

Appendix 1



Chester-le-Street
District Council

Comprehensive Performance Assessment Application to Regional Panel for consideration for re-categorisation



October 2006

Statement of the Leader of the Council

In March 2004 the Audit Commission concluded that we were 'poor' council. We accepted that we were. Then it was not well managed, was inwardly facing and reluctant to learn and change. Chester-le-Street is now a completely different council. Now we feel it is an outwardly looking council which is open to challenge and improves as a result of its learning. In have moved from a council which was subject to full intervention through a Housing Board to one who is now only subject to lighter touch intervention of the DCLG Monitoring Board

We feel that we have made good progress on our improvement programme. This has been accepted by the Audit Commission in their latest progress assessments and supported by Monitoring Board . We feel that there is clear evidence that our improvement work is leading to real and positive change for our communities. It is a priority for the council to seek early re-categorisation. We are not complacent. We know we have got a great deal more to do sustain our improvement progress and our awareness of where we are and where we want to be is a strength of the organisation. We feel that our application has the full support of the DCLG Lead Official

We have considered submitting our application carefully and feel that we can signpost the Panel to evidence of how we are significantly improved. We have the resources to meet the requirements of the process and this is firmly built into our Corporate Plan. We feel we are ready for an immediate preparation of a Self Assessment with a view to an Inspection during January or February 2007.

We would therefore respectfully request that the Regional Panel;

- takes into account the evidence we set out in our attached application;
- concludes that there is realistic prospect in change;
- agrees to the instigation of the re-categorisation process and
- recommends that an early corporate assessment is undertaken.

Linda Ebbatson
Leader of Chester-le-Street Council

The attached application was approved by the Council on 26th September 2006.

Response to Audit Commission Framework for Comprehensive Performance Assessments from 2006
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The above is a supporting statement to introduce our application. Our application is made on the following three pages.

Signposted evidence within the application is identified in bold.

Evidence of addressing weaknesses.

The March 2004 judgement identified that the council had the following key weaknesses:

- no clear long term vision for the area and the corporate plan was out of date;
- no meaningful targets and little evidence of focus;
- poor leadership at senior management level;
- poor priority setting with limited consultation with local people;
- slow progress on diversity;
- resources were not matched to priorities;
- lack of improvement in zero rated housing service, HRA managed poorly; no Business plan and no fit for purpose strategy ;
- lack of performance management, Strategic and service planning underdeveloped, BVPP qualified every year, risk management poor;
- inability to manage business effectively; Significant capacity issues at Corporate Management Team, quality and effectiveness of council meetings and decisions were poor, HR practices were weak; No strategic focus on procurement and no ICT Strategy;
- limited achievement in service delivery, significant bottom quartile PI's, poor benefits assessment, missed targets for recycling, lack of improvement in regeneration;
- scrutiny underdeveloped;
- lack of a Medium Term Financial Strategy;
- lack of systematic learning or evaluation, staff not encouraged to take initiative;
- lack of detailed future direction.

To address this the council embarked on a comprehensive improvement programme which led to the development and agreement by the ODPM of an ambitious first Improvement and Recovery Plan in September 2004. This was reviewed and a Phase 2 was agreed by Monitoring Board in November 2005. Through sound programme management these plans have been implemented.

The **March 2006 Audit Commission's Progress Assessment Report** concluded that the council was progressing well in addressing the weaknesses identified in the inspection in 2004 and in the Progress Assessment published in December 2004 which only showed limited progress. The March 2006 report concluded that the council has:

- set out its ambitions for the district clearly in its Corporate Plan;
- strengthened its strategic planning and performance management significantly;
- senior politicians and managers who provide good leadership internally and externally;
- been working with partners to update the Community Strategy;
- made progress on new strategies and plans including community engagement, equality and information management;
- made good progress in developing and implementing improvement plans and, in doing so, is addressing many of the weaknesses identified in CPA;
- improved capacity through the appointment of a good senior management team;
- is developing its councillors and staff;
- is developing plans for the futures including a three year corporate plan and a medium term financial strategy; and
- is developing a culture of improvement and learning from others.

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As a result of improvement work the Commission concluded that the performance of the council's services, whilst mixed, is improving overall. The Commission found that there was significant improvement in planning, revenues and benefits and e-government. The **Progress Assessment Report** found that the council has :

- made good progress in setting out its ambitions supported by clear implementation plans;
- led the LSP to provide much improved community leadership, the Community Strategy articulates a shared vision and the council is supporting the LSP to update it (now formally agreed) and develop measurable action plans;
- a corporate plan which sets out the new vision, new priorities, developed in consultation with partners and local people, provides explicit customer focus and underpins the council's contribution to the Community Strategy;
- sufficient information to fully understand the needs of local communities and engagement is improving through the development of an engagement strategy, undertaking annual residents surveys and through customer focus groups;
- good political and managerial leadership, councillors have grown in their roles and are engaged, committed and enthusiastic, there is a strong corporate management team and relationships between officers and councillors is good;
- developed a cohesive corporate culture on what the council is trying to achieve and is making good use of the 'One Team' branding
- made good progress in developing and strengthening corporate processes and its ability to improve services;
- worked hard to develop strategic planning and establish robust management processes, corporate culture is changing to one which is supportive of change;
- made good progress in implementation its improvement programme, has justifiable reasons for any slippage and has taken action where this has happened;
- made good progress on councillor development, improved its scrutiny function adopted a new constitution and quality of decision making has generally improved;
- has greatly the performance management framework is greatly improved and there is a good performance management system in place, data collection is improving, and performance reporting has improved, and there are indications that performance management is beginning to drive improvement;
- improved financial management with a new system introduced, improved budget setting process, a medium term financial plan;
- modernised HR policies and procedures, and both an organisational development programme and corporate training plan are in place;
- Risk management which compares well with other councils and is addressing strategic procurement in partnership with Derwentside District Council;
- Progressed well on issues of equalities and diversity with the Leader and Assistant Chief Executive as champions;
- Began to engage service users in developing service standards and has a user friendly compliments and complaints system; made rapid progress on ICT and e-government achieving 100% performance on BV157;
- further developed and strengthened partnership working including some joint service provision with other councils and partnerships with the private and voluntary sector;
- shown some significant improvements in some indicators in early 2005/2006 including worst quartile at the time of the 2003 inspection, while it has its own evidence of improved customer satisfaction (3% a year over last three years)
- progress on key regeneration projects, health, sport, leisure and arts, planning, benefits, access to services, biodiversity, waste collection and recycling;
- progress in setting out plans for the future, its Improvement programme is now more externally focussed

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The above evidence of improvement by the Audit Commission is reflected in the **March 2006 Annual Audit and Inspection Letter 2004/2005**. This states that the council is 'making good progress in addressing the weaknesses identified in its CPA inspection' with progress being made in each of our priority areas. This letter confirms:

- an unqualified audit opinion on accounts, a significant improvement;
- a 2 score for the first Use of Resources judgement;
- the council is progressing well in linking the Community Strategy to service plans; and
- an unqualified certificate for the Best Value Performance Plan.

Evidence of impact of improvement.

Service Inspection and Accreditation

The Audit Commission's progress Assessment Report and Annual both identify where it considered that service improvement outcomes existed. The council is now six months down the line and has continued to rigorously implement its improvement programme. A revised corporate plan and new Sustainable Community Strategy have been adopted. In the last six months there have been two service Inspections which both show improvement :

- Environmental Services (street cleaning, refuse, recycling and grounds maintenance) – good service with promising prospects of improvement (**Audit Commission May 2006**)
- Housing – fair service with uncertain prospects (**Audit Commission – July 2006**)

Both of these inspection reports reflect the impact of corporate improvement and show improvement from previous judgement. Housing still faces challenges to deliver the decent home standards but has significantly improved from a very low base. As a result of a thorough options appraisal the council is rigorously progressing proposals for LSVT. A tenants ballot is due to be held in early 2007.

In terms of other external assessment the council Selby Cottage nursery was judged to be 'outstanding' by OFSTED. The council has also won other awards such as Green Flag and Green Apple. Moreover, the council's investment in member development has not only helped to address CPA weakness and improve community leadership but helped the council towards being the first District Council in the region to meet **The Members Charter**.

Best Value Performance Indicators

There is further evidence of impact in terms of improved performance on Best Value Performance Indicators. **The Audit Commissions Performance Tool – August 2006** gives some mixed messages from a performance point of view. Positively it shows a much higher proportion of key BVPIs than even 'excellent' councils are in the top quartile (44% compared with 38% for average excellent councils). Extent of improvement is not so positive where the Commission's tool shows under performance between 2002/3 and 2004/5. The council would strongly argue that the 2004/5 figures were too early to show improvement as a result of CPA weaknesses being addressed. The council is confident, based on its proactive approach to Data Quality that 2005/6 figures when audited will show that 89% of the key indicators have improved between 2002/3 and 2005/6.

Value for Money

While value for money was a weakness in the first Use of Resources judgement embodied in the 2004/2005 Annual Audit and Inspection letter, the council has responded by developing and implementing a corporate approach to Value for Money. The council is confident that by addressing this weakness the second Use of Resources judgement will show an improved score.

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