed. The Council generally learns from experiences and is using information from the call centre effectively to influence the level of service to be provided.

- 8 Although the Council can demonstrate significant achievements in some areas, its improvement is from a low base, so performance remains below average in some areas. Many of its achievements are internally focused, implementing the changes needed to give it foundations for future improvement. Good progress is being made to improve the appearance of the district and the Council has been effective in promoting the economic regeneration of the area. It has been successful in addressing local housing issues and is helping to support community development. The establishment of the Lifeline service is making a valuable contribution to the community. The Council is enhancing the cultural life of the area and providing leisure opportunities to young people. However sports facilities are generally poor in the district. Performance in the benefits service is improving but remains at a poor level compared to others. The Council's response to the Earthquake in 2007 received strong commendations from partners and the community.

Areas for improvement

- 9 As work in partnership is a key driver both for the delivery of ambitions and services; the development of risk management procedures to assess and mitigate risk when working with in partnership with others should be implemented.
- 10 To improve capacity the Council should build upon its work in developing a people strategy to develop a work force plan that identifies the skills required in the future and how these are to be met.
- 11 To improve performance management the Council should ensure that service planning is applied consistently across all areas and that the culture for performance management is fully embedded. Particular attention should be paid to improving the Council's approach to value for money by rolling out review exercises across all services and ensure that the monitoring of performance and financial information is linked. It should also complete the production of service standards in consultation with the community, which will help to improve the delivery of services.

Summary of assessment scores

Headline questions	Theme	Score*	Weighted score
What is the Council, together with its partners, trying to achieve?	Ambition	3	6
	Prioritisation	3	6
What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?	Capacity	3	6
	Performance management	2	4
What has been achieved?	Achievement and Improvement	2	14
weighted score			36
CPA category			Good
*Key to scores			
1 – below minimum requirements – inadequate performance			
2 – at only minimum requirements – adequate performance			
3 – consistently above minimum requirements – performing well			
4 – well above minimum requirements – performing strongly			

**Banding thresholds for determining CPA category

Category	Required score
Excellent	45-60
Good	36-44
Fair	28-35
Weak	21-27
Poor	20 or less

Context

The locality

- 12 Located on the south east coast of Kent, the district of Shepway covers 35,670 hectares. The main towns are Folkestone and Hythe, which together accommodate more than half of the population of 99,600¹. However, three-quarters of the district is rural in nature and thus relatively sparsely populated. The main route through the district is the M20 motorway. It is directly linked to mainland Europe by the Channel Tunnel and is served by rail links to London, Ashford International and East Kent.
- 13 The district is an attractive place to live and visit. The quality of the landscape is high and includes environmentally sensitive areas such as Romney Marsh and the North Downs escarpment. The extent of the protected landscape limits the opportunities for new development in the area.
- 14 The 2001 census identified that 2.7 per cent of the population was from a group other than 'White British', which is low compared to 8.7 per cent in the south east and 13 per cent nationally. This is changing rapidly with mid-2005 estimates showing a rise to 4.9 per cent. There is a substantial Nepalese community close to the Royal Gurkha Rifles' garrison at Shorncliffe and in East Folkestone there are significant numbers of residents from Slovakia and the Czech Republic. Racial incidents are low and there is little evidence of community tensions.
- 15 Although Shepway is not a deprived district overall, (2007, ranked 126 out of 354 in Index of Multiple Deprivation) it contains pockets of acute disadvantage, where skills and incomes are low, dependency high, the living environment poor and life expectancy too short. Weekly income levels are low at £409.50, compared to the south east regional average of £499.60 and national average of £459. Unemployment is higher than average at 5.7 per cent compared to 5.2 per cent nationally and 4.1 per cent regionally.
- 16 Education attainment levels present a mixed picture. The percentage of the population with no qualifications, at 7.9 per cent in 2006, is lower than the regional figure, which is 9.6 per cent. However the percentage with higher level qualifications, NVQ 4 and above, is also lower, at 25.2 per cent compared to 30.5 per cent for the region
- 17 The average house price in the district is £202,577, which is above the national average of £186,045 but below the regional average of £231,958. The majority of the housing allocation for the district is in Hawkinge. Over 1,400 houses have been built since 1991, and a further 800 houses are scheduled to be built by 2011. Overall, the housing completions up to the end of 2006/07 had achieved 117 per cent of the Structure Plan requirements.

¹ Kent Mid-2006 Population Estimates

- 18 In recent years the district has benefited from £39.7 million of Single Regeneration Budget (SRB) funding to support the regeneration of the area following the decline of the fishing, tourism and ferry industries. The recent growth in enterprises based around the creative arts is beginning to diversify the local economy where there has been a reliance on a few large employers to provide local work opportunities such as Eurotunnel, Saga and Smiths Industries.
- 19 Life expectancy within Shepway is increasing, and is consistent with the England average. The death rate from smoking is in line with the national average while alcohol consumption is estimated to be below average. Early deaths from cancer have been higher than nationally over the last eight years. Shepway is a relatively safe place to live but fear of crime is relatively high.

The Council

- 20 Shepway is a district council with 46 councillors representing 22 wards. There are 35 Conservative councillors, 9 Liberal Democrats and 2 from the People First Party. The Council has a Leader and Cabinet model in place with a single party executive of 9 Conservative councillors with portfolio responsibilities. Scrutiny is addressed through a Corporate Scrutiny Committee which broadly covers internal matters and a Community Overview Committee which looks at the impact the Council is making externally. There is also an Audit and Compliance Committee.
- 21 The Council employs 509 people led by a management team made up of the Chief Executive and four corporate directors. The Council's overall net revenue budget for 2007/08 is just under £19.4 million with capital expenditure of just over £8 million. Band D council tax in 2007/08 is £1,396, of which the District Council element is £217.94, an increase of 3.97 per cent on the previous year.
- 22 The Council was assessed as 'weak' in its last Comprehensive Performance Assessment (CPA) report which was published in July 2004. Immediately after this inspection was an unsettled period for the Council. Following a split in the Liberal Democrats administration, the Council became hung and was led by a joint cabinet formed by the Conservative and People First Groups. The Chief Executive retired and was replaced for six months by an interim manager, before the appointment of the current Chief Executive in November 2004.
- 23 The Council manages its stock of 3,487 homes in-house through Coast and Countryside Housing Services. Direct control of street cleansing and grounds maintenance services returned to the Council in October 2007. Previously the management of these services had been transferred, for two years, to Kent County Council under an arrangement with Kent Commercial Services.
- 24 The Council is a leading member of the Local Strategic partnership (LSP), the Shepway Community Partnership. It has recently agreed to join with the councils of Thanet, Canterbury and Dover to establish a broader based LSP for East Kent from April 2008.
- 25 The Council operates primarily out of the Civic Centre in Folkestone, but there are a number of satellite offices, including neighbourhood offices at Hawkinge and Guildhall North and one-stop shops in Hythe, Lydd and New Romney.

What is the Council, together with its partners, trying to achieve?

Ambition

- 26 The Council is performing well in this area. The Council has clear and realistic ambitions which are shared with partners, and address the broad needs of the community. The Council has an effective local strategic partnership (LSP) to deliver its ambitions, and its active leadership to agree a broader based East Kent LSP, makes it well placed to maximise partnership arrangements to benefit its community. It is effective in community leadership at community and inter-agency level. The Council is also a robust champion for the needs of its area and has been very effective at developing strategic alliances. Ambitions are supported by a range of effective strategies. The Council is willing to make difficult decisions in support of its ambitions.
- 27 The Council has clear and realistic ambitions which are shared with partners. The Community Plan, adopted in March 2007, sets out a vision for the future of the district and provides the overall direction for the plans of partners to link into. The vision is: *'Sharing in Success – a safe, smart and self-confident Shepway where everyone plays their part in a thriving, healthy and creative community'*. Ten 'building blocks' are listed. These describe key partnership objectives, for example, the expansion of operations at Lydd airport to boost the economy without undue environmental impact, a comprehensive and integrated redevelopment proposal for Folkestone and Folkestone Harbour, and helping to deliver better health and social care on Romney Marsh. An action plan describes what the partners intend to achieve and how they intend to achieve it. The aims in the community plan also support the aims of the Kent local area agreement. As aims are clear and shared by all partners, this provides a sound basis for the Council to achieve its ambitions.
- 28 The Council engaged well with the public and stakeholders to develop its ambition. A wide range of consultation events to develop the community plan were held over a 13-month period. These included 'locality portrait workshops', telephone opinion surveys and consultation road shows across the district using convenient venues such as supermarkets. This consultation was also used when developing the corporate plan. Ongoing consultation with local groups such as the citizens' panel and the youth forum helps to keep the Council's knowledge current. Facilitated workshops with a range of partners representing minority interests in Shepway have effectively explored unequal life chances, disengagement and dissatisfaction and isolation and inaccessibility. This open and proactive consultation process involves all sectors of the community and ensures that the Council has a broad awareness of local needs.

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- 29 The Council has developed an effective local strategic partnership (LSP) to deliver its ambitions. It re-launched the Local Strategic Partnership (LSP) in 2005, which was then re-styled as the Shepway Community Partnership (SCP) in 2006. The SCP was judged to be working well in a peer review in 2007. At a sub-regional level, the Council has been active in forming a broader based LSP for East Kent which will also include the councils of Thanet, Canterbury and Dover. This means that the Council is recognised as a key player in local and sub-regional issues and is well placed to maximise benefits to its community.
- 30 The Council has an effective understanding of the needs of the community. It has made good use of demographic and other research data to inform its understanding of community needs, which informed its development of the community strategy. There is good sharing of information among partners. For example, in the Community Safety Unit (CSU) at the Civic Centre, Council staff work alongside the Police and County Council staff. This promotes effective information sharing and enables a quicker response to local areas of concern. The Council recognises that it needs to know more about potential customers and their needs and has undertaken a customer profiling project in East Folkestone, which will be rolled out across the whole of the district. Along with its council partners in East Kent it has commissioned a report on gypsy and traveller accommodation needs up to 2012. Overall the Council has good mechanisms in place to ensure that its ambitions and services are responsive to the needs its community.
- 31 The Council has an effective approach to diversity. This is being driven by the Equality and Diversity Strategy. Equality impact assessments, known locally as equal treatment assessments, are being undertaken in each service area. Diversity issues are being considered when developing strategies, an example is the play strategy that involved different providers to identify diversity issues at the outset. The outcome was the fair play project that is designed to ensure equitable access to facilities. This effective approach to diversity will help the Council ensure it is meeting the needs of all its communities.
- 32 The Council is effective in providing community leadership. At community level it has supported and helped to sustain a number of residents' groups such as the Folkestone East neighbourhood watch action group and Hawkinge neighbourhood management partnership. The Council is effective at inter-agency leadership. It is an active member of the Crime and Disorder Reduction Partnership, providing the project support for crime reduction initiatives and hosting a new Community Safety Unit in its offices, where district, county and police staff work closely together to achieve common aims. The Council has been very effective at developing strategic alliances. For example, the BOSCO initiative (Boulogne and Shepway Co-operation Association) addresses the ambitions of partner channel ports to address regeneration and has targeted improving the life outcomes for young people. The BOSCO partnership has been successful at gaining funding for 13 projects in excess of £5 million. Overall, the Council is a robust champion for the needs of the area and its communities, which is delivering effective use of resources.

- 33** Ambitions are supported by a range of effective strategies. The Council has established strategies such as the Empty Homes and Derelict Property Strategy 2004-2007 and the Housing Strategy 2005-2010, which is helping the Council, achieve the decent homes standard. There is a comprehensive Economic Regeneration strategy 2007-2017 with delivery driven by the Shepway Regeneration Partnership. This strategy places Shepway as the best connected coastal district with the arrival of the high speed rail link, building upon solid transport infrastructure provided by Euro-tunnel and Folkestone port. Developing a skilled local workforce is a key tenet of the strategy and an action plan working with partners is in place to deliver this. An Arts Strategy is being developed, with adoption anticipated in September 2008. A pan-East Kent sustainable community strategy is in development which will provide sub-regional direction for sustainability. Clear strategies supported by outcome-focused targets are important to ensure that ambitions are delivered in the way intended by the Council.
- 34** There are clear outcome-focused long term targets in key strategies. The ambitions set within the recently updated corporate plan for 2007-2010 are supported by clear outcome-based targets. The economic development strategy 2007-2017, has clear outcome-based targets for a significant time horizon. But, ambitions in the community plan and important strategies such as the local environmental quality strategy (LEQS) have targets that do not extend beyond 2010. However the pan-East Kent sustainable community strategy will supersede these strategies; and provide medium-term direction. The Council has clarified its ambitions in priority areas, such as street scene and customer services. By publishing service standards following consultation a further and more comprehensive charter covering a wider range of services is being developed. Setting clear targets and standards gives greater clarity to the Council's ambitions and helps to measure success in achieving them.
- 35** The Council has effective mechanisms for communicating its ambitions and vision. From opinion research, there is a clear understanding of corporate priorities among councillors, staff and partners but awareness among residents and parish and town councils is mixed. The communications strategy adopted in December 2007 highlights the work needed to make communication more effectively; and an outcome has been to re-vamp the Council's website by using focus groups of the public to ensure that it is fit for purpose. The Council has also delivered critical conversations training, to improve managers' ability to communicate its vision to the public. The Council now communicates its vision to the public through the quarterly magazine Shepway Today, its website and monthly e-newsletters, which are effective mechanisms to achieve public and partner engagement.

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- 36** The Council takes difficult decisions to support its ambitions. For example it has taken the unpopular decision to charge for green waste collection, which was previously free. It has also decided to delay entering into a new waste contract so that other partner options can be considered. Financially, this may cost the Council more in the short term but it is willing to risk this for longer term benefit for partners and the local community. Ambitions are less likely to be achieved if there is a lack of willingness to make difficult or unpopular decisions.

Prioritisation

- 37** The Council is performing well in this area. It has appropriately focused on internal capacity-building improvements. It has identified clear priorities for improvement which reflect local concerns and fit well with national priorities and those of its partners. Most corporate priorities have clear, outcome-focused targets. Resources are being focused on priorities. Actions to deliver priorities are included in service plans that provide clear direction, though having scope for improvement.
- 38** The Council has clear priorities for improvement. The six strategic objectives in the Corporate Plan are identified as its priorities:
- improve the appearance of the district;
 - regenerate our communities;
 - improve opportunities for sport, leisure and culture;
 - improve benefits performance;
 - improve service to customers and be a well managed council; and
 - strengthen the Council's financial position.

The Council has clearly stated that the main priority in the short-term is to 'Improve the appearance of the district', which covers a wide range of issues such as cleanliness, community safety, buildings, shopping areas, parks, beaches and the environment.

- 39** The Council's priorities reflect local concerns and are well aligned with national priorities and those of its partners. The Council established a citizens' panel in 2005, consisting of a representative sample of 1,100 local people. The panel is consulted on a wide range of issues, including a budget consultation exercise where views are expressed on different spending options. The Shepway Youth Forum, founded in 2004 also gives young people a voice and the chance to influence local issues such as the new play strategy. It is a strength that the priorities in the Corporate Plan were drawn up in parallel with the development of the Community Plan using the same consultation data. The priorities are also consistent with the outcomes required from the earlier Kent Local Area Agreement (LAA), which ends in March 2008. Priorities are more likely to be delivered effectively if they have the support of partners and the local community.

- 40** Resources are being focused on priorities. For example £50,000 was provided to help to clear a large backlog of benefit claims and additional resources were allocated to increase the number of frontline staff employed on street scene services. The medium term financial plan is aligned with, and supports the aims of the community plan and corporate plan. Zero based budget (ZBB) exercises have been carried out across services to ensure that spending is linked to priorities. However the availability of resources in some priority areas is not confirmed. For example, following an unsuccessful bid for PFI funding the resources needed to replace outdated sports facilities have not yet been secured, though promising negotiations are well advanced. Priorities are less likely to be delivered if they are not supported by resources and effective plans.
- 41** Actions to deliver priorities are included in service plans that provide clear direction, though having scope for improvement. The LEQS plays an important role in the main priority, improving the appearance of the district, by mapping out how different services contribute to the priority. The Council introduced formal service planning relatively recently, in 2005, and it has quickly become a valuable tool that is well regarded by staff and councillors. Actions in the plans show strong links to the corporate priorities and help staff to better understand the role they play. However, the plans do not adequately focus on value for money, and for some services there is scope to improve in areas such as benchmarking, target setting, risk management and resource requirements. More robust service plans enable services to be more effective in sticking to Council priorities.
- 42** The Council is developing its longer term service priorities. Coming from a weak position the Council has found it necessary to focus on some short term service weaknesses such as the benefits service and the need to ensure that the management of the Council improves. As a consequence the consideration given to longer term service priorities has been more limited. The priorities in service plans generally cover short term actions for the current year. It is important that longer term priorities are made clear to ensure that progress is sustained over time, allowing longer term investment and ensuring consistency and continuity.

What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?

Capacity

- 43 The Council is performing well in this area. From a weak assessment in its previous corporate assessment, it has worked hard to give itself the foundations for future improvement. The political and managerial leadership within the Council is strong following a major restructuring of the senior management team and changes made to the organisational culture. There are good working relations between councillors and staff and an effective approach is taken to scrutiny. Financial resources are limited but the Council is successful in attracting external funding. The approach to achieving value for money is adequate and improving. Although staff capacity is stretched, the Council has been successful at enhancing its capacity through its use of shared services. There is a structured approach to learning and development which is also enhancing capacity. Risk management whilst effective at corporate level, has not been introduced within partnerships. The Council has an adequate approach to procurement and is taking a strategic approach to ICT. The Council has an effective approach to diversity.
- 44 The political and managerial leadership within the Council is strong. The Leader provides effective leadership for the administration and this is supported through the leadership development programme for the cabinet. This was designed to enhance portfolio holder's capacity to provide effective challenge and deliver clear direction across the Council. The Chief Executive is seen by staff to be a strong leader who is clear about the direction to be followed and the standards required. This is at a time following a major re-structuring of the Council's senior management team and when the culture of the organisation is being changed to move forward from its past difficulties. The corporate management team (CMT) has embarked on a management development programme to support their team working. In turn, they are supported by a newly established senior management group that is providing a clear focus for good cross departmental working. The 2007/08 staff survey indicates that staff have more confidence with management; data shows significant progress since the 2005 survey. Effective leadership is supporting the Council in its improvement.

- 45 Working relations between councillors and staff are good. Their respective roles and responsibilities are clear and well understood. Portfolio holders work closely with senior officers and are provided with the information necessary to support their strategic decisions. The standards committee and monitoring officer promote and maintain high ethical standards. An independent member chairs the committee. A new model of conduct was adopted in May 2007. Ethical governance training was procured jointly with neighbouring authorities and was well attended by councillors. The Monitoring Officer and his deputy have run training sessions on the code for parish and town councils. Decision-making is transparent; portfolio holders are held to account through the Leader at open public sessions of cabinet. This is important if the Council is to work effectively and be seen to be doing so by the local community.
- 46 There is an effective approach to scrutiny, which is focused and provides effective challenge to the Council's work. Examples where they have influenced what the Council does include how the green waste service is delivered and ensuring the diversity strategy has a greater emphasis on hard to reach groups. The cabinet scrutiny committee regularly reviews the forward plan and effectively comments on decisions and challenges performance against targets. The two scrutiny committees are developing still, but the members are clear about their role and are keen to build on what has been achieved so far. The Council is more likely to improve when there is effective internal challenge.
- 47 The Council has an effective medium term financial strategy. The Council has improved its approach to financial management. The finances available to the Council are limited; however the Medium Term Financial Strategy (MTFS) is providing effective direction to improve the financial situation and an outturn position close to budget is projected for 2008/09. The Council is projecting its reserves position to be at an appropriate level in three years, exceeding £1.5 million by 2012. This is based on its success in achieving efficiency savings of over £2.7 million in the past two years, which is over £1 million above the Government target. It is important for the Council to maximise the use of resources available to it.
- 48 The Council is very successful in attracting funding from external sources to support its priority areas. The regeneration work in east Folkestone is a good example. From April 2008, £4 million, which is part of £16 million provided to East Kent, will be used to support the Council's programme for improving private sector housing and bring empty property back into use. Significant European funding has been obtained through its partnership with Boulogne, which has secured £5 million specifically for schemes aimed at young people suffering social and economic disadvantage. The ability to attract external funding means that the Council is in a better position to deliver its priorities.

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- 49** The Council's approach to achieving value for money is adequate and improving through the implementation of an action plan. In the Use of Resources assessment for 2007 the Council's performance was assessed as adequate overall with the value for money element assessed as adequate also. Significant savings have been achieved through a general review of budgets and from the 'Fit for Purpose' work. Benchmarking through the Kent Price Book has identified where service costs appear to be relatively high, but this does not cover all service areas. Closer examination of budgets through the zero based budgeting approach is being carried out across the Council following the completion of pilot reviews in three service areas. A focus on value for money is important if the Council is to be able to assure itself as well as the community that it is using its resources effectively.
- 50** The Council has been successful at enhancing its capacity through its use of shared services, but the Council recognises that staff capacity is stretched. However, staff are well motivated and keen to make the Council work better. Shared service initiatives are effectively supplementing scarce skills; in place is a pan East Kent audit, pest control service and a shared solicitor for property transactions. This builds on the good working relationship generally with the County Council, for instance on economic development issues using the expertise of County Council officers. Work is underway to develop shared service arrangements for waste collection, human resources, managing housing stock and benefits services. The Council is also working closely with the voluntary sector, building a good reputation for doing so. The Council has put in place a Compact with the voluntary sector including a volunteering support policy; capacity building with the voluntary sector is aimed at increased leverage for funding bids, extending the reach of public services and improved community liaison. This positive approach to partnership working brings the benefit of extending the capacity of the Council to be able to deliver services to a standard that the local community demands.
- 51** There is an effective approach to staff training. The leadership and management development programme is well embedded with 70 plus staff having been through the programme. A learning and development team was created in 2006 to ensure a co-ordinated approach to developing staff capacity. A corporate training prospectus has been produced in response to needs identified in personal performance reviews. This structured approach ensures that staff have the right skills needed to ensure that the Council is working effectively.
- 52** An effective people strategy is in place to put the right people in the right place to support the implementation of strategic objectives. To date this has acted as a workforce planning tool to inform the future workforce plan. Job planning to implement single status was undertaken robustly through line management to ensure staff support. The Council has successfully introduced a new pay and reward system linked to this initiative. This is an important and difficult achievement that provides a strong foundation for the Council to recruit and retain staff. Having addressed workforce issues through the implementation of single status the Council is in a stronger position for future workforce planning.

- 53** The Council is performing adequately in its approach to procurement. The Council has a sound procurement strategy with centralised control and devolved spending to agreed guidelines. Consideration is taken to favouring local suppliers, where appropriate, which will invigorate the local economy in line with its priorities. Equality and diversity is embedded into all new contracts. So far the impact the procurement strategy is limited to a few areas, such as recent contracts for its banking and insurance activity and telephony. Progress in improving procurement is important if further efficiencies in service delivery are to be realised.
- 54** The Council is taking a strategic approach to ICT which is now embedded and has resulted in efficiencies through consolidation of supplier contracts. IT budgets are now all centralised having previously been devolved to individual service areas. Capital investment for PC and server replacement ensures that there is improved ICT capacity. ICT has also been used to align customer facing services to provide one point of contact through the customer services team. The Council has also pioneered the government's gateway e-payments system resulting in prompter payment. By implementing a strategic approach to ICT the Council will support the effective use of resources.
- 55** Adequate arrangements for risk management are in place but risk management is not consistently applied across all areas. At the corporate level, an effective corporate risk register is reviewed each quarter by the CMT to re-rank the risks. At service level, service plans identify operational risks. Review of 2007/08 service plans show there is scope to further clarify how these risks may be mitigated. Risk management of partnerships has not been developed, for example there is no partnership risk register. It is important for all relevant risks to be identified if action to address them is to be taken on an informed basis.
- 56** The Council has an effective approach to diversity. The Council has made progress in developing its approach to equality and diversity. It has achieved level 2 of the Equality Standard and measures are well advanced to reach level 3 by 2009. A comprehensive diversity policy is in place covering race, disability, gender, age, religion, sexual orientation and transgender/transsexual legislation. This is supported by a clear action plan which has accountable and clear targets for three years 2007-2009. An effective approach to equality and diversity will support the Council to ensure that any community cohesion issues that arise are identified and addressed.

Performance management

- 57 The Council is performing adequately in this area. A performance management framework has been established but the culture to support it is not yet fully understood and consistently applied. Performance reporting focuses on progress towards meeting the priorities, but is not prompting early action to ensure the majority of targets will be achieved. Project management techniques are applied but are not fully effective. The performance management processes for the local strategic partnership and other key partnerships are not fully developed. The Council generally learns from experiences and is using information from the call centre effectively to influence the level of service to be provided.
- 58 A performance management framework has been established but the culture to support it is not yet fully understood and consistently applied across the Council. A clear performance management framework was adopted in October 2006. It sets out the Council's commitment to effective performance management. Underpinning this is the Shepway Performance site on the Council's intranet which provides information on progress against all performance indicators. Regular meetings are held between senior managers and portfolio holders to check progress against targets. Individual one-to-one meetings are held with staff. This is part of the structured performance appraisal system recently introduced and which currently includes 70 per cent of staff. The embedding of a performance management culture throughout the Council is crucial if it is to ensure it is delivering services effectively.
- 59 Financial planning and management is being improved. Better use is being made of the reporting facilities of the financial management system to support managers. However, there is not a routine process in place that formally links the performance achieved to the resources used to assess value for money. It is important the Council adopts a structured approach as it needs to assess the value for money of all its services and prioritise efficiencies.
- 60 Performance reporting focuses on progress towards meeting the priorities, but is not prompting early action to ensure the majority of targets will be achieved. A balanced scorecard approach has been adopted that reports progress on a quarterly basis to cabinet and scrutiny against key performance indicators. The traffic light system is used and explanations provided when indicators fall within the amber and red categories, describing the action to be taken to address the issue as necessary. The scorecard for the period to the end of December 2007 shows that of the 26 indicators only 5 are green and certain to hit their target for 2007/08. Six are red and will miss their target. The remaining 15 are described as amber. However, there are different interpretations of whether this means that the targets will be missed or not. It is important that the performance management system is widely understood and used proactively to identify action to ensure that targets to meet the priorities are achieved.

- 61 The application of project management techniques is not fully effective and applied consistently. There is a published toolkit to be followed for capital projects over £10,000. These projects require a business case that tests the proposal against the Council's priorities as well as ensure that the financial criteria are met. Progress is monitored by the programme board and the current list of projects reported to the board indicates that 40 per cent of them are not meeting their deadlines. The Council is not in a position to confirm whether the toolkit is applied to all project activity. The application of project management techniques to all other projects is left to the discretion of service managers and project leads. It is important to recognise that project management techniques can usefully be applied to all project activity, not just capital schemes, and that all projects are planned properly to identify realistic timescales and ensure that additional costs are not incurred.
- 62 The performance management processes for the local strategic partnership and other key partnerships are not fully developed. This is acknowledged as an area in need of development by the Council. Monitoring arrangements for the Community Plan have been agreed by the LSP, working through lead agencies. The Council has identified that arrangements are in place for monitoring financial and output performance for its other key partnerships and performance reports are produced. However, the scrutiny function is yet to engage fully with partnership working and review of the LSP. It is important for the performance management framework to be well established for the work of the partnerships if they are to be effective in delivering the outcomes sought by the community.
- 63 The Council generally learns from experiences but is not fully effective in capturing staff feedback. Project closure reports are prepared to assess how a project was delivered and any lessons that could be applied elsewhere. A good example is learning from the unsuccessful PFI bid for sports facilities. Another is how, after the earthquake in 2007, the Council identified the need for more staff to be involved, as well as improve the way it works with partners. These changes have been incorporated into the Council's emergency planning procedures and training given where needed. Information is cascaded to staff via team meetings which involve senior managers and directors. However, while these meetings are encouraged, the feedback from staff suggests that this does not happen consistently across the Council and that feedback from the meetings is not communicated to senior management in a structured way. This is important if it is to continue to improve the way it works.
- 64 The Council is using information from the call centre effectively to influence the level of service to be provided. Calls are monitored to identify the type of enquiries made and any trends emerging that could influence how the service might be delivered. Feedback is reported to the monthly meetings with service managers and also forewarns the customer contact centre of likely peaks in demand. In this way the locations of littering hotspots are identified and additional resources are provided to the centre to be able to respond when new initiatives are rolled out such as Operation Cubit, which dealt with abandoned vehicles. This is important if the Council is to provide a responsive service for customers that meets their needs.

What has been achieved?

Achievement and improvement

- 65 The Council is performing adequately in this area. Many of its achievements have appropriately been internally focused, implementing the changes needed to give it foundations for future improvement. Good progress is being made to improve the appearance of the district and the Council has been effective in promoting the economic regeneration of the area. It has been successful in addressing local housing issues and is helping to support community development. The establishment of the Lifeline service is making a valuable contribution to the community. The Council is enhancing the cultural life of the area and providing leisure opportunities to young people. However sports facilities are generally poor in the district. The Council's response to the earthquake in 2007 received strong commendations from partners and the community.
- 66 The Council is improving services overall but in a number of areas the improvement has been from a low base and performance remains at a level below average. For example, the benefits service is improving but remains at a poor level compared to others. In the year to 2006/07, 50 per cent of the BVPIs improved, which was below the average level of improvement of all district councils of 58 per cent. The figures also show that the Council was performing in the best performing 25 per cent of councils in 19 per cent of the BVPIs compared to an average of 33 per cent for district councils. Residents' overall satisfaction with the Council in the 2006/07 survey was 49 per cent, which is below the average, of 53 per cent. The finances of the Council are stable and the assessment of its use of resources has improved to an adequate rating.
- 67 The Council's achievements are assessed below, against the six priorities which have been the basis of its work since 2006. Some achievements cut across more than one priority but are only referred to once.

Improve the appearance of the district

- 68 The Council is making good progress in its ambition to 'improve the appearance of the district'. Waste recycling rates are very high and improving, at 40 per cent in 2006/07. The cleanliness of streets has improved markedly. Streets with unacceptable levels of litter fell from a very poor level of 35 per cent in 2004/05 to 18 per cent in 2006/07. The latest un-audited monitoring figures show this has improved further to about 10 per cent. The Council responds quickly to low level enviro-crime complaints. Graffiti levels have fallen sharply, from 9 per cent in 2005/06 to 4 per cent in 2006/07 and 1 per cent (un-audited) in the third quarter of 2007/08. Fly-posting levels have more than halved and a strengthened 'handy man' service is providing a quick response to minor issues. Coordinated action has been taken with partners to improve local areas. Examples include clean-up campaigns in prominent locations such as Payers Park, alley gating to tidy up paths and focused enforcement action on fly-tipping in the Romney Marsh area.

- 69 The Council has improved the physical appearance of the district through the development of some major schemes. These include Folkestone town centre improvements such as the 'Streets and Squares' project, refurbishing a historical bandstand and enhancing the Lower Leas Coastal Park which has achieved a Green Flag award. The Royal Military Canal is being improved through a £3.5 million Heritage Lottery grant. Beaches are maintained to a good standard, Dymchurch Beach received a Quality Coast award in 2007. A community arts project is improving the appearance of vacant sites in the Folkestone old town area by inviting local artists to design decorative hoardings.

Improve service to customers and be a well-managed council

- 70 The Council is making good progress towards its aim to be a well managed council. Following the last CPA when it was assessed as a weak council, it has focused on the internal processes necessary to provide the foundations for future improvement. Importantly it has improved the councillor and officer working relations. Key systems and processes are in place such as for procurement and performance management. At the same time, action has been taken to address high sickness levels. The implementation of an absence management policy has resulted in sickness levels dropping from 12.2 days to 6.8 days per employee. The Council is now well led and providing strong managerial leadership, in sharp contrast to the position a few years ago.
- 71 Progress towards being a well managed Council is being reflected in relatively positive external judgements of its services. Three recent inspections, Access to Services, Street Scene and Landlord Services judged the services to be 'Fair'. In terms of prospects for improvement two were judged to be 'Promising' while the third, for Access to Services, was seen to be 'Uncertain'. These judgements are an improvement on the past and provide reassurance that the Council is making progress towards improving the way it works and delivers its services.
- 72 The establishment of the Lifeline service is making a valuable contribution to the community. The service is a 24 hour contact service which supports the most vulnerable people in the district. Data shows that more than 4,000 individuals and local organisations use this accredited service and it is the only one in the country to be selected to take forward the Government's 'Whole System' pilot. Work has been enhanced by combining of Lifeline and CCTV. Access to support on a 24 hour basis supports enhanced quality of life for the local community including the most disadvantaged.
- 73 Good progress is being made in implementing the Customer First project. The unified customer service team was established in 2007. The call centre is being piloted with a number of frontline services on the system. The performance in responding to enquiries is monitored and this includes the number of abandoned calls. Already there are positive improvements in how customers' enquiries are being responded to and the speed of that response. For example, in housing the percentage of calls served has improved from 50 per cent in 2005/06 to over 90 per cent in 2007/08.

- 74 The Council and its partners, through the Crime and Disorder Reduction Partnership (CDRP) have had success in reducing crime; particularly in reducing criminal damage, domestic violence and crime measured by the Kent Crime and Victimization survey. Examples include; an alley-gating project and work with residents in Eastfields which has reduced levels of arson, graffiti and anti-social behaviour. A multi-agency operation in response to incidents of asbestos dumping and fly tipping had positive results; and a group of young people won a national and Kent-wide respect award for their work in creating a play area and resolving conflict between older residents and youths. Effective projects to reduce crime have a positive impact on the local community.

Improve benefits performance

- 75 Performance in the benefits service is improving but remains at a poor level compared to others. Historically this service has been a low priority for the Council and as a result performance levels have been extremely poor. Since it became a priority in 2006 performance has improved significantly. The Council made resources available to review processes and clear a backlog in excess of 2000 claims. The average time taken to process new claims has improved from 55 days in 2005/06 to 43 days in 2006/07 and 33 days by the third quarter of 2007/08. The average time to deal with changes of circumstances has also improved, respectively from 37 days to 23 days and currently 18 days.

Regenerate our communities

- 76 The Council has been effective in promoting economic regeneration. It is using its landholdings and using statutory powers effectively to bring about physical improvements to regenerate the district. It was a key partner in developing the Bouverie Place shopping centre in the centre of Folkestone. This opened in 2007, creating 1,100 jobs and it is projected to retain £250 million of spending within the local economy. The Council is working closely with a local benefactor to regenerate the historic Old High Street area as an attractive 'Creative Quarter' to provide a base for artists and creative industries. Along with partners it is helping to support local businesses. It has provided funding to support a range of initiatives such as an Enterprise Gateway that has supported 85 businesses and created 82 new jobs and the Romney Resource Centre which provides community based training in an isolated rural area. The Council has similarly supported other major initiatives such as the new University Centre in Folkestone which will provide young people with access to higher education locally.

- 77 The Council has been successful in addressing local housing issues. It has brought 121 empty homes back into use since 2005 and has helped to upgrade 200 private sector homes to a decent standard. The Council is on target to meet the decency standard for its own housing stock by 2010. The number of households in temporary accommodation has reduced by 26 per cent and the length of time they spend there has been significantly reduced. Over 400 homelessness cases have been prevented and a homelessness hostel has been converted to provide 18 units in collaboration with a partner registered social landlord. The Council is on schedule to exceed its target of 180 affordable homes in the period 2006-2009. It is working with the County Council and other Kent districts to deliver a major PFI project which is providing 39 apartments for older people requiring extra care and seven units of one bed accommodation for people with learning difficulties.
- 78 The Council, with its partners, is effective in supporting community development. By helping to set up neighbourhood initiatives such as the Hawkinge Neighbourhood Partnership and Guildhall North Neighbourhood Renewal Area, it is enabling local communities to be more self sufficient. Innovative work has been undertaken in partnership with the Boulogne and Shepway Co-operation Association (BOSCO). Since 2005 it has secured EU funds of £5 million for schemes aimed at young people suffering social and economic disadvantage. Sport has been used to reintegrate 11 to 16 years olds back into society and a civic education programme, Youth on Board, is helping young people who have been excluded from school to gain confidence and improve their social interaction.

Improve opportunities for sport, leisure and culture.

- 79 The Council is enhancing the cultural life of the area. It is supporting events such as those at the recently opened coastal park and at the refurbished bandstand. These events are well supported and enjoyed by the community. A major arts exhibition comprising 24 artworks to be located around the district has been organised for the summer of 2008 and will result in at least six being permanently on display. Also it is actively supporting other initiatives such as the establishment of the Creative Quarter in Folkestone and the provision of a performing arts and business centre, which is now under construction.

- 80 The Council is providing some good initiatives to give leisure opportunities to young people but sports facilities are generally poor in the district. It has brought a building back into use, The Shed, which houses a youth project open at least four nights a week. It has hosted events such as a heat of UK Street Athletics aimed at 7 to 19 year olds. A multi-use games area (MUGA) has been provided at Greatstone. Since this was built, there has been an 80 per cent fall in anti-social behaviour and associated crime in the area. Although well attended, however, the sports centre in Folkestone and the swimming pool at Hythe are in poor condition. A PFI scheme to address this issue was in place but did not proceed as it was agreed that it was unviable. However, the Council is working with the Folkestone Sports Centre Trust on a comprehensive regeneration of existing facilities and advance negotiations on the provision of a pool and gym in Hythe. If these ambitions are achieved, the quality of sports and leisure facilities would improve.

Strengthen the Council's financial position.

- 81 The Council has been effective at strengthening its financial position. The Council can demonstrate that it has achieved over £2.7 million of efficiency savings to support value for money demands and that through the MTFS the financial situation is improving. In three years the reserves position is expected to be at the appropriate level, exceeding £1.5 million by 2012. Over the same period of time the Council has identified the scale of any likely deficit in its revenue budget in order to put in place the action needed to ensure that the budget is not overspent. This is demonstrated in the MTFS and in the context of its record of making savings. Also a programme of budget reviews is just starting. This is important if the Council is to maximise the resources available to it.
- 82 The Council has an adequate rating for use of resources. This is an improvement on the inadequate rating that it received following the CPA in 2004. This improvement is bolstered by an improved approach to asset management. A review programme is under way to assess whether the Council's assets are providing value for money and identify opportunities for disposal. Phase One of the programme is nearing completion and has so far generated £1.2 million in capital receipts. Councillors have agreed that half of these receipts will be reinvested in assets to either generate income or increase the investment portfolio, with the other half devoted to General Fund capital expenditure.

Appendix 1 - Framework for Corporate Assessment

- 1 This corporate assessment was carried out under section 10 of the Local Government Act 1999, under which the Audit Commission has power to inspect local authorities' arrangements for securing continuous improvement. The results of the corporate assessment contribute to the determination of the overall CPA category for an authority, which the Audit Commission is required to assess and report on under section 99 of the Local Government Act 2003.
- 2 The Council's self assessment provided a key resource in focusing the assessment activity which included consideration of:
 - key documentation, including the Council's improvement plan;
 - updated performance indicators and performance data; and
 - interviews and meetings attended.
- 3 The assessment for Shepway District Council was undertaken by a team from the Audit Commission and took place over the period from 3 to 7 March 2008.
- 4 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 improvement planning by the Council.