

NORTHAMPTON BOROUGH COUNCIL

CABINET

Your attendance is requested at a meeting to be held at the Jeffery Room,
Guildhall on Tuesday, 5 June 2007 at 6:00 pm.

J. Edwards
Interim Chief Executive

AGENDA

1. APOLOGIES
2. MINUTES
3. DEPUTATIONS/PUBLIC ADDRESSES
4. DECLARATIONS OF INTEREST
- 5. AUDIT COMMISSION PROGRESS ASSESSMENT- FEBRUARY 2007 J. Edwards
x 7726
Report of Interim Chief Executive (copy herewith)
- .K.. 6. APPOINTMENT OF A CHIEF EXECUTIVE (HEAD OF PAID SERVICE) H.
Crabtree
x 7377
Report of Corporate Manager, Human Resources (copy herewith)
- K 7. KINGSTHORPE HALL COMMUNITY CENTRE- OPTIONS FOR RE-CONFIGURATION S. Dougall
x 8177
Report of Asset Manager (copy to follow)
8. GROSVENOR/ GREYFRIARS C.
Cavanagh
x 8461
Report of Corporate Manager, Regeneration and Growth (copy to follow)
9. OPTIONS FOR BLUEBERRY DINER SITE C.
Cavanagh
x 8461
Report of Corporate Manager, Regeneration and Growth (copy to follow)
10. EXCLUSION OF PUBLIC AND PRESS
THE CHAIR TO MOVE:
"THAT THE PUBLIC AND PRESS BE EXCLUDED FROM THE REMAINDER OF THE MEETING ON THE GROUNDS THAT THERE IS LIKELY TO BE DISCLOSURE TO THEM OF SUCH CATEGORIES OF EXEMPT INFORMATION AS DEFINED BY SECTION 100(1) OF THE LOCAL GOVERNMENT ACT 1972 AS LISTED AGAINST SUCH ITEMS OF BUSINESS BY REFERENCE TO THE APPROPRIATE PARAGRAPH OF SCHEDULE 12A TO SUCH ACT."

SUPPLEMENTARY AGENDA

**Exempted Under Schedule
12A of L.Govt Act 1972
Para No:-**

- .K.. 11. RENT INCOME PROPOSALS (3) F. Rodgers
Report of Corporate Manager, Housing Services (copy x 7595
herewith)

<TRAILER_SECTION>
A5429



NORTHAMPTON
BOROUGH COUNCIL

Name of Committee:	Cabinet
Report From:	John Edwards, Interim Chief Executive
Date:	5th June 2007

Report Title	Audit Commission Progress Assessment – February 2007
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1. Background

The Audit Commission Comprehensive Performance Assessment (CPA) report published in March 2004 assessed this Council as 'poor'. Subsequently, the Audit Commission has completed annual progress assessments typically taking place in March. The current Progress Assessment was brought forward by the Audit Commission, with fieldwork taking place in November 2006, followed by report publication in February 2007.

The Council published the assessment report on its internet and intranet on the day of publication and produced a briefing note to all staff to accompany the report. A copy of the report was shared with the Lead Official and with leaders of the three political groups within the Council in February. Owing to the timing of the report publication and its proximity to the recent elections, the Progress Assessment has not yet been formally considered by Cabinet or shared in an appropriate public committee.

2. Key Issues

The Progress Assessment (attached as Appendix One) judged the Council as having made little progress since 2004, with some deterioration in key areas. The report sets out seven recommendations which are considered to be minimum requirements by the Audit Commission:

- The Council must demonstrate stronger political leadership across all parties. The immediate priority is for the strengthened leadership to deliver a balanced budget for 2007/08 and ensure it is delivered.
- The Council must ensure that it has effective managerial leadership which is critical to delivering the substantial improvements that must be achieved.
- The Council must urgently address weaknesses in the management and capacity of the finance function.
- The Council must strengthen its commitment to and engagement in strategic partnership working and co-operation with partners to develop joint delivery of services.
- The Council must continue to make improvements in service delivery. In the short-term the focus should be on delivering sustained improvements in housing, planning and benefits services.
- The Council must strengthen arrangements to secure the continuous improvement of services.
- The Council should take this report to an appropriate public committee meeting and share it with Government Monitoring Board.

Strategic Improvement Plan

The Strategic Improvement Plan (Phase Two) was approved by Management Board on 3rd May 2007. This followed the Government Monitoring Board meeting on 29th March where the Audit Commission discussed detailed elements of their recommendations with Councillors and senior officers.

The Strategic Improvement Plan (SIP) builds on the progress made with the first SIP and specifically addresses the seven recommendations set out in the Progress Assessment. The plan sets out our expectations for the improvement we intend to achieve and incorporates a wider range of actions than is represented by the Audit Commission recommendations. It currently sets out over 70 actions in considerable detail; a summary of the plan – developed to help a wider audience understand our approach – is attached as Appendix Two to this report.

The monitoring of this plan is critical in ensuring we succeed in the delivery of all the actions and achieve our objective of not being a 'poor' council; specific arrangements for monitoring progress has been put into place with weekly updates to Management Board and regular reporting of progress to Cabinet.

3. Recommendations

1. That Cabinet note the Audit Commission Progress Assessment Report.
2. That Cabinet approve the revised Strategic Improvement Plan and monitoring of progress.

Strategic Improvement Plan – Phase Two (May to November 2007)

Aim: To achieve business resilience, continuous improvement and enable NBC to become a well-managed organisation

Theme One: Managerial and Political Leadership	Theme Two: Financial Systems	Theme Three: Partnership Working	Theme Four: Improving services	Theme Five: People	Theme Six: Business Resilience
<i>Vision and Corporate Planning</i>	<i>Medium Term Financial Plan</i>	<i>Partnerships and ELGIN</i>	<i>Understanding Customer Needs</i>	<i>Making It Matter</i>	<i>Performance Management</i>
<i>Political Management Arrangements</i>	<i>Budget 2008/2011</i>	<i>Community Engagement</i>	<i>Planning</i>	<i>Training and Development</i>	<i>Continuous Improvement</i>
<i>Constitution and Governance</i>	<i>Asset Management</i>	<i>Community Safety</i>	<i>Revenues and Benefits</i>	<i>Performance Review and PDPs</i>	<i>Horizon Scanning</i>
<i>Councillor Support and Development</i>	<i>Value for Money</i>	<i>Consultation</i>	<i>Housing</i>	<i>Human Resources Planning</i>	<i>Service Planning</i>

Progress Assessment Report

February 2007



Progress Assessment

Northampton Borough Council

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local services for the public. Our remit covers around 11,000 bodies in England, which between them spend more than £180 billion of public money each year. Our work covers local government, health, housing, community safety and fire and rescue services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we ensure that public services are good value for money and that public money is properly spent.

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Progress assessments

In 2002, Comprehensive Performance Assessment (CPA) was introduced at single tier and county councils (ST&CCs) and at district councils in 2003/04, as a way of supporting councils to deliver improvements in services to local people. CPA brought together existing information on service performance in councils with a corporate assessment of each Council's ability to improve. This was used to reach an overall conclusion about whether a Council was 'excellent', 'good', 'fair', 'weak' or 'poor'.

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

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

The progress assessment is part of the Commission's commitment to helping councils ensure continuous improvement to services for local people. It does this in the context of its strategic regulation principles, which look to minimise the burden of regulation at the same time as maximising its impact. We are committed to working in partnership with other regulators and the CLG in this aim.

Introduction

- 1 In March 2004 the Audit Commission published a CPA category for Northampton Borough Council. This assessment categorised the Council as 'poor'. The key strengths and weaknesses from the corporate assessment are set out in Appendix 1.
- 2 In June 2005 the Audit Commission published a progress report which found that the Council had made slow progress, and that services had not improved for local people. In March 2006 the Audit Commission published a second progress report which found that limited progress had been made and that the Council still had much to do including applying a greater focus on improving some of its weakest services.
- 3 Following concerns by the Relationship Manager about whether progress was being sustained in Northampton Borough Council, and discussions with the Lead Official appointed by the Communities and Local Government Department, the Audit Commission decided to bring forward the timing of the progress assessment to autumn 2006.
- 4 This report presents an analysis of the Council's progress to date based on the Council's implementation of its improvement and recovery plan and comparison with the baseline position of the Comprehensive Performance Assessment.

Summary

- 5 Northampton Borough Council has made little progress since 2004, and has deteriorated in some key areas since the last progress assessment. Its weakest services, whilst showing some improvement, continue to be among the worst in the country. Some key services, such as planning, have deteriorated.
- 6 Weak political leadership is also undermining improvement. The administration has failed to provide clear political direction, and leadership has been further weakened by a recent breakdown in cross-party collaboration. Poor councillor leadership and behaviour continues to be detrimental to improvement.
- 7 Managerial leadership is inadequate and has weakened since the last assessment. The Council still does not have a stable and cohesive senior management team. A lack of strong leadership, inward focus and preoccupation with operational issues is leading to a lack of strategic direction. Managerial leadership is having insufficient impact on the pace of change and on ensuring clarity and consistency of purpose and direction.
- 8 Progress is slow in developing inclusive overall ambitions for the area. A vision is beginning to take shape and priorities are emerging, but it has not yet been agreed by key partners or influenced the Council's plans. The Council has begun to consult local people more widely on its plans, but cannot be sure that the emerging vision and ambitions reflect the needs and aspirations of all its diverse communities. This is because it has not robustly incorporated the views of those groups who do not traditionally have a voice. There has been little progress in terms of the Council's visible and effective engagement with strategic partnerships at a county-wide and sub-regional level, and partners lack confidence in the Council's community leadership, particularly on important issues such as the planned growth of the area's population to almost one and a half times its current size.
- 9 Financial management and capacity is poor and has weakened in the last six months. Capacity within the finance function is seriously compromised by a lack of consistent financial leadership, limited professional expertise and a reliance on interim appointments. New systems have been put in place to more accurately monitor spending but the Council does not yet have a clear picture of the likely out turn for the current year. There is likely to be a significant financial shortfall caused by inaccurate budget setting in the past. This will impact on the Council's ability to finance its future plans. It does not yet have a robust medium-term financial strategy.

- 10 The Council has invested in new management and new structures and processes to deliver improvement but there has been little noticeable impact on services. Mechanisms for securing continuous improvement in services are inadequate. Improvements in human resources have reduced sickness absence but there are some significant gaps in capacity brought about by the departure of key staff in Finance and Planning which is having an impact on the Council's ability to improve. The Council is still developing its awareness and understanding of the weaknesses that remain and the amount of improvement needed. It continues to seek learning but does not always use it to improve. The quality and robustness of future plans remains weak.
- 11 Overall, the Council is not consistently and sustainably improving its most poorly performing priority services. The pace of change is slow in some areas that have a direct impact on quality of life for vulnerable people, and its weakest services remain among the worst in the country. Housing remains a poor service. The Council is now processing benefits claims more quickly but still compares poorly with other councils and accuracy remains poor with a high level of overpayments. The planning service is poor with deteriorating performance in how quickly it determines planning applications. The Council is achieving mixed improvement in other priority service areas such as environmental services. Together with partners the Council is helping to reduce some crime rates, although they remain comparatively high. Customer services and access is improving.

Recommendations

Recommendations
<i>R1 The Council must demonstrate stronger joint political leadership across all parties. The immediate priority for the strengthened leadership is to set a balanced budget for 2007/08 and ensure that this is delivered.</i>
<i>R2 The Council must ensure that it has effective managerial leadership which is critical to delivering the substantial improvements that must be achieved.</i>
<i>R3 The Council must urgently address weaknesses in the management and capacity in the finance function.</i>
<i>R4 The Council must strengthen its commitment to and engagement in strategic partnership working and co-operation with partners to develop joint delivery of services.</i>
<i>R5 The Council must continue to make improvements in service delivery. In the short-term the focus should be on delivering sustained improvements in housing, planning and benefits services.</i>
<i>R6 The Council must strengthen arrangements to secure the continuous improvement of services.</i>
<i>R7 The Council should take this report to an appropriate public committee meeting and share it with the Government Monitoring Board.</i>

We expect the Council to have acted on these recommendations by 31 May 2007. We will review progress in June 2007, and will consider what further action should be taken if the Council has not moved forward.

Context

The locality

- 12 Northampton Borough Council is the largest district council in England with a population of about 194,800, living in 85,000 households. Minority ethnic communities form 8.5 per cent of the population. The town is part of the Milton Keynes and South Midlands area identified for economic and population growth as part of the CLG's Sustainable Communities Plan. The recently formed West Northamptonshire Development Corporation (WNDC) has plans to deliver economic, social and housing growth in West Northamptonshire including Northampton. The population grew by 20 per cent between 1982 and 2002 and it is expected to grow to around 300,000 by 2031.
- 13 The Council is ranked 135th out of 354 local authorities in the Indices of Deprivation. 17 per cent of the population live in the most deprived super output areas in the country. Unemployment is slightly higher than the regional average but in line with the national rate of 2.5 per cent. The percentage of working age people in receipt of benefits in Northampton is lower than the national average.

The Council

- 14 The Council comprises 47 councillors elected every 4 years. There is no overall political control of the Council. There are 20 Conservative, 17 Liberal Democrat and 10 Labour Councillors. There is a Conservative-led minority administration in place. The Council has a leader and cabinet system; the cabinet includes the leader, deputy leader and four other Conservative councillors. Each Cabinet member has an individual portfolio covering:
 - Community Participation and Financial Strategy;
 - Business Intelligence, People Support and Customer Services;
 - Community Engagement and Democratic Services;
 - Local Environment;
 - Economy and Infrastructure; and
 - Residential Operations.
- 15 The Council has one Overview and Scrutiny Committee.

- 16 The Senior Management Team (SMT) comprises four posts - a Chief Executive and three Corporate Directors. The Chief Executive took up post in autumn 2004 and the three directors in spring 2005. The Chief Executive and two directors are currently in post with one of the director posts (Finance and Resources) currently vacant, as the postholder left the Council in October. This post is currently being filled on a part-time basis by an interim appointment. Below SMT a new tier of management was created following re-organisation and ten new corporate managers have been appointed. There is one vacant post, that of Corporate Manager Finance and Asset Management, which is also being filled on an interim basis.
- 17 The Council employs approximately 1,800 full and part-time employees. The Council's overall budget for year 2006/07 is £29.4 million. Net expenditure on the Housing Revenue Account (HRA) is £36.3 million with a working balance of £4.6 million. In 2005 the Council made the decision to retain its own housing stock and to achieve the decent homes standard with its own resources.

What is the Council trying to achieve?

- 18 The Council has made limited progress in this area. Weak managerial and political leadership is undermining improvement.
- 19 A vision and updated ambitions for the area are only slowly beginning to take shape. There has been some engagement with the public and stakeholders to develop the vision and emerging priorities for 2007/11, although it has not yet been agreed by key partners or had time to influence community or corporate plans. The Council has not made sufficient effort to ensure that its consultation was robust enough to ensure that the voices of often marginalised groups, such as minority ethnic communities or young people, have been heard and translated into the developing vision. As a result, the Council cannot be sure that its emerging vision and priorities reflect those of all its communities because it has not ensured that its consultation has involved them.
- 20 The emerging vision has not been translated into robust delivery plans. For example the Council is working to a one-year Corporate Plan and strategic improvement plans contain very short timescales and lack detail. Without clear and comprehensive delivery plans staff, councillors and stakeholders will find it difficult to measure the impact of the Council's actions.
- 21 Managerial leadership is inadequate and has become less stable since the last progress assessment. Senior managers are not giving the necessary structure, guidance and impetus to councillors and staff to focus on improvement. Key partners and staff are uncertain about their capacity to do this and the SMT are seen as lacking cohesion and inconsistent in their approach to the improvement agenda. The recent staff survey contained some critical messages. For example, 64 per cent of the workforce felt that senior and corporate managers were either not trying at all, or trying but not succeeding, in ensuring that different parts of the Council work well together. Staff were also critical of managers' openness to new ideas and honesty in dealing with staff, but around half of the staff surveyed were positive about managers' focus on meeting customer needs
- 22 The minority-led administration is failing to provide clear political direction and leadership has been further weakened by a recent fracturing of cross-party collaboration. The subsequent loss of trust has been a serious setback to the Council's ability to manage and guide the improvement plan and has resulted in the need to establish new arrangements such as the creation of a new body, the Development, Performance and Improvement Panel (DPIP). This group has not yet established clear terms of reference and operating protocols. Whilst other arrangements were in place to monitor progress on the improvement agenda, the distractions brought about by these changes has resulted in a loss of focus. Cross-party collaboration is critical for an authority with no overall political control and a minority administration.

- 23 Communication continues to be an area of weakness and is hindering the improvement agenda. Whilst the Council has agreed a communications strategy and is monitoring its actions, councillors, stakeholders and staff are not as well informed as they should be about key issues such as the development of a new Corporate Plan or arrangements to cover key vacancies. However, the recent staff survey indicated that staff felt that internal communications had improved. External communication is mixed. The Council has produced a newsletter for every household but is unable to demonstrate how communication has improved as a result. It does not have a clear approach to influencing opinion-formers such as the local press.
- 24 There has been an ongoing lack of political leadership in areas of local importance where difficult decisions have been needed. For example, Northampton Borough councillors have not been seen by partners to influence important issues such as the government's plans for population and housing growth in the area. This is a significant issue for Northampton which will see its population grow by a third in the next 25 years and the Council should play a critical role in shaping this agenda. The impact of this inability to engage at an appropriate level means that partners have no confidence in the Council's ability to play a full and active part in what is a significant challenge for the area.

How has the Council set about delivering its priorities?

- 25 Capacity is extremely weak. It has deteriorated in a number of areas since the last progress assessment.
- 26 Senior managerial capacity has weakened since the last assessment. The loss of a director and the recently appointed Finance Manager has meant that the Council again has to rely on interim managers. The Senior Management Team is not stable and does not act cohesively as a team. There is little evidence of strong leadership or challenge of key issues, such as the development of the Corporate Plan. The management team are preoccupied with operational issues rather than looking ahead to develop a stronger strategic direction even though opportunities to do so are presented to them. This means that the management is inwardly-focused and lacks dynamism.
- 27 Interim managers are effective and having an impact on areas such as corporate planning, financial management and governance, and partners have expressed confidence in their abilities. However, this approach is not sustainable as the Council is currently facing a predicted overspend of some £1.9 million in the current year together with significant budget shortfalls in subsequent years. The use of interim appointments is an expensive approach that cannot be sustained except for very short periods.
- 28 Financial management and capacity is poor and has also weakened in the last six months. The external auditors have rated the Council amongst the worst in the country in their annual Use of Resources Assessment in 2005/06. The Council scored 1 out of 4 on all categories which is the lowest possible score. This means that all aspects of financial management, budgetary control and value for money are below minimum standards.
- 29 The Council has uncertain financial capacity in the short and medium term. It does not have accurate data on the current year's (2006/07) expenditure but estimates it is heading for an overspend of up to £2 million. It also anticipates a funding gap of between £1 million and £1.8 million by 2008/09 (citing single status, 'potential changes to some services' and the need for flexibility to resource priority areas). Given the lack of clear information on budget expenditure this figure is likely to be seriously under-estimated. The Council is currently undertaking further work to identify efficiency gains and savings alongside priorities for investment but the Council's ability to agree a balanced budget is not assured.

14 Progress Assessment | How has the Council set about delivering its priorities?

- 30 There are serious gaps in the Council's capacity for financial management. Recently devolved budgets are seen as a positive step by most managers but this has required significant changes in working practices and a cultural change which has been difficult to achieve because of a lack of capacity in the Council's finance section. There is a significant shortage of qualified accountants. The Council has addressed the lack of capacity in the short-term through the use of interim appointments but this approach is not sustainable in the longer-term and it has not yet been able to recruit permanent replacements. This means that the Council's ability to achieve minimum standards in financial management is compromised. This is important because good financial planning and budgetary control are key components of the recovery.
- 31 Management of value for money is weak and not improving. The Council lacks a basic understanding of how much its services cost and of how they have been performing. Examples include the recent discovery that the Council's trade waste service runs at a £40,000 deficit, that they have budgeted for income from the market which is currently closed, and that there has been significant overspending on the waste disposal budget because of the introduction of extra rounds for which there was no financial provision.
- 32 The Council does not have a sound approach to procurement. The Council has not specified contracts effectively for key areas such as benefits and contract monitoring is poor. Whilst there is a procurement strategy in place it is not having a clear impact on procurement practices. The Council has an inconsistent approach to joint procurement. It has successfully procured a Customer Relationship Management (CRM) system with two neighbouring councils and takes part in joint purchasing arrangements for IT and stationery, but there are other examples of strategic procurement partnerships that it has not taken part in. This means that the Council may be missing opportunities to make savings through effective procurement.
- 33 There have been some improvements in the way that the Council monitors its performance. There is a performance management system in place but it is not yet working effectively to enable the Council to manage performance.
- 34 The quality of performance information is improving. Performance management has in the past been constrained by poor data quality but recent internal audit reports show that data quality has improved for a sample of performance indicators (PIs) investigated. Target setting is improving but inconsistent.
- 35 The Quarterly Performance Review process is structured and secures wide involvement from managers and councillors in scrutinising and challenging performance. However, it is difficult to find examples of change brought about by the process. The approach to improving sickness absence is one example of performance management bringing about change. Managers acknowledge that they use performance management primarily to look backwards rather than spotting problems early on and taking swift action to bring performance back on track.

- 36 Mechanisms for securing continuous improvement in services are inadequate. The Council has chosen not to implement the planned three-year service review programme and has not put in place an alternative process to review key services on a regular basis. Councillors are working on identifying policy priorities with a view to making savings but this approach does not include a robust assessment of efficiency or effectiveness. This means that the Council only has a very narrow view of where improvements are needed based on what it can learn from monitoring performance information and the achievement of action plans.
- 37 Councillors are not effective in driving improvement. Councillors receive regular performance monitoring reports although the degree of challenge varies as some councillors feel less confident in understanding the information. There are relatively few opportunities for non-executive councillors to challenge performance. There is greater interest and involvement in service performance information from ward members and some portfolio holders are seen by managers as leading more effectively in relation to their service areas.
- 38 The effectiveness of the Overview and Scrutiny Committee is improving. The Committee has an agreed work plan and was effective in its handling of a call-in decision on an important local planning issue - the Sixfields Area Action Plan. However, the scrutiny process is not being adequately supported and guided in focusing on issues of importance. Although the Scrutiny Committee has proven itself to be effective on occasions, most work has been on detailed operational issues and senior managers have not worked with it to help maximise its ability to provide constructive challenge to the executive and to enable it to have greater impact.
- 39 The Council has a committed Standards Committee which is at an early stage of development but has had to deal with a number of difficult issues already. It has shown a measure of maturity in its handling of issues around the conduct of the Council and its councillors.
- 40 There has been little progress in terms of the Council's visible and effective engagement in strategic partnerships at a countywide and sub-regional level. Partnership working is not fully understood amongst councillors. There is a lack of shared responsibility and accountability and a lack of trust in some cases, particularly with regard to pooling or sharing resources. Whilst there appears to be a greater understanding of the issues amongst leading politicians in recent months there has not been an acceptance that partners can help in the Council's recovery. Engagement in wider partnerships is limited and there is a lack of communication leading to mistrust and fractured relationships.
- 41 The Council sometimes works effectively in partnership to make investments likely to secure improvement. Managers recognise the value of working in partnership to secure added value and were able to give examples of good operational partnerships such as ELVIS, CASPAR¹ etc but recognise that the Council has been less effective at engaging with partners at a strategic level.

¹ ELVIS and CASPAR are local community safety initiatives.

16 Progress Assessment | How has the Council set about delivering its priorities?

- 42 There have been improvements in the Council's human resources functions. Improvement in recruitment practices, particularly in Revenues and Benefits, has led to greater success in filling vacancies. Support structures for tackling under-performance are improving although there is still room for improvement. Sickness absence rates have improved through greater focus on return to work interviews and reporting of absences. A strong HR function helps to support service improvement by helping people to do their jobs more effectively.
- 43 There are some signs of good capacity and appetite for improvement at operational levels. There is some good self-awareness, customer focus and a willingness to change, alongside recognition of what remains weaker. For example, the recent staff survey showed that six out of ten staff recognised that their service area needed to improve and identified a lack of staff, resources and skills to do the job properly. There are some good practical examples of staff working together to improve services and the survey indicates that staff are aware of the issues and barriers but remain positive overall about job satisfaction. A committed and enthusiastic workforce is important in securing future improvement.

What has the Council achieved/not achieved to date?

- 44 The Council is not consistently and sustainably improving its most poorly performing services, despite their ongoing priority status. The pace of change is slow in some services that have a direct impact on quality of life for some of the most vulnerable local people. Its weakest services continue to be among the worst in the country.
- 45 2005/06 data show that performance of some key services such as housing repairs and benefit claims are still in the worst 25 per cent of councils nationally and have either deteriorated or not improved sufficiently to change the quartile position. In other areas Northampton has improved at a faster rate than the average for district councils, but this only reflects its low base line position. Where the Council did achieve top quartile performance there are few links between these PIs and the Council's stated priorities.
- 46 External assessment of the quality of some of the Council's key services during 2006 has found that they are comparatively weak, and some have deteriorated.
- Housing is a poor service, with some areas improving but others not. A recent check on progress since autumn 2005 judged the service still to be poor, with uncertain prospects of improvement. While the Council has succeeded in eliminating its gas servicing backlog, the Direct Services Organisation has not evolved and in many aspects of the service such as repair target times and appointments, performance is poor and not improving sufficiently to alter the comparative position. Homelessness services have improved, with more focus on prevention. This has resulted in less use of bed and breakfast, although the number of homeless people remains comparatively high. Where improvement has been made it is inconsistent and it is not clear that it is sustainable.
 - The planning service is poor. A recent inspection judged the service to be poor with uncertain prospects for improvement. Since the inspection the Council has been implementing an improvement plan but key measures of the service's performance, such as how quickly it processes planning applications, have deteriorated during 2006/07, although delegation and appeals outcomes are improving.
 - The benefits service is currently assessed by the Benefits Fraud Inspectorate (BFI) as fair overall on the basis of improvements in the speed of claims processing and fraud measures. However, the Council is still among the worst in the country for how quickly it deals with claims, and quality remains poor with a high error rate. There is a high level of overpayments and outstanding debt, all of which have a high impact for the most vulnerable citizens.

18 Progress Assessment | What has the Council achieved/not achieved to date?

- 47 The Council is achieving mixed improvement in other priority service areas. For example, in environmental services recycling rates and the removal of flytipping are improving, but other aspects such as removing abandoned vehicles are not. However, the Council's own survey undertaken in October 2006 shows that satisfaction with Streetscene services is improving. Together with its partners the Council is helping reduce some crime rates, although they remain comparatively high. Paying invoices and collecting council tax have been prioritised because performance has been poor, but improvement is inconsistent.
- 48 Customer service and access is improving. The customer contact centre has improved people's experience of contacting the Council, shown by high satisfaction levels with waiting times and the help given. Call handling has improved, and people are more likely to have their call answered than they were last year.
- 49 The Council's approach to diversity and equalities is developing and is sufficient to meet minimum standards. It is meeting its statutory requirements under equalities legislation at a basic level and is beginning to develop its approach and an understanding of the needs of its diverse communities. For example the number of staff with disabilities and the number of staff from minority ethnic communities has increased relative to the community the Council serves. However, the Council's performance in promoting race equality and its achievement in relation to the equality standard for local government (Level One) is poor compared with other councils. Broader aspects of diversity in relation to issues such as gender, age or sexual orientation are not fully understood or embraced. It does not currently have systems in place to understand barriers which may be preventing people from accessing services.
- 50 Investments in managerial capacity and developing leadership in both councillors and managers are still not having sufficient impact to sustain improvement at a reasonable pace across the wide range of areas that need to be improved. Investment in performance management is starting to have an impact in improving some aspects of performance, and implementation of the HR strategy is helping build capacity to improve. However, in areas such as project management, investments are not consistently leading to benefits, and in others, such as communication and consultation, it is unclear whether things are improving as a result of implementing strategies and plans.

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

- 51 There is a widespread reluctance to acknowledge the scale of what remains to be achieved and a pervasive refusal to accept responsibility for problems at a top management level and across and between all political groups. This is having a fundamental impact on the Council's ability to hold itself to account for its failures and understand how it needs to change in order to move on and progress towards recovery. Councillor leadership and behaviour that contravenes the code of conduct is detrimental to improvement. Examples range from high profile criticism of the Council in the press to lack of respect from individual councillors for officers. The lack of acceptance and understanding of the scale of what remains to be achieved is undermining the Council's ability to improve because it is leading to plans that are not robust, and to insufficient impact in the right areas.
- 52 Strategic planning remains weak and not fully understood. The Corporate Plan for 2007/08 and beyond is not yet drafted. There is a general low level of awareness of the process for aligning prioritisation exercises, financial planning and strategic planning, plans for consulting on it are unclear, and no clear project plan is in place to ensure that some very challenging deadlines are met. In the meantime, the Council's current one year corporate plan does not enable councillors, staff and residents to know whether the Council is meeting their needs, how it will deliver its priorities or how it will measure improvement.
- 53 Future plans for improvement remain insufficiently robust or long-term. The Council has again revised its improvement plans around its six key improvement priorities. However, they continue to lack enough focus on outcomes or detail to give confidence that improvement will be achieved and sustained. For example, the Strategic Improvement Plan is focused on improvement priorities but in many areas the emphasis is on what the Council will do rather than on how it will know it has improved. It is not clear how many of the benefits will be measured. The detailed delivery plan has too limited a horizon, and monitors actions rather than outcomes. Action plans for poorly performing services do not provide a clear, longer-term framework for improving outcomes for local people. Although a template has been developed to ensure more consistent and robust service plans from 2007/08, those that currently exist are of inconsistent quality.
- 54 The Council's plans are not yet underpinned by a robust financial strategy. The cost of current services is still not fully understood, and plans are short-term. This means that the current MTFs cannot adequately define the Council's future financial needs. Lack of clarity about current budgets and financial capacity means there is still uncertainty about the Council's ability to resource its emerging future plans.

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

- 55** The Council is not consistently learning from its mistakes. For example, the contract with another council to improve the benefits service was poorly specified and lacked outcomes and performance standards. This arrangement broke down. In the current contract with an external provider, contract specification and management has not improved. The Council is not embedding the learning from interim advisers. This undermines the pace and sustainability of improvement.
- 56** The Council seeks learning but does not always act on it to help it improve. For example, it has as introduced action learning sets as a mechanism for sharing internal learning, but the outcomes are unclear. There is no structured approach to implementing learning from good performance management practice introduced by the benefits partnership. Externally, it has sought the experience of other councils in areas such as customer services and in this area has adopted new ideas to good effect, but in other areas external input has not had impact. Staff take part in a range of institutes and networks, but the Council does not apply the learning to its own services and so is missing opportunities to improve.

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"> • Clear high-level ambitions in community strategy following consultation. • Housing development, cleanliness and community safety clearest council ambitions. • Clear local plan. • Political ambition developing. • Led community in creation of LSP, community safety, flooding. • Examples of participation; tenants, town centre. 	<ul style="list-style-type: none"> • No strategic objectives behind broad values and vision. • Scope of proposed ambition not realistic in financial context and need for consensus in NOC. • Housing plans not robust; HRA, DH – high risk of deficit by 2005/06 as SOA decision timed for April 2004. • Need and diversity of community not clearly incorporated, eg no strategy for social inclusion, race equality scheme lacks focus. • Lack of managerial leadership to drive change and ambitions; Staff continue to report lack of clear vision. • DH ambition weakened by latest investment decisions. • Ambitions and outcomes not defined, eg housing, leisure.
Focus	2	<ul style="list-style-type: none"> • Implemented modernised structure. • Stayed focused on key areas:- community safety; regenerating sites; and - cleaner and greener. • Organisational structure changes providing strategic focus on key areas. 	<ul style="list-style-type: none"> • Not kept a focus on critical peer findings, eg O&S, pace of change, corporate plan. • Not kept focus on housing management performance and DH programme. • Missed deadline of some elements of Secretary of State's direction. • Examples of slow to act on priority areas, eg benefits, graffiti. • New CMT format but corporate steer not given. • Scrutiny not part of system to consider performance and drive improvement.

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

Theme	Grade	Strengths	Weaknesses
Prioritisation	1	<ul style="list-style-type: none"> • People's panel used in budget consultation, some service specific consultation. • Balance of local and national housing priorities. • Developing evidence base and focus on youth work. 	<ul style="list-style-type: none"> • History of no clear priorities. Following elections/NOC detailed prioritisation not determined – no indication of what is not a priority. • No overall measurement of need to guide priorities, eg scale of total leisure provision. • Inconsistent communications to staff about council priorities and key developments. • Communication of plans/progress in BVPP is poor. • Resources not targeted, budget gaps continue.
Capacity	1	<ul style="list-style-type: none"> • Councillor contribution and direction. • Representative workforce, some good service heads. • Better than adequate reserves. • Strong record of leverage of external funds in partnership has led to improvements on the ground. • Section 106 agreements brought in financial capacity for schemes. 	<ul style="list-style-type: none"> • Insufficient corporate management of organisation, no overall plan for change. • Lack of leadership repeatedly reported, directorate have own approaches. • Inadequate councillor support. • Ineffective HR management. • High sickness. • No corporate training strategy. • Scrutiny ineffective, less of priority for officer support. • Budget shortfalls continue. Deficit risks in housing. • Medium-term financial strategy does not fill annual estimated gap. • LSP not affecting capacity and Council's attitude still criticised. • Slow to pursue large scale alternative options – in-house service decisions. • IT underdeveloped.

Progress Assessment | Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2004 **23**

Theme	Grade	Strengths	Weaknesses
Performance management	1	<ul style="list-style-type: none"> Accountabilities framework in place. Corporate reporting systems active. Some examples of resolving poor performance, eg fly-tipping, abandoned cars. 	<ul style="list-style-type: none"> No corporate plan to shape priorities and outcomes. Councillors not getting appropriate performance information. Senior managers' views of Council's relative performance is unrealistic hindering improvement. Service plans, target setting are inconsistent, of variable quality and not adhering to council policy. Key gaps in risk assessments, eg decent homes. Lack of timely preventative or corrective action, eg in housing, and a large percentage of targets are being missed. Lack of local indicators and standards reflecting what matters to local people. Poor handling of complaints. Many areas not able to demonstrate VFM, eg trade waste, highways, housing maintenance.
Achievement	2	<ul style="list-style-type: none"> National neighbourhood regeneration award. Good brownfield development and acting on contaminated land. Affordable homes delivery. Private sector housing BV PIs top quartile, innovative services, eg energy improvements. DDA access top quartile. Most national environmental and planning national PIs best quartile 2001/02. Top quartile satisfaction for museums, parks and open spaces, just below best quartile for leisure and cultural services. 	<ul style="list-style-type: none"> Majority of service PIs show bottom quartile performance. Low public satisfaction overall – lower than levels of deprivation would predict. Poor satisfaction with cleanliness of streets, waste collection and recycling facilities. All aspects of public satisfaction with housing benefit are poor. Key frontline services are poorly performing, eg housing management and benefits. Local initiatives are having a limited impact on crime figures – majority of crime PIs in worst performing quartile.

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

Theme	Grade	Strengths	Weaknesses
Achievement of improvement	2	<ul style="list-style-type: none"> • Housing improvements in some estates. • Improved feelings of safety and well-being in Blackthorn, eg now a waiting list for homes. • Eyesores being cleaned up and new facilities delivered. • Recent BFI report fair to good on prospects for improvement. • Removal of abandoned cars and fly tips much improved. • Satisfaction with planning is improving. 	<ul style="list-style-type: none"> • Many key service PIs show 'stationary' position from previous results with very small increases and many remain in worst quartile of 2001/02, eg benefits, rent collection. • 2002/03 has seen more local PIs showing deteriorating performance compared to 2001/02. • Key crime figures rising; burglaries and vehicle crime. • HR corporate health indicators show deteriorating 2002/03 performance – sickness, leavers, ill-health retirements. • Reversal of improvement in 2002/03, eg speed of determination of planning applications and missed bins.
Investment	2	<ul style="list-style-type: none"> • Securing significant external funds, eg sustainable communities, DEFRA, healthy living. • Improvements to the IT infrastructure etc support the delivery of electronic government. • Procurement expertise developing. • Continuing to implement key systems; risk, project management, best value. • CRISPIN project beginning to improve customer focus. • Effective needs-based youth work. Partnership work with NCC evolving. 	<ul style="list-style-type: none"> • Invited but not fully acted on external challenge in a timely manner. • Significant feedback that managerial leadership and corporate working not strong, not being acted upon. • Have not resolved scrutiny weaknesses or enhanced councillor support. • Investment gaps: -prioritisation and resolution of annual budget gaps: -council-wide vision for management of change; and - performance management to drive and measure service improvement.

Progress Assessment | Appendix 1 – Summary of theme scores and strengths/weaknesses as reported in the Comprehensive Performance Assessment in 2004 **25**

Theme	Grade	Strengths	Weaknesses
Learning	1	<ul style="list-style-type: none"> • Reviewing partnerships following peer feedback. • More inclusive relationship between CMT and departmental heads. • Political awareness on reality of unitary status and learnt not to set their plans against this. 	<ul style="list-style-type: none"> • Self-awareness is low: <ul style="list-style-type: none"> - appreciation of actual performance of the Council; and - rate of progress seen as satisfactory. • Not learnt from external feedback – overarching change management strategy absent. • Failure to recognise current failings within the DHS self-assessment. • No formal mechanism exists to share good practice across the Council. • Staff have limited ability to influence service improvements.
Future plans	2	<ul style="list-style-type: none"> • Planning for sustainable development in strong partnership, eg Upton Park. • Milton Keynes South Midlands plan supported. • Better plans – draft cultural strategy, waste, IEG - longer-term and outcome-led. • Good rating on asset and capital plans. 	<ul style="list-style-type: none"> • No overarching corporate plan giving context to other plans. • Weak BVPP. • Stakeholders and communities not involved in key future plans. • HRA business plan not robust and landlord plans not driving improvement. • No tangible housing investment progress. • Race equality scheme not implemented fully and lacks focus. • Corporate development plans not co-ordinated and timely 'change management'. • Staff not yet effectively engaged in planning for the future. • Council not good at difficult decisions; staffing reviews, terms and conditions, large scale outsourcing.

Scoring key:

1 - Weak

2 - Weaknesses outweigh strengths

3 - Strengths outweigh weaknesses

4 - Strong

Appendix 2 – Progress monitoring against the findings of the Comprehensive Performance Assessment

- 1 The original Comprehensive Performance Assessment was carried out under the Local Government Act 1999 and published in 2003/04.
- 2 Under section 3 of the Local Government Act 1999 ('the Act'), best value authorities have a duty to make arrangements to secure continuous improvement in the exercise of their functions, having regard to the principles of economy, efficiency and effectiveness. By virtue of sections 10 and 13 of the Act the Audit Commission may carry out inspection activity to ensure that a best value authority is complying with this duty, and may issue a report as to its findings. This progress monitoring activity and reporting to assess improvement falls within sections 3, 10 and 13.
- 3 The main elements of this progress monitoring report were collation and analysis of evidence from:
 - self-assessments of progress made, completed by the Council ;
 - appointed auditor evidence from performance and financial audit activity;
 - audited performance indicators, inspection reports and plan assessments;
 - reviews of key corporate documents including performance reports, committee papers and management reports; and
 - observations, interviews and focus groups with managers, staff, customers and partner organisations.
- 4 This progress monitoring report for Northampton Borough Council was collated by the Audit Commission and reflects evidence gathered over the period from March 2004 to November 2006.
- 5 This report has been discussed with the Council, which has been given the opportunity to examine the Audit Commission's assessment. This report will be used as the basis for reporting progress to any Monitoring Board and updating and improving any Improvement/Recovery Plan as appropriate.

Item No



**NORTHAMPTON
BOROUGH COUNCIL**

Ward/s

ALL

Name of Group:	CABINET
Meeting Date:	5 June 2007
Directorate:	Chief Executive
Corporate Manager:	Howard Crabtree
Cabinet Meeting Date	5 June 2007
Agenda Status:	Public part of Cabinet Agenda

Report Title	Recruitment of Chief Executive (Head of Paid Service)
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Key Decision	YES
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1. Recommendations

To proceed with the appointments process to appoint a Chief Executive (and Head of Paid Service) to this Council.

2. Summary

2.1 The council has in place the services of an interim Chief Executive who was appointed in March 2007.

2.2 The Council's Improvement Plan (May 2007) was written to address the recommendations in the Audit Commission's Report (February 2007). Action 2.1 in the plan is to produce "a clear, timed plan for the recruitment of the Chief Executive's post, including how the Council will seek to ensure that it makes a sound appointment".

3. Report Background

3.1 This appointment and the transition and handover from the current Interim Chief Executive to a new permanent incumbent in the role are critical to the addressing the issues of managerial capacity highlighted in the Audit Commission's Progress Assessment.

3.2 A procurement exercise undertaken in May led to the appointment of Odgers, Ray and Berndtson to run the recruitment process and assist the Council secure the appointment of a suitable Chief Executive. Subject to approval of the recommendation in this report the assessment, interview and appointment of a new Chief Executive could be completed by the first week of August 2007. Depending on the notice period of the successful candidate the new post holder could be expected to take up the role at the latest by the beginning of November 2007.

3.3 Under the Council's constitution and Part II of the First Schedule to the Local Authorities (Standing Orders) (England) Regulations 2000, the Council will, in making this appointment;

- Complete a job description / person specification for the post
- Advertise the post
- Establish a committee or sub committee of the Council (which must include at least one member of the Executive) to recommend the appointment for approval by Council (this will be the Appointments and Appeals Committee).

4. Options and Evaluation of Options

The Council has an interim Chief Executive in place. In order to strengthen its managerial capacity beyond this period the Council should proceed to appointment of a permanent replacement as soon as possible. Therefore alternative options to delay this action or not proceed to the appointment process are not viable approaches.

5. Resource Implications (including Financial Implications)

The Council has undertaken a competitive process to appoint experienced consultants to manage this key appointment.

The estimated cost of recruitment is circa £50k including advertising, assessment centre / interview, candidate and other miscellaneous expenses.

6. Risk and Opportunity Issues

There are considerable risks to the Council if managerial capacity is not strengthened, this will form part of the Audit Commission's judgement on progress in their reviews scheduled for June and November 2007.

7. Consultees (Internal and External)

Internal	A wide range of internal / external Consultees views will be sought at the early stage of the process to help identify the requirements of a suitable Chief Executive for this Council.
External	

8. Compliance Issues

A: How Proposals Deliver Priority Outcomes

Recovery Plan
Appointment of a Chief Executive is covered in Action 2.1 of the plan.
Corporate Plan
Increasing management capacity is a central component of the Council's Corporate Plan.

B: Other Implications

Other Strategies
N/A

Finance Comments
N/A

Legal Comments
N/A

Crime and Disorder Issues
N/A





Equality Impact Assessments

The appointments process will comply with all equality policies and regulations.

9. Background Papers

Title	Description	Source

John Edwards, Interim Chief Executive

Name	Signature	Date	Ext.
Author	John Edwards	22/05/07	
Corporate Manager			
Director			
Monitoring Officer or Deputy (Key decision only)			
Section 151 Officer or Deputy (Key decision only)		24/5/07	

7



**NORTHAMPTON
BOROUGH COUNCIL**

Name of Committee CABINET	OPEN AGENDA
Directorate: Governance and Resources	
Corporate Director: Isabell Procter	
Date: 5 June 2007	

Report Title	Kingsthorpe Hall Community Centre – Options for reconfiguration and suitability for use
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Key Decision	YES
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1. Recommendations

- 1.1 That Cabinet authorises capital expenditure of up to £3,000 to remedy defects in this new community centre building so as to make it immediately useable.
- 1.2 Cabinet should consider whether it wishes to prioritise the expenditure of up to £45,000 of capital in 2007/8 to carry out alterations to the internal layout of the building, taking into account other existing programmed works within the Capital Programme (that would have to be substituted by this expenditure – if there was not be further borrowing).

2. Summary

- 2.1 As part of an agreement concerning a property disposal agreed in 2005, C S Thorntonhall Limited were contractually obliged to construct a new community centre to replace an existing community facility (Thornton Hall).
- 2.2. The building has been constructed and was substantially completed in October 2006. However, a number of defects were identified and the building has not been opened to the public. Furthermore, the internal layout is not now considered as optimal. There is one large meeting space that inhibits

dual use of the building by different user groups at the same time.

- 2.3. Whilst the building defects identified have now been substantially remedied by the Developer and certain final works (by agreement) are presently being completed by them, other works still remain to be done at an approximate maximum cost to the Council of £3,000. Legal advice is that it would not be worthwhile to pursue the Developer for the costs of these works.
- 2.4. The building was constructed in accordance with a basic internal layout requirement prepared by NBC Community Development in 2005 and recorded in the contractual documentation. There is no recourse against the developer in this respect.
- 2.5. Plans have been prepared by the Council's Asset Management Section for two potential alternative internal layouts, to indicate options for separating the building into two meeting areas with independent access to each. Estimates of likely costs are between £30,000 and £37,500 exclusive of fees and other on costs.

3. Report Background

3.1 In 2005 The Council entered into an agreement with C S Thorntonhall Limited to grant a 125 years lease of land (including the existing Thornton Hall), in return for the payment to the Council of £475,000. A central pre-condition of that contract was that the developer should construct, at their cost, a community centre building for the Council. The Council provided a limited specification of the required building, but had no contractual control of the construction process to deliver it.

3.2 On 25 October 2006, the Building Control Division of the Council issued a Certificate of Completion and on 7 November 2006 the long ground lease of the original building was granted to the developer. Notwithstanding these events, it was identified that the building suffered from a number of physical defects and did not in fact wholly comply with the relevant building regulations. In light of these facts, the Portfolio Holder at that time confirmed that the building should not be utilised by the public whilst these issues were resolved.

3.3 It was additionally considered at that time, by Councillors, that the layout was not what they considered to be the best use of the space. The fact that there is one open area for group use prevents the ability of various user groups to have occupation of the building simultaneously. However, this layout is in accordance with the stated requirements set out in the original 2005 agreement.

3.4 A schedule of defects was prepared by the Borough and served upon the Developer. Legal advice obtained indicated there would be limited scope for action for recovery of costs. By agreement the majority of the identified defects and omissions have been rectified by the Developer, and certain further works should be completed imminently by them. However, there are a number of matters that have not been agreed by the developer, including the installation of mechanical ventilation. The estimated costs of these outstanding works that would have to be met by the Council are less than £3,000. If these are completed the building will be utilisable in its existing layout.

3.5 In response to Councillors concerns about the internal layout of the new building, two alternative schemes have been proposed to re-configure the space to provide a means of separating the meeting space and also to provide a separate office room. Estimates of the costs of these alternative schemes have been prepared and are referred to above. Any changes or amended schemes may result in the costs being higher and no tenders or independent quotations have been obtained.

4. Options and Evaluation of Options

The options would be:

- 4.1 To leave the premises in their existing condition and not complete outstanding works. The use of the building by the public would not be recommended in the absence of full compliance with statutory requirements. The expenditure of a small amount of capital would allow remaining works to be completed. The premises would then be available for full use by the public and thus meet the pressing needs of community groups in the area to have a meeting place.
- 4.2 To prioritise the expenditure of capital monies over existing programmes in 2007/8 to fund the costs of re-configuring the layout of the building. This would offer more flexible use of the building and help to maximise the number of user groups who could benefit from access to the building within any given period. It should be noted that some user groups do in fact need the larger space to use and it would not always be the case that the rate of use would increase from internal layout changes. Further, in the absence of community groups having direct experience of utilising the building, it may be that their needs are not fully known at present and that the existing layout may be acceptable to them. If a decision is taken to prioritise this project for capital expenditure in 2007/8, there will necessarily need to be an assessment of what alternative schemes could be reduced and/or additional borrowing.

5. Resource Implications (including Financial Implications)

- 5.1 To carry out the works as recommended will incur up to £3,000 of capital expenditure, not presently budgeted for.
- 5.2 To prioritise the expenditure of capital of up to £45,000 on a reconfiguration scheme would either require a reduction of expenditure on other existing programmed capital schemes and/or additional unsupported borrowing.
- 5.3 There are no direct revenue implications arising from either decision, unless additional borrowing is undertaken to fund either 5.1 or 5.2.

6. Risk and Opportunity Issues

- 6.1 The risk in not completing the minor works recommended is that the building will not be in conformity with statutory requirements and this will (in the case of inadequate ventilation) cause swifter deterioration of the fabric of the building. The opportunity is that completion of these modest but necessary works will enable the community to use this building.
- 6.2 The risk of deciding to prioritise the expenditure of up to £45,000 of capital in 2007/8 on reconfiguring the layout of this building is that other Council priority works will not be undertaken and/or additional borrowing and interest costs will be incurred. The opportunity arising from this prioritisation of expenditure may be that the building better fits the needs of the various proposed users.

7. Consultees (Internal and External)

Internal	Legal Regeneration and Growth (via Clive Thomas) Community Development Councillor Beardsworth
External	User Groups via Cllr Beardsworth

8. Compliance Issues

A: How Proposals Deliver Priority Outcomes

Recovery Plan

N/A
Corporate Plan
N/A

B: Other Implications

Other Strategies
N/A

Finance Comments

Legal Comments

9. Background Papers

Title	Description	Source
N/A		

Simon Dougall, Asset Manager, ext 8177



Item No.

Date:	5th June 2007
Cabinet Member:	Richard Church
Portfolio:	Regeneration
Corporate Manager:	Chris Cavanagh
Directorate:	People, Planning and Regeneration

Report Title	Masterplanning of the St John's Cultural Quarter.
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1. Recommendations

- 1.1 The content of the report is noted.
- 1.2 Approval is given to the appointment of an external consultant for the initial masterplan to the St Johns Cultural Quarter.
- 1.3 That funding be identified either from available capital resources or prudential borrowing as outlined in the project appraisal at annex A.

2. Summary

- 2.1 There is no funding available from within Regeneration and Growth to commission a Masterplan for the development of the St. John's area of Northampton. £48k is required for the Masterplan.
- 2.2 On the strength of the agreement outlined under paragraph (6) below tenders have been sought from suitably experienced consultants. The tenders have been assessed and a preferred consultant selected but not appointed.
- 2.3 The Council is committed to this action under a formal funding agreement with EMDA. The Masterplan must be carried out as a matter of urgency to comply with funding requirements from East Midlands Development Agency (EMDA). Failure to comply would result in the loss of significant grant monies, currently valued at £2,000,000.

3. Report Background

- 3.1 A key Town Centre regeneration opportunity was identified in December 2003 and related to an eyesore building in the Town Centre, known as Blueberry Diner, a former canteen. Prior to this, the building was a telecommunications building, which was out of place with the planned adjacent regeneration improvements. These improvements include conversion of the former County Council offices to residential in Guildhall Road and a £20,000,000 refurbishment of the Royal and Dergate theatres.
- 3.2 EMDA was approached and as a result funded the land acquisition of the Blueberry Diner in financial year 2005/06 and the subsequent demolition works in 2006/07. The EMDA investment is backed up by a Funding Agreement, which transfers the land ownership to the NBC and commits the Council to progressing a Masterplan and appointing a developer partner.
- 3.3 NBC have led partnership working to prepare an agreed 'Brief' and secure a preferred masterplanner through the Council's procurement process. EMDA have been fully involved in the process. This has been difficult when attempting to incorporate other key sites in the ownership of NCC. Unfortunately, NCC has not been able to secure funding to cover their land. A revised programme has been agreed with EMDA must delivered or otherwise failure to do so will result with the Borough Council repaying £2,000,000 of grant.

4. Options and Evaluation of Options

- 4.1 Do nothing option. Repay the £2,000,000 grant to EMDA.
- 4.2 In-house option. The in-house Regeneration Team does not have the required skills and resources to deliver the Masterplan within the agreed timescales.
- 4.3 External option. Appoint a preferred consultant using the Councils procurement process.

5. Resource Implications (including Financial Implications)

5.1 Funding will be identified either from existing capital resources or through prudential borrowing. Should prudential borrowing be used it will cost a maximum of £3,000 in year one and £5,000 from year two onwards and will be met from the debt financing budget. The Capital project appraisal at Annex A outlines sources of funding.

5.2 Breakdown of funding is as following:

	£
Consultant Masterplanner costs	39K
Additional work envisaged *	4K
Contingency	<u>5K</u>
	48K

6. Risk and Opportunity Issues

Risk

Failure by the Council to deliver the Masterplan within the agreed timescale would result in repaying £2,000,000 back to EMDA.

Opportunity

Securement of EMDA investment of £2,000,000 and potential further investments.

Provision of a masterplan and site appraisal to deliver a mixed-use regeneration development in the heart of the cultural centre of Northampton. The proposal is based on the recommendations of the Northampton Central Area Design Development and Movement Framework; supported by Cabinet (19 December 2007).

7. Consultees (Internal and External)

Internal	Asset Management, Legal Services, Financial Services
External	WNDC, EMDA, EP, NCC

8. Compliance Issues**A: How Proposals Deliver Priority Outcomes****Recovery Plan**

The strategic improvement plan has an item to deliver sustainable growth.

Corporate Plan

This proposal supports the 2007-2011 Corporate Plan objective.

- To promote economic development and growth in Northampton.

The proposal supports the Corporate Plan 2007-2011 Council Priority No 7. To work with partnering to support economic infrastructure development to promote communities that are sustainable.

This is considered a priority regeneration project by Cabinet on 19 December 2006.

B: Other Implications**Other Strategies**

The Local Strategic Partnership, Local Area Agreement, regional and sub-regional policy all have stated visions with regards to regeneration and growth in Northampton.

Equalities Assessment under consideration to ensure there is no prejudice towards minority groups.

Finance Comments

Legal Comments

8. Background Papers

Title	Description	Source

Name	Signature	Date	Ext.
Author (Name and Title)	Mike Kitchen Regeneration Project Officer	21/05/07	7681
Corporate Manager (Name and Title)	Chris Cavanagh Regeneration and Growth	21/05/07	8461

Cabinet Member:

I declare no conflict of interest applies

I agree the report's recommendations

I do not agree the report's recommendations

I agree the report's recommendations subject to the following amendments:

The reason for the decision are as follows:

Cabinet Member For: Regeneration

Signature: _____

Date: _____

SCORING SHEET - PROJECT APPRAISAL

		Actual Score	Possible Maximum Score
1	Project Title Masterplanning of the St. John's Cultural Quarter		
2	Appraisal Reference Number 0		
3	Directorate People, Planning & Regeneration		
4	Service Block Environmental, Protective and Cultural Services		
11	Statutory duty or other legal commitments		
(i)	Is there a statutory duty or legal commitment that goes beyond the basic legal power to provide a service ? If yes score 2	2	2
(ii)	Only score this section if there is a statutory or legal commitment at 11(i) above. Assessment of consequences of not undertaking the project. Score 0 for no impact, 1 for low impact, 2 for medium impact, 3 for high impact	3	3
(iii)	Only score this section if there is a statutory or legal commitment at 11(i) above. Assessment of urgency of the project. Score 0 for no urgency, 1 for low urgency, 2 for medium urgency, 3 for high urgency	3	3
12	Extent to which Project meets Council's Objectives and Priorities		
(i)	Score 9 if one of the Council's Priorities is met by the project. Score 18 if two or more of the Council's Priorities are met by the project.	18	18
13	Extent to which project contributes towards partnership working, best value improvements, delivery of service objectives, equalities issues & other corporate priorities (including delivery of statutory performance indicators)		
(a)	Assessment of extent to which the project contributes towards partnership working, best value improvements, delivery of service objectives, equalities issues and other corporate objectives. Score 1 for a significant contribution to each of the following, to a maximum of 5 - partnership working; improved performance under statutory PIs; service strategies and service plans; equalities; any one of the remaining categories in this section.	3	5
14	Environmental impacts		
	Assessment of extent to which the project contributes towards environmental impacts. Score -1 for overall negative contribution, 0 for no overall impact, 3 for overall positive contribution.	2	3
15	Financial Evaluation		
(ii)	Extent to which the project is supported by ring-fenced or specific funding. Score 0 for no ring-fenced funding, 1 for up to 33% funding, 2 for up to 67% funding, 3 for up to and including 100% funding.	3	3
(v)	Impact on revenue budget (total over five years). Score 0 for revenue cost or no impact, 1 for revenue savings up to 33% of scheme costs, 2 for revenue savings of up to 67% of scheme costs, 3 for revenue savings of up to and including 100% of scheme costs	0	3
Total Score		34	40

Scored by

Name	Job Title	Date

Reviewed by

Name	Job Title	Date

Agenda Item 11

EXEMPT INFORMATION BY VIRTUE OF
PARAGRAPH(S)3 OF PART 1 OF SCHEDULE 12A
OF THE LOCAL GOVERNMENT ACT 1972.

Document is Restricted