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Chief Executive:
Jeffrey W Davies MA LLM

Dear Councillor

OVERVIEW AND SCRUTINY COMMITTEE - THURSDAY, 13TH OCTOBER, 2005

I am now able to enclose, for consideration at the above meeting of the Overview and Scrutiny Committee, the following additional documents for consideration with the respective agenda item reports.

Agenda No Item

5. **Progress Assessment Report (Pages 3 - 18)**

A copy of the Audit Commission's Progress Assessment Report is attached for consideration.

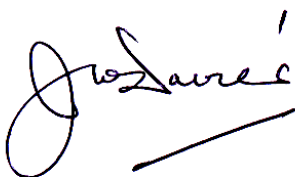
7. **Revenue Budget 2005/06 - Monitoring (Pages 19 - 20)**

An extract from the minutes of the Executive Cabinet meeting held on 29 September 2005 in relation to the Director of Finance's monitoring report on the 2005/06 revenue budget is attached.

8. **Capital Budget 2005/06 - Monitoring (Pages 21 - 22)**

An extract from the minutes of the Executive Cabinet meeting held on 29 September 2005 in relation to the Director of Finance's monitoring report on the 2005/06 capital budget is attached.

Yours sincerely



Chief Executive

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Distribution

1. To all Members of the Overview and Scrutiny Committee for attendance.
2. To Group Director, Director of Legal Services, Director of Finance, Head of Human Resources and Head of Corporate and Policy Services for attendance.
3. Executive Leader (Councillor J Wilson), Deputy Leader (Councillor Edgerley), Leader of Liberal Democrat Group (Councillor Ball) and all remaining Chief Officers for information.

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આ માહિતીનો અનુવાદ આપની પોતાની ભાષામાં કરી શકાય છે. આ સેવા સરળતાથી મેળવવા માટે કૃપા કરી, આ નંબર પર ફોન કરો: 01257 515822

ان معلومات کا ترجمہ آپ کی اپنی زبان میں بھی کیا جاسکتا ہے۔ یہ خدمت استعمال کرنے کیلئے براہ مہربانی اس نمبر پر ٹیلیفون

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Progress Assessment Report

July 2005

Progress Assessment Report

Chorley Borough Council

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Introduction

- 1 In 2004, a Comprehensive Performance Assessment was published by the Audit Commission about the Council which categorised it as **fair**. The key strengths and weaknesses relating to this assessment are reproduced in Appendix 1.
- 2 This report, based on work undertaken in late 2004 and early 2005, presents an analysis of the Council's progress to date using the improvement plan agreed with the Audit Commission and comparison with the baseline position of the Comprehensive Performance Assessment.

Summary

- 3 The Council has drawn up a detailed improvement plan to address the weaknesses identified in its Comprehensive Performance Assessment report and has made good progress in delivering the actions identified. The challenge for the future is to be able to demonstrate that the actions have led to demonstrable improvement in outcomes for local people as expressed in the Community Plan and in the Council's soon to be revised corporate plan. The management team and senior management group have ownership of the improvement plan and receive updates on progress. Some of the actions are being incorporated into service plans and others have detailed action plans, so as to ensure delivery. Senior officers are confident of delivering most of the identified improvements in accordance with the agreed timescale.
- 4 It is too early to assess the full impact of the actions on outcomes at this initial stage in the improvement process, but the Council's approach indicates a positive attitude towards achieving improvement for local people and there is indication from analysis of best value performance indicators that improvement is taking place.
- 5 The capacity of the Council to deliver on what is a very ambitious programme of improvement, will require effective use of management and staff resources and will need to be carefully monitored. Challenges remain for the council in development of action plans to deliver the new community and corporate plans, integration of performance management at all levels, in demonstrating continuous improvement against outcome measures and in implementing comprehensive member development arrangements. The Council is currently well-placed to meet these challenges.

What is the Council trying to achieve?

- 6 The Council, working as a partner in the LSP, has made progress with the publication of a new draft community strategy in February 2005. The finalised version is online to be agreed for the June 2005 target date. The strategy is built upon engagement with a wide range of partners and has involved various consultation exercises. Once the community strategy is published, the Council will finalise its work on a new corporate plan encompassing its role in delivery of the community strategy. The Council through the Chorley Partnership has fully engaged and consulted the local community and partners on the strategy. It is recognised that thorough consultation by the Partnership will challenge the Council's own ability to demonstrate its role in achieving progress against key Community Plan objectives in the immediate future.
- 7 A process for identifying areas for investment or disinvestment has been implemented by the Council as part of the budget planning process, and this was used in 2004/05 to identify savings of around £700,000 in non-priority areas. Resources were redirected to priority services with a review of reserves being undertaken and assessed against the financial risks facing the Council.
- 8 Progress on the evaluation and impact of outcomes is developing. Engagement by the Council with its communities is demonstrated via the work on the new Community Strategy. User views have also played a role in the design and delivery of services. Electronic accessibility to information and services is being improved and the Council is well on target to meet the Government's target measures. The Council is to pilot area forums in three parts of the borough with effect from Autumn 2005.

- 9 A communications strategy is now in place, with clear aims and targets, including the aim to be at the IDeA Benchmark Level 3 by April 2007. The implementation of the strategy should improve consultation and engagement with partners, stakeholders and the wider community and allow the corporate objectives to be focused on community aspirations and be better understood by the community. We noted through interviews with key staff, however, a lack of clarity around roles and responsibilities for implementation of the strategy and delivery of the action plan.

How has the Council set about delivering its priorities?

- 10 The need to improve member training and development is recognised by the Council, and it is seeking to do this through a number of measures, including establishment of a member development steering group, standing agenda items at Overview and Scrutiny Committee, and visits to other authorities. A meeting with the Leader and Deputy Leader has taken place to raise its profile. A questionnaire was circulated to identify training needs for all members, as a precursor to the development of a detailed training and development programme. The attitude of members towards training is improving, but it is recognised that further work is required.
- 11 The Council has responded well to the recommendations in the previous Audit Commission report on democratic renewal, and additional resources are being put into scrutiny which should enable better support. The Overview and Scrutiny Committee is being more proactive in investigating areas, and has started to use its call in powers. There is scope to introduce resource considerations into Overview and Scrutiny recommendations and this has now started to happen.
- 12 The Council is looking more strategically at its HR function, and has increased its capacity as it changes to a more customer-focused service. The HR service provides advice, conducts surgeries and provides coaching for managers and is more proactive in tackling issues. Consultation with staff has increased. These developments will enable the many issues identified in recent reports to be tackled more systematically and consistently.
- 13 In the area of equalities and diversity, it is recognised that work is ongoing. A corporate diversity group exists which meets on a regular basis and has produced a consultation draft of an equality and diversity in employment policy, and is on target to develop an overall strategy and action plan in conjunction with partners in the Chorley Partnership by Summer 2005.
- 14 Measures have been put in place by the Council for reducing the number of days lost to ill-health. This has resulted in a significant reduction during the current financial year which if maintained is likely to put the Council near the top 25 per cent performance of district councils. This evidences the Council's significant and sustained effort in this area.
- 15 A performance management culture is beginning to develop, increasingly with the involvement of members. The Council has produced revised guidance aimed to integrate business planning for service units. This tackles a number of the issues raised in the corporate performance assessment, and aims to consolidate and reduce the burden of preparing a number of separate plans and improve co-ordination. It is currently being implemented for the financial year 2005/06. Links between the individual service objectives and performance indicators/targets are not consistently clear in Unit Business Plans and could be made more explicit in future. In addition, not all resource requirements/opportunity costs, have been quantified.
- 16 An outcome focus is not yet clearly reflected in current performance indicators. Specifically, there is scope to extend the number of local PIs that measure outputs and outcomes for local citizens. The introduction of 'Performance Plus' and the identification of a basket of key indicators are designed to help in this regard.
- 17 No significant risks have been identified as part of the facilitated self-assessment of corporate governance arrangements. The Council's strengths were identified as lying in internal processes and structures rather than with development of community focus and aspects of service delivery arrangements. The Council is now working to address this.

What has the Council achieved/not achieved to date?

- 18 Forty-two per cent of the BVPIs have improved during the period 2002/03 to 2003/04. The Council's BVPP update also reflects that 58 per cent either stayed the same or declined during this period. It is recognised that the BVPI data, on its own, is not an adequate measure of performance of achievement and that in some instances, performance has remained static whilst in the top performing quartile. Nevertheless, there is still more to be done to ensure more consistent levels of improvement across the Council.
- 19 The Council is rising to this challenge through the positive steps it is taking to strengthen arrangements for effective management, measurement and monitoring of performance. The application of the revised performance management framework will help to ensure that corporate and service areas are focused on achieving the Council's priorities. There have been achievements, such as the development with partners of the Lancashire Shared Services Centre, improving planning turn around times and receipt of substantial planning delivery grant, completing a new housing stock options as a pre-cursor to stock transfer the restructuring, and re-engineering office systems to take advantage of available technology.
- 20 However, target setting is not consistently used to drive improvement and it is important that the Council ensures that the new system is used effectively, so as to improve outcomes for service users. A key challenge for the future will be the definition of appropriate outcome measures and monitoring systems with partners in the Chorley partnership.
- 21 The Council has continued to invest in greener, cleaner, safer Chorley, particularly by increasing staff resources. Progress is being made in dealing with procurement, and a strategy has been produced. External resources are being used to help implement it, and the need for a change in culture has been recognised.

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

- 22 The Council is improving staff capability and competences to ensure delivery of its priorities and developed a human resources strategy which seeks to address these areas, together with various supporting policies and documents. The HR strategy includes clear objectives and measurable targets, and now also includes a detailed implementation plan. Since the CPA review the Council has employed independent consultants to carry out a detailed staff attitude and opinion survey. This suggested a more positive position than at the time of the CPA and has led to improvements for staff through the introduction of the 'Improve 4U' initiative.
- 23 Linked to the HR strategy, the Council has developed a competency framework and has a draft Learning and Development strategy. Regular staff performance reviews now take place. An online 360-degree feedback tool has been developed, and is currently being piloted to assess its effectiveness in supporting the developing performance and competency culture. A more proactive approach to training and development is underway, which will tie it more closely to the achievement of corporate priorities. Guidance has also been produced for managers and staff on performance management to ensure consistency across the Council.

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

Theme	Grade	Strengths	Weaknesses
Ambition	2	<ul style="list-style-type: none"> • Aims based on consultation. • Defined ambitions in some key areas for example, waste management. • Led on the sustainability agenda. • Clear internal ambitions around customer focus and organisational excellence. 	<p>Community plan weak in a number of areas:</p> <ul style="list-style-type: none"> • not clear how the longer-term vision will be delivered; • does not explore the economic and social potential of the district; • does not make clear links to key areas eg housing; • level of ambition not clear – lack of specific measurable and sustainable outcomes; • lack of structured approach to social inclusion and equality and no clear objectives for promoting social cohesion overall; and • non-inclusive leadership style leading to weaknesses in communicating aims and in engaging effectively with staff, partners and the local community to promote understanding and participation.

Theme	Grade	Strengths	Weaknesses
Prioritisation	1	<ul style="list-style-type: none"> • Some priorities contribute to the aims and the community plan. • Good use of national priorities to reinforce local ones. • Councillors are shifting resources. 	<ul style="list-style-type: none"> • Priorities do not link to aims. • Too internally focused. • Lack a clear view of outcomes for local people. • Unstructured approach to community engagement. • Ineffective at communicating its priorities or providing feedback. • Councillors have yet to spell out what are not their priorities. • Priorities not effectively driving performance in some areas. • Business and budget planning processes not yet sufficiently integrated to ensure resources aligned.
Focus	3	<ul style="list-style-type: none"> • Ability to maintain focus on key themes over a number of years resulting in delivery of tangible benefits. • Cabinet uses corporate priorities as basis for decision-making. • Councillors have avoided distractions. • Budget process streamlined to gain better focus. 	<ul style="list-style-type: none"> • Mechanisms for focusing on priorities are in their early stages and have yet to be tested.

Theme	Grade	Strengths	Weaknesses
Capacity	2	<ul style="list-style-type: none"> • Councillor training needs assessed. • Clear officer/member roles and responsibilities. • Overview and scrutiny toolkit. • Officer structures have improved accountability and responsiveness. • Internal communications improved. • Good use of external resources and IT to enhance capacity. • Financial capacity sound. 	<ul style="list-style-type: none"> • Training for councillors underdeveloped. • Poor political relationship with main opposition. • Scrutiny ineffective and lacking adequate support. • Limited role for standards committee. • Management team yet to find balance between strategic and operational focus. • Inconsistent approach to equalities and diversity. • Quality of consultation with staff is mixed. • Lack of strategic role for HR; policy framework incomplete; implementation and monitoring weak. • High sickness absence levels. • Lack of strategic approach to procurement; lack of skills and knowledge. • Partnership capacity not always used to best effect.

Theme	Grade	Strengths	Weaknesses
Performance management	2	<ul style="list-style-type: none"> • Business and service planning frameworks in existence and about to be updated. • Improvements or corrective actions initiated in some key service areas. • Service standards available in some areas. • Financial management is sound. • Risk management approaches are sound. 	<ul style="list-style-type: none"> • Existing mechanisms do not currently ensure effective delivery of priorities. • Councillors unclear about their role in monitoring performance. • Monitoring arrangements for the community plan not yet established. • Arrangements for tackling poor performance unstructured. • Performance management within services is inconsistent: review of individual performance; performance information is variable; communicating service standards. • Council does not routinely compare itself with high performers. • Inconsistent approach to demonstrating VFM.
Achievement in quality of service	3	<ul style="list-style-type: none"> • Strong performance in priority areas: top quartile waste recycling performance; recycling of materials on Buckshaw Village development; high passenger satisfaction with new bus interchange. • Service quality generally good - five out of six AC inspections assessed as 'good'. • 56 per cent of key PIs in top or second quartile. 74 per cent of citizens satisfied with overall council service (MORI). High satisfaction amongst council tenants. 	<ul style="list-style-type: none"> • Performance weaker in some areas: sickness absence, invoices paid on time. • Planning performance inconsistent. • Only 53 per cent of citizens satisfied with street cleanliness levels.

Theme	Grade	Strengths	Weaknesses
Achievement of improvement	3	<p>Strong and improving performance in priority areas (greener, cleaner, safer):</p> <ul style="list-style-type: none"> • greener – household waste recycled (from 12 per cent to 16 per cent in 2002/03); • cleaner – improvements in fly tipping, abandoned vehicles and graffiti; • safer - crime levels down by 7 per cent in 2002/03; vehicle crime and theft from vehicles reduced; road casualties decreased by 22 per cent; • town centre improvement leading to increase in visitor numbers by 9 per cent; and • income collection performance improving. 	<ul style="list-style-type: none"> • Overall performance improvement mixed – 59 per cent of comparable PIs deteriorated including planning.
Investment	3	<p>Investments addressing improvement needs:</p> <ul style="list-style-type: none"> • measures to improve political focus; • new business planning framework, performance management systems and project management; • IT to enhance service to customers; • resources to support cross-cutting agenda; • effective in securing external funds to support priorities; and • open attitude to alternative forms of service delivery. 	<ul style="list-style-type: none"> • Cross-cutting issues not effectively mainstreamed across all services. • Procurement issues not yet being addressed in a co-ordinated and systematic way. • Workforce planning is weak. • Selective approach to challenge.

Theme	Grade	Strengths	Weaknesses
Learning	2	<ul style="list-style-type: none"> • Willing to adopt new approaches. • Learns from feedback and its own experiences. • Learns from others eg peer authorities and adjusts the way it works. 	<ul style="list-style-type: none"> • Culture not embedded. • Not seen by staff and public as a learning organisation. • Shared learning is not systematic. • Not learnt from its own experiences of restructuring.
Future plans	2	<ul style="list-style-type: none"> • Number of plans to support corporate plan and ambitions in priority areas. • Plans devised to address known weaknesses eg new engagement strategy. 	<ul style="list-style-type: none"> • Hierarchy of plans is not robust or fully integrated. • Future plans for housing stock not fully developed. • Pace of response slow in some areas. • Inconsistency in engaging communities, partners, staff and other stakeholders in future planning. • Mechanisms for monitoring priorities not well developed eg use of data not systematic or well resourced.

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

The original Comprehensive Performance Assessment was carried out under the Local Government Act 1999 and published in 2004.

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.

The main elements of this progress monitoring report were collation and analysis of evidence from:

- ◆ self-assessments of progress made, completed by the council;
- ◆ evidence from performance and financial audit activity;
- ◆ audited performance indicators;
- ◆ reviews of key corporate documents including performance reports, committee papers and management reports; and
- ◆ interviews with managers.

This progress monitoring report for Chorley Borough Council was collated by the Audit Commission.

This report has been discussed with the Council, which has been given the opportunity to examine the Audit Commission's assessment. This report will be used as the basis for reporting progress and updating and improving the improvement plan as appropriate.

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EXTRACT FROM PROCEEDINGS**EXECUTIVE CABINET****29 September 2005****05.EC.113 REVENUE BUDGET 2005/06 - MONITORING**

The Director of Finance submitted a report that set out the current financial position of the Council as compared against the budgets and efficiency savings targets it had set itself for 2005/06 for the General Fund and Housing Revenue Account.

Decision made:

1. That the report be noted
2. That approval be given to maintain the current position of freezing expenditure financed from the remaining Contingency Fund except by approval by the Executive Cabinet;
3. That approval be given to the sum of £20,000 being financed from the Contingency Fund to cover the cost of the Property Services Unit outsourcing work on legal agreements.
4. That vacant positions be only filled by agency staff with the express permission of a Group Director until such time as the budget position improves.
5. That Finance staff implement a line by line review of budgets with Service Heads prior to the production of next months monitoring statement.
6. That the Management Team be requested to consider in detail the current position relating to procurement related efficiency savings.

Reasons for the Decisions:

To address the currently forecasted budget deficit.

Alternative Options considered and rejected:

None

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EXTRACT FROM PROCEEDINGS**EXECUTIVE CABINET****29 September 2005****05.EC.113 CAPITAL BUDGET 2005/06 - MONITORING**

The Director of Finance submitted a report on proposals for the additional of schemes to the 2005/06 Capital Programme, and to split the programme into categories based on the stage of approval of the schemes.

Decisions made:

- 1. That the Council be requested to give approval to the addition of the Category A schemes totalling £2,771,580 to the 2005/06 Capital Programme.**
- 2. That the categorisation of the Capital Programme be approved, as set out in the report.**

Reasons for Decisions:

The addition of further schemes to the programme is necessary to help achieve corporate priorities.

Separating the fully approved and budgeted schemes from those still in the pipeline means that the revenue consequences of the Capital Programme can be monitored more accurately.

Alternative Options considered and rejected:

None

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