Leicester City Council

Corporate Assessment

December 2002

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Contents

Framework for Corporate Assessment

The White Paper *'Strong Local Leadership – Quality Public Services'* acknowledges the importance of strong leadership in local government:

"High quality council services rely on strong corporate governance from their political and administrative leaders. Where individual services fail the reason often lies in political or administrative shortcomings at the heart of the organisation."

For this reason Corporate Assessment (CA) is an important component of the Comprehensive Performance Assessment (CPA). It sits alongside service and audit assessments in providing key information to feed into the comprehensive assessment framework. Its aim is to assess community leadership as well as corporate arrangements and capacity to support services in delivering improvements. The outcome of the CA is one judgement about a council's ability to improve services. The methodology for CA has been developed from the following tried and tested approaches:

- The framework for governance developed by CIPFA and SOLACE, which the Audit Commission has developed and used in its first year of corporate governance inspections.
- Code of audit practice used by the Audit Commission's appointed auditors for local government.
- The critical success factors for improvement set out in the Audit Commission's publication Changing Gear.

Corporate Assessment seeks to answer four fundamental questions which are underpinned by specific themes:

1. What is the council trying to achieve?
   - Ambition
   - Focus
   - Prioritisation

2. How has the council set about delivering your priorities?
   - Capacity
   - Performance management

3. What has the council achieved / not achieved to date?
   - Achievement
   - Investment

4. In light of what has been learnt, what does the council plan to do next?
   - Learning
   - Future plans

The final section of the report sets out the work that has been done by the Audit Commission's Corporate Assessment Team (CAT) to assess the council's performance against these themes. Each of the themes have been given a score between 1 and 4, based on the following scale:

1. Very weak: few or no identifiable strengths
2. Fairly weak: some strengths, but on balance these are outweighed by weaknesses
3. Fairly strong: some weaknesses, but on balance these are outweighed by strengths
4. Very strong: few or no identifiable weaknesses

The scores for the themes will be used to inform the overall judgement:

What is the council's ability to improve services?

Summary and Scoping of Corporate Assessment judgements

1   Leicester City Council is rightly proud of its reputation for community cohesion, and of its ability to build capacity in the community through partnerships and by accessing external funding. It has made significant strides in dealing with poorly performing social care and education services. This has been achieved through a substantial refocus of effort by members, officers and staff. Regeneration and sustainability have featured highly on the council's agenda with notable successes. Its future focus remains to improve public services, maintain social cohesion and to work with local communities to produce solutions to problems through involving and empowering local people. There are strongly held minority views amongst members of the ruling Labour group that provides assertive and challenging debate. This sometimes causes delays in decision making, although tensions and frustrations are lessening. Members, staff and some community groups do not feel fully engaged with priority setting and feel that decisions are not always transparent. Some council policies are not applied consistently across directorates.

2   The council has managed a difficult financial situation very well with a sound financial strategy and through diverting resources to priorities identified in the community plan. The council met the needs of an increasing and changing population, although this has placed pressure on housing, education and social care budgets. The council has not agreed a strategy for managing such demands on resources in the future, although medium term housing provision has been identified. It is important that the council sets a strategy as some local people have a perception of inequity about decisions it has made.

3   Many of the strengths of the council relate to its ability to be community focused and outward facing. It has a set of sub-partnerships to work on its seven top priorities: diversity, community safety, education, health and social care, environment, jobs and regeneration, and culture. Partnership arrangements are now generally effective. Consultation is good and the council can demonstrate that it listens to challenges from external sources. Through accessing external funding the council has built capacity and invested in core strategies for the future. However some internal processes, such as competence based staff appraisals, have not been implemented, and risk management and performance management are only at an early stage of implementation.

4   The council's performance in some areas is poor, satisfaction levels are low, and it lacks the rigour of a consistently applied performance management framework. Overall, there is a trend of improvement in significant areas. However, the council sometimes sets itself targets that are not challenging enough, given its current position. Services have benefited from the rigour of applying the principles of best value.

5   There are some ambitious plans for regeneration in deprived areas of the city. Plans for 'Revitalising Neighbourhoods', a model of regeneration which focuses on localities close to the community, are well advanced and the council has recently restructured to make these plans easier to achieve. However the council lacks a unifying corporate plan for the organisation to use to monitor its own progress. Stakeholders perceive that the council is slow to implement plans and strategies.

Corporate Assessment Score

Corporate Assessment Score			
Key Question	**Theme**	**Un-Weighted Score**	**Weighted Score**
What is the council trying to achieve ?	**Ambition**	2	2
	Focus	3	3
	Prioritisation	3	3
How has the council set about delivering its priorities ?	**Capacity**	3	3
	Performance Management	2	2
What has the council achieved/not achieved to date ?	**Achievement**	3	9
	Investment	3	6
In light of what has been learnt, what does the council plan to do next ?	**Learning**	2	2
	Future Plans	3	3
	TOTAL THEME SCORE		33
	OVERALL CORPORATE ASSESSMENT SCORE		3

Recommendations

In order to focus its activity on its top priorities, the council should:

- ◆ Ensure that it has an overarching corporate plan that pulls together all priorities from the community plan, business plans and corporate strategic intent, and that targets are focused on outcomes.

- ◆ Ensure that target setting and appraisal of staff is consistently applied and that there are clear links between the corporate plan, business plans and individual responsibilities.

In order to deliver its priorities more effectively the council should:

- ◆ Accelerate progress on implementing the performance management framework.

- ◆ Improve the effectiveness of communication with, and information for, members outside the cabinet structure.

In order to raise the level of achievement the council should:

- ◆ Improve performance in core services where performance measures signal poor performance.

- ◆ Increase the level of challenge through a more effective scrutiny process.

In order to deliver continuous improvement through its future plans the council should:

- ◆ Ensure continuing work on social cohesion addresses potential future changes and increases in the local population.

- ◆ Embed risk management and evaluation into all planning processes.

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Context

The locality

6   Leicester is the largest city in the east midlands, and the tenth largest in the country with 290,000 residents. It has a relatively high percentage of black and minority ethnic (BME) residents, currently estimated at 33 per cent, and is predicted to become the first 'minority city' by 2011. A wide variety of minority ethnic communities have been living in the city for a number of years supplemented more recently by asylum seekers and an increase in the population in the past year.

7   The main industries include textiles, clothing, printing, publishing, food and technology. There are high levels of deprivation in the city with pockets of affluence. Forty-seven per cent of the population live in the ten per cent of wards that are classified as being in the most deprived in the country. Household income, rates of pay and skill levels are below the regional average, while 40,000 of the adult population have below average levels of literacy and numeracy. Overcrowding in some properties, significant health difficulties associated with deprivation and high crime rates are all challenges that the council has to tackle. Unemployment rates are currently at 6.7 per cent. The city has two universities with 30,000 students.

The council

8   The council achieved unitary status in 1997 and inherited education, social services, highways and planning responsibilities from Leicestershire County Council. The city council has been Labour controlled for 23 years (currently with 56 councillors; 29 Labour members, 16 Liberal Democrat members, 10 Conservatives and 1 Independent).

What is the council trying to achieve?

Ambition

9   The council is clearly focused on its community and is very aware of competing interests and diverse needs, but it has difficulty in prioritising these. It has to some extent raised its ambitions through working as part of the Leicester Partnership, with a wide range of agencies and voluntary organisations. The partnership has developed a community plan and works effectively through seven sub-groups, tasked to address each of the seven priorities, six of which are set out in the plan: diversity, community safety, education, health and social care, environment, jobs and regeneration. The seventh priority is culture. Planning for the future will be carried out through this productive model. However, there are currently a lack of challenging outcome based targets and some difficulties in relation to speed of decision-making which mean that weaknesses in ambition outweigh strengths.

10   The diversity and equality partnership is representative and is functioning well. The partnership has rightly highlighted issues relating to race equality, and has an effective voice and influence on the council. One of its primary roles is to determine approval of funding to other organisations and it has a budget of £275,000. Council officers and the Cabinet lead for Human Resources and Equal Opportunities attend meetings to make appropriate links. There is, however a lack of administrative support and the partnership is struggling to provide these resources. This partnership has stated that the council's success in working towards race equality is overshadowing its role and responsibility for other vulnerable groups, such as people with disabilities.

11   The council consults effectively and listens to local people and this consultation has helped to shape the community plan and priorities. But, although the council has articulated its six priorities in the plan, senior managers and some external partners are unclear what are not the council's priorities, which makes it difficult for them to direct their effort to what really matters.

12   There are a number of weaknesses in the way the council sets targets and makes plans for improvement. It does not consistently compare its performance with that of other councils, and does not always analyse trends or use performance indicators when setting targets for service improvements. This lack of awareness of its current comparative performance reduces the potential for the council to set challenging but achievable targets. As a result, the targets set for service improvements in the community plan are not particularly challenging. Each priority is supported by a number of goals and measures but the links between indicators and goals are frequently unclear and there are some omissions. Eighty per cent of these targets have been met, but many of them relate to processes and future plans, not to outcomes for local people. Furthermore, many of the targets extend well beyond the plan period with no interim targets against which current performance can be judged. The lack of challenging but realistic targets is acting as a barrier to progress.

13   In contrast, the council has in place a set of stretching targets for its Public Service Agreement (PSA) which provides the challenge required to make significant improvements. Some of these targets are ambitious, but if they are not achieved there will be an adverse financial impact on the council.

14   There is no one coherent corporate plan that pulls together in a clear and specific way what the council wants to achieve, with appropriate and challenging targets to help members and

senior officers to evaluate regularly the council's performance and progress. Without such a plan the council finds it hard to focus activity on its top priorities. Instead, the council currently relies on the community plan and a range of internal business plans to monitor its performance. However, the business plans vary in quality, some of their targets are not outcome based and do not help the council to monitor performance or to take appropriate action to improve services.

15 Leicester is a very important area for the east midlands and the partnership set up has sufficient resources. The council has had successes in environmental policy and sustainability, as evidenced by related beacon status awards. However, the city is not taking full advantage of regional development opportunities or funding, in contrast to other cities. Key partners find that conflicting interests and influence from elected members cause delay, as experienced in the administration of the Single Regeneration Bids (SRBs) in the recent past, and the partnership has had to work hard with the council to understand key regeneration priorities. The council has a history of closing facilities before replacements have been provided, for example the closure of Granby Hall. This, together with the closure of leisure centres, schools and a proposal to close libraries, has had a detrimental impact on public satisfaction and has undermined public confidence in the council's future plans.

16 The council has given great attention and focus to improving the quality of life for local people, through a range of services. The city is becoming vibrant and thriving with a range of projects to stimulate growth and provide jobs for local people. Links have been well established with community groups, and resources have been made available to support community involvement and empowerment. The council is building on action research to deliver an ambitious 'Revitalising Neighbourhoods' programme in ten localities. There are many other examples of initiatives sensitive to community needs in the city, showing that the council is in tune with the community it serves.

17 The council has effective leadership with clear vision and a top management team with effective corporate directors that are functioning well. There is a rational 'cascade' process of officer meetings that feed appropriately into the cabinet and scrutiny structure. However, some members perceive that that there is insufficient robust public political debate on policies and too little challenge to decisions made. There are strongly held minority views amongst members of the ruling labour group that provides assertive and challenging debates at times. Whilst this sometimes causes delays in decision-making, tensions and frustrations are lessening.

Focus

18 Directorate management teams give focused attention to business plans. Although the business plans are variable in quality, there is no ambiguity about them in each service area. Internal meetings are coherent with focused agendas to help the council discuss and determine action to achieve its priorities. Best value reviews (BVRs) are now embedded into the organisation and used well to focus on areas that need attention. But the best value working group only checks progress against improvement plans, and does not check performance against outcome targets. The focus on process rather than outcomes means there is insufficient awareness among members of how well the council is performing. There is also insufficient challenge in the scrutiny process. However, strengths in focus outweigh weaknesses.

19 The council is using sound guidelines to project manage the 'Revitalising Neighbourhoods' re-structuring, and reports are considered by the directors' board, leader's briefing and the

organisational working party every three months. This rigour and focus is designed to ensure that implementation progresses in accordance with milestones, and allows the council to deal with barriers when they arise. However, the project team has not developed a comprehensive catalogue of risks to help it to manage barriers in the way of progress.

20   The council manages some difficult situations well and it can react swiftly. For example, the council has successfully managed a significantly reduced budget since becoming a unitary authority. It has taken some complex, unpopular decisions such as the closure of six secondary schools in order to reduce the number of surplus school places. However, some situations are managed less well, for example when the six schools closed, there was an adverse impact on school attainment, despite additional resources being made available to schools to help minimise the impact. The council's strategies are not always effective enough to maintain or improve levels of core service.

21   A concentrated focus on racial equality has, to date, contributed to the prevention of community unrest. This is an important strength for the council. However, there are emerging feelings of dissatisfaction that need to be carefully managed as some local people feel that they are disadvantaged because of the level of attention received by some communities.

22   Last year, the council dealt effectively with the needs of a changing demography by providing housing, education and dedicated support but there was a consequent pressure on budgets. The council has identified future risks and financial pressures, and is clear about how it would respond in the medium term to housing and other needs. However, due to political differences on how to deal sensitively with further potential population change, no consensus has been reached on a long term strategy.

23   Despite the council's community focus and its success in consultation in ensuring that it remains focused on what matters for local people, it has a key weakness in converting its plans and strategies into action. Residents are frustrated with the slow pace of change and the scale of improvements in the council's core services. Although the council can claim some credit in service improvements in many priority areas, particularly in education, social care and housing, members of staff are used to working in an environment that is slow to deliver.

Prioritisation

24   Prioritisation is an area of relative strength for the council as its consultation processes are effective in gauging local needs. Future plans reflect the outcome of community consultation. Focus on national priorities has been strengthened as a result of the council's success in attracting external funding geared to national priorities. Strengths in prioritisation outweigh weaknesses.

25   Prioritisation is evident in the way in which the council invests an annual budget of £11 million in the voluntary sector. There is a systematic application of criteria for the funding and procurement of services. This approach ensures that organisations in the voluntary sector contribute towards the priorities the council has set for itself. However, as this prioritisation takes place at directorate rather than at corporate level, it is difficult for the voluntary sector partners to get a consistent corporate view, or for the council to be sure that the £11 million spent is supporting corporate priorities as effectively as it would wish.

26   The council does ensure that resources follow identified priorities. For example, the council continues to fund social care above the standard spending assessment level, and has found savings in other service areas to offset overspends in social services. Other examples include additional funding allocated to improve equal opportunities and to minimise the impact of disruption to schooling due to excessive movements of pupils between schools. Funds have also been diverted to support school attainment targets. In addition, resources have been made available for ten new neighbourhood co-ordinators to support the new organisational structure. This level of attention to diverting funds to the highest level of priorities is good, with the added benefit that the senior managers most closely involved in the services are directly involved in agreeing budget reductions, ensuring the most intelligent way of meeting priorities while maintaining the highest levels of service delivery overall.

27   The council makes clear choices when deciding its priorities, but does not clearly communicate why some priorities have been chosen over others. As a result, some groups in the community feel that their views have not been given sufficient weight. This includes disability groups, faith groups, youth groups and businesses. The absence of an all embracing corporate plan makes it harder for the council to explain its priorities to these groups.

28   Where there are significant performance issues, the council deals appropriately with them. For example, performance in housing benefits dropped due to contractor difficulties; the council introduced flexible working, regular weekend overtime and temporary staff to deal with the backlog of claims. This has improved the response rate, but has increased the cost of claim administration, which will not be reduced before 2003/04.

How has the council set about delivering its priorities?

Capacity

29   The council has an able political leader with the vision needed to lead the ruling Labour group. Overall, the council has more strengths than weaknesses in this area.

30   The council has strengthened the top management team. The top managers are building capacity in individual directorates, particularly where there has been a history of poor performance. This is a strong and mature management team able to raise issues of strategic importance, to debate intelligently and give appropriate leadership. However, some long term 'acting up' arrangements, some key senior staff resignations, with high levels of vacancies in some directorates, have placed pressure on services.

31   Managers at lower levels in the organisation do not carry out corporate policies and procedures consistently, which impairs performance management.

32   The council has a good track record of attracting funding to build capacity in communities, supported by effective partnering arrangements to deliver community plan priorities. Primary care trusts are very positive about relationships with the council following the appointment of the corporate director of social services in February 2000. Arrangements with Leicestershire County Council to deliver the transport plan are beginning to work well, particularly following the proposal and planning of four new 'park and ride' schemes that straddle the two administrative areas. The police are mainly positive about building capacity through partnerships, and express optimism about reducing alcohol related crimes due to intervention by the council. Extensive partnerships with the voluntary sector lend considerable support to the council's capacity.

33   There are a number of examples where the council has built capacity from external sources, for example a street lighting contractor supplying services at a relatively competitive rate, the use of a technically advanced and sound CCTV scheme for housing which is well managed and has the capacity to expand, and the use of external consultants to develop plans for the cultural quarter.

34   There are different views expressed by members on the ultimate model for the large scale organisational development for revitalising neighbourhoods. They have reached consensus on the first phase of the development, which is now being implemented. Internal capacity to bring about the cultural and structural change required is questionable and this is recognised by the council. The human resources function does not have the capacity to support the programme. The council is building internal capacity through an appropriate structure headed by a corporate director, and the use of external consultancy should be able to provide the challenge required to support new ways of working.

Performance management

35   The council has introduced a sound performance management framework that is supported by good project management guidelines and an embryonic risk management strategy. However, the framework was introduced relatively recently and has only had a limited

impact on performance improvement to date. Overall the council's performance management has more weaknesses than strengths.

36   The new performance management framework is comprehensive and clearly explained with good corporate business planning guidelines and well written strategies for consultation, competition, comparison and challenge. Managers at all levels are aware of the new framework.

37   The council is developing a corporate performance indicator monitoring database designed to provide information regularly to members to help them in their scrutiny role. There is no strong tradition of performance monitoring, although the council is aware of how trends in its performance compare to other councils. Monitoring of overall performance, and taking appropriate action when performance is below expectations, is not yet consistent.

38   The council has redeveloped its Employee Review and Development (ERD) scheme. There is also a new scheme for managers based on competencies, which is being introduced in phases. The scheme is intended to address performance issues and to identify skills gaps as a basis for agreeing personal development plans. The previous scheme was inconsistently applied in directorates and its emphasis was more on development than performance appraisal. Until the new scheme is fully implemented there will continue to be insufficient links between individual contributions and corporate targets.

39   There is a marked difference in the council's performance management arrangements for contractors and the voluntary sector, with rigorous attention to performance and quality. For example SITA - an external contractor - experiences a particularly robust enforcement approach and this has had a marked effect on improving refuse collection services. Directorates manage their own projects under £500,000 and are required to undertake risk assessments and to give written assurances that project management processes have been followed. This is an excellent way of ensuring these contracts are effective and efficient. Through the use of service level agreements with voluntary sector agencies, quality of outcomes can be assured. All of these processes show the council has the ability to apply rigour in contract management of externally provided services, so that it knows what is being provided, to what standard, and that the council's scarce resources are being used properly.

What has the council achieved/not achieved to date?

Achievement

40   Leicester City Council provides services and wider community leadership to a highly culturally diverse and complex population. Immediately following LGR the services to people in the city were of widely differing quality, some being poor. The housing service is, and has been very good, for the last four years. Public facing quality has been maintained. In contrast, in 1999, the education service was judged to be very poor. Now, it has improved to a satisfactory level in its strategic functions. Standards of pupil attainment remain well below the national average, though improving. Social services is improving steadily from a time of difficulty soon after reorgnisation. The council has taken strong and purposeful steps forward in achieving improvement although there is still unevenness in the quality of services. More widely than service improvements, the council has earned wide respect in its contribution to community cohesion. While there is still a considerable way to go in improving services to the consistent good quality needed by the community, strengths in achieving improvement outweigh weaknesses. The levels of improvement are set out below.

41   Leicester is known as a city that welcomes and celebrates diversity. It is proactive though services and across a wide range of partners to maintain community cohesion. Recognition of this has been given by the Home Office; the council has a high level of political commitment to its diverse population. Its relationships in the community have had a positive impact on the management of potential community tensions.

42   Through the council's cultural strategy, there has been increased attendance at arts activities (9 per cent), visits to museums (5 per cent), and leisure centres / swims (1 per cent). The theatre programme recognises the cultural diversity of the city and a range of major festivals go some way to enabling differing cultures to be shared, understood and celebrated.

43   Service provision is culturally sensitive. Over 20% of the council's staff are of black and minority ethnic origin (BME) as are 25% of councillors. The council has reached level 2 CRE.

44   The council's success in regeneration and sustainability has had a good impact on the well being of the community. Regeneration and sustainability activities are improving the circumstances of some local people, for example the City Challenge project of Bede Island regenerated a poor area of Leicester. This enabled 700 jobs new jobs to be provided. BME citizens, new to Leicester from Europe have set up businesses, increasing their independence and becoming part of the local economy.

45   Initiatives to stem rising crime rates in burglaries have resulted in keeping the incidents at a steady state. However, both vehicle crime and violent crime have increased. Council strategies are designed to reduce the fear of crime, for example through the high investment in CCTV in housing, but there is a long way to go to improve outcomes to the satisfaction of local people. Where the council has focussed on reducing crime with the police and other partners in specific localities, there has been measurable impact over time.

46   A previously poor education service has been improved to become satisfactory. The Ofsted/Audit Commission report of July 1999 identified a very poor service with few strengths and many weaknesses. Strategic management was largely ineffective. The follow-up inspection report in May 2001 found that considerable progress had been made, crucially on the strategic capacity of the LEA. While strengths outweigh weaknesses, weaknesses remained in strategic planning for SEN, partnerships with local communities, liaison with social services, support for pupils educated otherwise than at school and measures to combat racism.

47   Further improvements have been made since then. Examples are the reduction in pupils educated outside school which has more than halved and the introduction of systems for recording racial incidents which, understandably, is too new to be able to show quantifiable improvement over time.

48   The 4,000 surplus places requiring reduction in 1998 have been taken out in a closure and reorganisation programme of secondary schools. There are signs of this yielding improvement for young people. Since 1999, the council has taken 30 schools out of 'serious weaknesses' or 'special measures'. Presently, one school is in 'special measures' and three are in 'serious weaknesses'. Its progress in this respect over the last three years is well above average. Pupil attainment is improving but is still too low. Performance in key stages 2 and 3 in English has improved at a broadly average rate over the period 1999-2001. Improvement in mathematics is below average at key stage 2 but above it at key stage 3. At key stage 4, results have improved from 34 per cent to 37 per cent of pupils achieving 5 or more GCSEs at A*-C from 2000 to 2001. This trend is continuing but attainment at age 16 is till too low. Results for pupils achieving 1 or more GCSEs at grade G are well below average with a marginal improvement in 2001. Ofsted's detailed analysis of performance data in the 2001 inspection however, showed that pupils made good progress between key stage 1 and 2 at well above the national rate of improvement and between key stage 2 and 3 and key stage 3 and 4, above the national rate. Unauthorised school absences have been relatively low and have not changed in the last year. Educational attainment for children looked after by the council is poor. Wider achievements for these children are celebrated through a system of rewards. Measures are underway to overcome the weaknesses in provision for these children but this is to some extent dependent on the interface between education and social services.

49   The library service is a one star service with three stars for improvement.

50   There have been improvements in social care during the last 3 years. In services to both adults and children the SSI assessment is that some people are served well and there are promising prospects for improvement. Seventy per cent of performance indicators have improved. The social care PAF performance indicators show that for children's services, eight indicators are improving and six are in decline. For adult services, fourteen are improving and six are in decline. Overall, these show improvement from 2000/01. There is continuing good performance in the proportion of looked after children (LAC) in foster placements or placed for adoption, and on their health. There is excellent performance on the adoption of LAC and in inspections of residential care. The number of children on the child protection register is decreasing. However, development is needed in reducing re-registrations on the child protection register, improving the level of child protection reviews and further improving placement stability. As stated in paragraph 48, improvement is needed in the attainment of LAC. In services to adults, there is effective management of admissions to residential care, management of delayed services and effective inspection performance. There is a need to develop a commissioning strategy, improve recording and reporting of the assessments of older people and carers' assessments.

51 Leicester City has played a leading role in partnership working with PCTs in developing an integrated mental health service. Together with Leicestershire and Rutland, indicators for delayed hospital discharges show levels of good performance.

52 The local transport plan is good and has already brought about better cross council and cross local authority working. Local people are encouraged to use buses and there is some evidence of less traffic on the roads with more passengers travelling by bus. Bus users' satisfaction is above average for similar councils. There is success in combating growth in traffic usage. The council has made recent improvements and has a history or embracing technical innovation. Repairs of dangerous roads and pavements have risen. A recent inspection of highways and transportation found a fair service with promising improvement prospects. Waste performance indicators show that the council has reduced the number of missed bins, but that performance in recycling has fallen in the lead-up time to the implementation of a major new waste collection and management PFI contract.

53 A recent inspection of housing repairs and maintenance found the council has an excellent service with excellent improvement prospects. The service has good customer access and high satisfaction with repairs; there are area funds for tenants groups and 97 per cent of all emergency repairs are completed within 24 hours. An inspection of the homelessness service found a good service with excellent improvement prospects. 2001/02 key PIs show good and improving percentage of decisions on homelessness applications made in 33 days, and sustained good performance on non-urgent repairs.

54 Benefits performance on key public facing indicators worsened significantly in 2001/02 but improvements since March 2002 have put the service back on track. The CPA Benefits assessment rates the services as having a poor performance with a fair to good proven capacity to improve. There was poor performance against standards for processing claims and customer service was below standard. The promise for improvement was recogised by the BFI in the new document management system, success in the implementation of inspection recommendations and the action taken by managers to focus on improvement. As a result of action since the 2001/02 indicators were produced, the benefits backlog has reduced from 60,000 to around the national average of 14,000 in October 2002.

55 An analysis of the Beacon Council indicators illustrates that in 2001/02, out of 51 key indicators, 21 improved from the previous year but 26 deteriorated. This shows there is much more to do in achieving consistent improvement. Public satisfaction levels have improved since 1998 by a net three per cent. However, satisfaction with housing, libraries and sports facilities are in decline.

56 Early inspections by the Audit Commission found three out of four services unlikely to improve. Four recent inspections have found positive improvement prospects, showing that the council is making improvements. This trend is backed by social services and education.

57 External accreditation is very good. Amongst other accreditation, the council has been successful with three 'Beacon Status' awards for housing maintenance (2000), maintaining a quality environment (2001) and racial equality (2002). Housing services have been awarded a government 'A' grade for the last four years. This accreditation has been given in recognition of the efforts made to regenerate and sustain the city, improving the quality of life for local people.

Investment

58   Leicester City has begun to invest in developing core strategies and processes that should provide good building blocks for improving services. However many of these foundations have only recently been put in place and the council will need to invest further efforts into performance management to ensure delivery of its planned improvements. Overall the council's strengths in investment outweigh weaknesses.

59   The council has given exceptional levels of attention and investment to ensuring that minority ethnic communities are integrated and to addressing the diverse needs of its different cultures and communities. This work has been noted nationally, through the recent Cantle report commissioned by the government following riots in the north of England last year. It has recently developed a new corporate equalities group, a new equalities scheme linked to the equalities standard aimed at working on mainstreaming equalities into all aspects of service delivery. It has introduced a programme called 'Young gifted and equal' to focus on young people with a positive focus on race and equalities.

60   The council has a good finance and project management strategy. Training has been provided for managers on project management with a projected 75 per cent of them to be trained by the end of 2002.

61   The council has recently introduced a risk management strategy, supported with a £100,000 investment for initiatives, which should provide sound processes for risk assessment. However it is an early stage of implementation and needs to be adopted across the council.

62   There has been some investment in training members to undertake their new roles through the modernising of council structures and decision making processes. In recognition of the need to strengthen the scrutiny role, the council has recently worked with De Montford University to run two seminars looking at member structures. The scrutiny function has recently been supported through investment of two full-time equivalent posts with a further two proposed from next financial year. It has also run an awareness session for potential new members in preparation for some political changes at the next election. However, scrutiny needs to be developed further to be fully effective.

63   To support the council's 'revitalising neighbourhoods' programme, a corporate director has been appointed recently together with neighbourhood co-ordinators. A project team is in place to support new working arrangements with the New Parks customer access centre opening in January. This has been achieved by monies released and re-invested through re-structuring services. Ten neighbourhood forums have been established to enable locality based decision making with £750,000 available from the neighbourhood renewal fund to support the forums. The council's approach is measured and evolutionary, leading to a gradual localisation of services to neighbourhoods. However, as there are different models for future service delivery at local levels to take account of the different local issues, there is the risk that corporate standards will be difficult to incorporate. Partner organisations, including the police and health providers operate to different models. Whilst these different models of operation do not prevent progress, they represent a challenge for resolution. Rigorous political debate is required to determine a future model and final decisions on the future of neighbourhood forums still have be made.

64   The council is embedding best value, with value for money improvements flowing from best value reviews.

65 External challenge is used for driving improvement and is clearly illustrated by the use of District Audit services in reviewing areas that need attention, the use of consultants for democratic renewal, social cohesion and the partnership board for education. This investment is beginning to show good outcomes.

66 The council's capital strategy and asset management strategy have been assessed as good, and, when implemented, should help to improve services.

67 The council has rationalised 300 separate consultation processes into one strategy and recently set up a citizens panel.

68 A good performance management framework has been created but has only had a limited impact to date. The council needs to invest further effort to ensure that planned improvements are delivered and performance is driven up.

69 The council has recently worked with partners to revise the community plan and is currently developing a corporate plan by involving managers, as part of the culture change programme. However, progress on implementation is not yet sufficiently advanced to enable fully effective corporate performance monitoring.

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

Learning

70　Learning is an area that has more weaknesses than strengths.

71　The council seeks to learn from others and bring best practice into the organisation. For example members visited Derby City to learn from programmes designed to clear up the city centre. Learning from Birmingham, Coventry and Kirklees on different models for their 'revitalising neighbourhoods' project had been considered when drawing up their own strategy and plans. The transport strategy has had the benefit of being developed with colleagues from Strasburg. Academics have been involved in devising the democratic renewal strategies and the education partnership board. This external perspective has been used to good effect and there are clear outcomes and proposals derived from this learning.

72　Together with an external consultant and IDeA, the council has carried out research into their performance in community cohesion. It held three open forums with key stakeholders. As a result, it is refocusing on outer city estates, young people and policy on single faith schools. Together with the voluntary sector and the police, it is considering proposals to bid for a pathfinder beacon bid for community cohesion that could access an additional £400,000.

73　The council learns from consultation and responds to public opinion and, in some cases, reviews policy decisions. It can also focus on priorities and stick to difficult decisions where there is a need to do so. For example, it closed schools and homes for the elderly in order to achieve efficiencies, in the face of unfavourable public opinion. Following the closure of the Haymarket Theatre, which will not be replaced by a similar facility, but there are plans for the theatre perform in local areas instead. This shows a balanced approach in responding to local people and sticking to agreed actions.

74　When OFSTED found LEA education provision to be poor it required a partnership board to be put in place, which included the Learning and Skills Council and other local stakeholders. Recently, OFSTED has removed the requirement to have a board as performance has improved considerably. The council learned how beneficial this was in improving standards and effectiveness so it has voluntarily kept the partnership in place.

75　There is no comprehensive members' training programme in place.

76　Some evaluation is undertaken by the council particularly when there is a failure. For example, extensive evaluation took place following litigation with contractors over the DeMontfort Hall refurbishment, which has resulted in the council setting good project management guidelines.

77　However, there is no overall structured approach to evaluation that could provide a basis for identifying what works best in the organisation and how barriers to improvement can be identified early.

78　Too much learning is prompted by crisis.

Future Plans

79 The council currently has a stable vision and priorities that have been agreed with appropriate partners. Rational processes ensure that work is kept focused on what matters. PSA targets challenge service delivery to improve. On balance strengths in future plans outweigh weaknesses.

80 There are ambitious plans for regeneration with a high profile, which should have a significant impact on the quality of life for local people. Some of these are planned in conjunction with a new Regeneration Company over ten years, for example waste management initiatives. The council has a number of specific plans to make further improvements in priority areas:

   ◆ Plans to create a cultural quarter in the St George's area of the city will re-generate a further part of the inner city and give opportunities for local people to set up their own business using incubator business units;

   ◆ Plans for the Braunstone area include significant new build projects to provide a new leisure centre, theatre, health and social care centre, library and a new Key Stage 3 school as well as other initiatives;

   ◆ A plan to create a City Academy in the south of Leicester;

   ◆ Five other integrated health and social care centres are planned; and

   ◆ Access to services through three new contact centres.

81 Responding to customer survey information, the council is planning to review its approach to implementing electronic government and to give greater emphasis to telephone communication. The council plans to act on recommendations from a study undertaken by external consultants, with an investment of £150,000 to develop three further customer services telephone access points, building on the success of the housing repairs model. The emphasis will be on responding to local peoples' needs to provide good access to services and a more responsive delivery.

82 To provide a better focus on children's services, there are proposals to integrate education and social care. If successful, these plans should improve communication and enable both directorates to work jointly to ensure that young people are receiving all services they need. However, implementation is still some way off as issues concerning statutory responsibilities and accountability still need to be resolved. Also, the council needs to assess the implications of the government's recent proposals for children's trusts.

83 The council is positioning itself well for further improvements in services for young people. Plans in place for 'quality protects' and youth justice have been rated highly.

84 The 'revitalising neighbourhoods' programme is ambitious but at present plans do not extend beyond the initial phase.

85 Overall, the council has a long list of projects extending into the future. Whilst this is positive, it is still recovering from a track record of delays and slow delivery, which has been experienced by all stakeholders.

Summary of theme scores and strengths / weaknesses

Theme	Grade	Strengths	Weaknesses
Ambition	2	• Clear focus on community and aware of competing interests and diversity through strong consultation and community involvement • Delivery of ambition through agreed Community plan and six key partnerships some of which are strong • Clear leadership and vision	• Performance targets, trends and indicators not used to set challenging targets for service improvements • No one overarching plan • Key partners experience delays in decision-making, despite the city's economic underperformance • Track record of closure of facilities before their replacements have been provided, has had a detrimental effect on public confidence
Focus	3	• Focused on clear unambiguous plans for services • Sound project management process in place • Swift action taken in difficult situations • Community consultation is a major influence on future planning • Concentrated focus on racial equality has contributed to the prevention of community unrest • Some service improvements have been achieved in priority areas	• Strategies to resolve complex situations are not always effective in the long term • Political consensus not always easy to reach, impeding progress and the council is slow to implement change • Increasing tensions from sections of the community who feel that the focus on ethnic communities and the city centre have left other areas disadvantaged • No agreed strategy for responding to potential future population increase.
Prioritisation	3	• Council engages with its communities to help set priorities • National as well as local priorities are supported with financial strategy • Movement of funds to reflect priorities • £11m voluntary sector budget now assessed against priorities	• Council doesn't clearly explain why some priorities are chosen over others, so some groups feel their views are not considered. • Prioritisation of voluntary sector budget takes place at directorate not corporate level.
Capacity	3	• Highly successful in attracting external funding • Able political leader and recently strengthened management team • Use of partnerships, contractors and consultants to build capacity	• Lack of consensus in ruling party on the future direction of a key policy. • High levels of vacancies in some directorates and 'acting up' arrangements placed pressure on capacity
Performance management	2	• Performance management and risk management frameworks have been developed • Performance management used in some directorates • Rigorous performance management of external contracts and service level agreements with voluntary sector	• No overall track record of strong performance management systems • Inconsistent implementation of personal performance management and appraisal • Performance and risk management framework at an early stage of implementation • Performance information is not sufficiently available, particularly to members

Achievement	3	• Education has shown demonstrable improvement in LEA core functions. - a substantial number of schools have been removed from 'special measures' and 'serious weaknesses' - improving attainment • Social services improving • High standards of housing • High level of "promising prospects for improvement" through increasing impact of best value reviews • In a challenging local context: - social cohesion is maintained - regeneration schemes have been delivered - improved access to cultural activities	• Pupil atainment levels in education remain comparatively poor • Education provision on the social inclusion indicators requires further improvement • Some improvements are at a slow rate • Serious decline in benefits performance between August 01 and March 2002 • 2001/02: of 51 key BVPIs 21 improved while 26 deteriorated
Investment	3	• Excellent on-going investment in social cohesion • On-going work with partners to revise community plan and programme to develop a corporate plan • New corporate equalities group with new equalities scheme and strategy • Organisational development programme to support local solutions and to revitalise neighbourhoods with £50,000 per locality and external consultancy to support the change • Training in project management. • Recent establishment of citizen's panel • Support for modernising political structures and member training • Best value embedding well	• Scrutiny function needs further development • Final decisions on the future of neighbourhood forums following initial implementation have still to be made with a difficult organisational change to be managed • Further attention is needed to performance management • Building blocks to improve services across the board are not embedded
Learning	2	• Evidence of learning from others • Evidence of learning through consultation and crisis management	• Lack of comprehensive structured training programme for members • Lack of structured evaluation in place as the basis for identifying what works best • Too much learning prompted by crisis
Future Plans	3	• Stable vision and priorities with appropriate partnering arrangements • Proposals to develop high profile and ambitious projects, some in conjunction with a new Regeneration Company: for example access to services through three new contact centres; regeneration projects; waste management initiatives; integrated health and social care centres (6); new cultural and leisure facilities and new educational facilities • Planned integration of children's services • Plans for Youth Justice rated highly	• A track record of delays and slow delivery of plans. • Current plans for 'revitalising neighbourhoods' programme do not extend beyond the initial phase.

Conduct of the corporate assessment

86 The corporate assessment of the council's ability to improve services was carried out under the Local Government Act 1999. Local councils have a general duty under section three of this act to secure continuous improvement in the exercise of their functions. Section ten gives the Audit Commission the power to inspect councils' performance of the general duty of improvement.

87 The assessment took place in June 2002 over the period from the 17th to the 27th. The assessment team was led by the Audit Commission and comprised two inspectors, a representative from external audit, a peer chief officer and a peer elected councillor from other authorities.

88 The council's own self-assessment provided the focus for the main part of the inspection. The assessment team discussed and challenged the self-assessment statement with the authority alongside existing performance data on the council. This determined the scope of on-site fieldwork which included:

- Interviews with council officers and members.

- Meetings with external partners and other stakeholders including the Government office.

- Focus groups with tenants, citizens, users, council staff and members.

- Review of key documentation.

- Observation of officer and member meetings

- Case study on Revitalising Neighbourhoods

89 The report has been discussed with the local authority, which has been given the opportunity to examine the Audit Commission's assessment. This in turn will contribute to the comprehensive performance assessment for the local authority to be published in late autumn.