

Progress Assessment Report

February 2007



Progress Assessment

Northampton Borough Council

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Progress assessments

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

Councils have prepared improvement plans following CPA and those councils classified as '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.