

Leicester
City Council

WARDS AFFECTED
All – corporate report

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Cabinet

21st June 2004

Improving the Council's Performance

The Best Value Review, Audit & Inspection Programme 2004/5

Report of the Assistant Chief Executive – Corporate Management

1. Purpose of Report

1.1. To gain Members approval to this year's Best Value review programme

2. Summary

2.1. The report presents an update on the Council's best value review, audit and inspection programme in the light of current performance and strategic changes taking place across the Council. The report presents a revised way forward on best value reviews and identifies the proposed audit and inspection programme agreed with the Audit Commission for next year. The internal audit programme has been agreed separately but needs to be seen as part of the integrated improvement agenda.

3. Recommendations

3.1. Note the strategic programme for improvement across the Council now in place.

3.2. Agree the programme of improvement action set out in paragraph 5.5.

3.3. Note the proposed audit and inspection programme for next year.

3.4. Agree to reconsider the programme again next year following consideration of the performance report for 2003/4.

4. Headline Financial and legal Implications

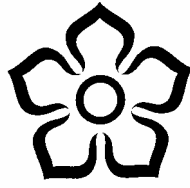
4.1. None

5. Report Author/Officer to contact:

Author of report: Austin Roberts Head of Performance & Best Value - 7120

DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)



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SUPPORTING INFORMATION

Report of the Assistant Chief Executive – Corporate Management

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3. Background

3.1. Under the original legislation there was a requirement to review **all** our services over five years. The Council has completed four years of the original programme covering the majority of its services. Although the requirement to review all services has now been removed, **the requirement to deliver Best Value and to review services where this is necessary remains**. Councils will still be inspected by the Audit Commission and other inspection agencies but to a level proportionate to the category of performance from the Comprehensive Performance Assessment score. The Council was scored as **good** in 2003. This score will be refreshed in December next year and a full inspection, under revised CPA guidelines, is anticipated from 2005 onwards.

3.2. The Council's original improvement strategy was always intended to embed performance management into the organisation to deliver continuous improvement and high performance services through the annual process of service planning and business planning. The external inspection process and best value reviews enabled us to have a fundamental look at each service area and produce improvement plans to drive step change particularly in poor performing areas. This has been very successful in underpinning improvement in a range of services notably Education and Social Services and achieving the good rating under the CPA.

3.3. Last year the review programme was amended to include the findings of the first Comprehensive Performance Assessment. As a result the focus was placed on four new areas:-

- Housing Management
- Legal Services
- Property Services
- E-Government

3.4. In addition the Crime & Disorder review continued over from year three, as this review had started later than other year three reviews. A review of Policy & Performance has also been conducted by the Audit Commission which will result in a corporate improvement plan.

3.5. All of the above reviews are complete or close to it.

4. Striving towards excellence

4.1. Having now reached the threshold of Good the time is right to both underpin and maintain this position as well as striving for excellence. It is also important to better integrate the other corporate change programmes with performance management and communicate a more strategic corporate agenda that reflects a new landscape. For example: -

- The Council has a new political administration with clear and different priorities.

- These priorities are now set out in the corporate plan with measurable objectives and targets.
- Our improvement priorities are defined annually in our performance plan and monitored consistently across the organisation.
- We have embarked on a culture change programme designed to change the way the Council works.
- Strategic organisational change programmes are taking place round children's services, Lifelong Learning and alternative management arrangements for Cultural Services.
- We have a new three year budget strategy that will redirect resources to the new priorities and we will soon develop a new capital strategy also reflecting the priorities.
- Political management processes are being strengthened through more support to scrutiny and the development of area committees.
- Programmes to further improve customer access and service integration are underway.
- The Human Resource strategy will improve staff performance and employment practices.
- The asset management strategy will seek to improve the utilisation, management and quality of our buildings.
- A new communications strategy will steer improvements in both internal and external communications.
- Our equality and community cohesion strategies will enable us to improve our performance in terms of meeting the diverse needs of our communities and staff.

4.2. These initiatives will all generate a variety of different reviews and change programmes which will impact on the Council in addition to any further best value reviews we may feel are required. The challenge will be managing this large and complex programme in an integrated way that enables staff, Members and the public to understand the big picture and feel part of the process of improvement. Attached is a diagrammatic representation of this extensive improvement agenda.

5. Best Value Reviews

5.1. To date there has been a reasonable spread of reviews across most service areas with the least coverage in Education & Lifelong Learning although this has been extensively covered by OFSTED inspections. Most areas that have a performance issue have some form of improvement initiative underway, over and above the implementation of performance management. As a result it is proposed that no additional reviews are instigated next financial year but: **where performance remains continuously low and current initiatives do not produce satisfactory improvement in twelve months time, the service will become a priority for the following year's programme.**

5.2. The proposed programme of reviews for year five shown in the Comprehensive Performance Assessment improvement plan was:

- Life Long Learning (Youth, Community, Adult Education, Play)
- Regeneration
- A possible review of support to Members

5.3. Two reviews were programmed for year six:

- Regulatory services
- Taxation and Benefits

5.4. In considering a possible programme for next year consideration has been given to:

- The completed programme of reviews;
- The annual review of performance and the CPA refreshment;
- Identified areas for review where step change may be required – informed by the corporate plan;
- Areas for potential review if other improvement initiatives are unsuccessful;
- Major areas not yet subject to a Best Value review;
- Other change programmes taking place or proposed;
- The three efficiency reviews already identified by Members.

5.5. The analysis suggested that the following areas could have been considered for review.

5.5.1. **Council Staff Sickness:** This is currently in the top quartile but declining in performance. There is also a belief that when more accurate data is provided from the new HR information system a worse position could be revealed. The Service Director, Human Resources and Equality is currently examining the issue and so should performance not improve **when more accurate data is available and current policies and procedures are enforced** a more fundamental review may be required.

5.5.2. **Lifelong Learning:** Planned as a review in year five, it was regarded as an area of high cost in need of step change to improve performance and respond to major national changes. This service is now the subject of a major organisational review and the Board has decided *“the organisational review should be carried out in line with the protocol and the principles of best value to avoid the need for another best value review next year”*.

5.5.3. The organisational review is now about a year old and the subject of time critical and budget pressures. ‘Back-fitting’ the work done so far into Best Value principles will inevitably mean additional work and so a delay in the process of change. This will not fit with the pressures for change or the protocol on best value. It is proposed that the Service Director of Lifelong Learning completes the current organisational change programme, meeting as many BV principles as possible and producing a clear improvement strategy embedded in the new service plan. Further action being deferred until performance can be reassessed.

- 5.5.4. **School Exclusions** – there is a history of poor performance but is an issue for improvement in the Education Development plan. If performance has not improved significantly by next autumn this area could be subject to a full Best Value review.
- 5.5.5. **Special Education Needs Statements** – this area has a history of poor performance but is an issue for improvement in the Education Development plan. If performance has not improved significantly by next autumn the area could be subject to a full Best Value review.
- 5.5.6. **School Places** – A review of primary schools is to commence shortly but it will not be possible to implement the results until 2005. The position should therefore be reconsidered in 2006.
- 5.5.7. **Regeneration**: Planned as a review in year five, it is an area of high importance to the delivery of the corporate plan although current performance is not an issue. This area is included in the organisational review of the CS&NR and ERD departments. It is proposed that the performance be reviewed next year after the organisational review is complete.
- 5.5.8. **Regulatory Services**: Planned as a review in year six, it is an area of high importance to the delivery of the corporate plan and performance is an issue, but only in relation to planning applications approvals. This area is included in the organisational review of the CS&NR and ERD departments. It is proposed that the performance be reviewed next year after the organisational review is complete.
- 5.5.9. **Domestic Violence, racial harassment, antisocial behaviour, drugs and alcohol related problems**: The Crime & Disorder review did not cover these areas specifically but are priorities in the corporate plan. This could be a review for year six or seven depending on performance.
- 5.5.10. **Affordable warmth** – this area has not been reviewed and is a part of the corporate plan so is potentially a review in year six or seven depending on performance.
- 5.5.11. **Support for adults/older people** - Parts of older peoples services were reviewed in year one and aspects of the service are within the PSA with targets set to reach average performance. Adults/Older Persons Services will be inspected by the Dept. of Health in mid 2005. Therefore there is little to be gained from a Best Value Review in year five or six.
- 5.5.12. **Housing Benefits (and Council Tax)**: The benefits service has a history of poor performance in processing new claims. Recent system problems have exacerbated this situation but with the current improvement initiatives there are signs of a turnaround. This is an important area in relation to the CPA and the corporate plan. Council Tax collection is improving. If performance in the service

has not improved significantly by next autumn consider undertaking a full Best Value review of both the Council Tax and Benefits Services.

5.5.13. **Democratic and Members' Support Services:** This is a key area for improvement from the CPA. This is an area where step change may be required in terms of developing both the scrutiny function and area committees and so consideration should be given to how improvement in this area can be developed in consultation with Members.

5.5.14. **Land Searches** has a history of poor performance but current initiatives are delivering a turnaround. If the improvements cannot be sustained a more fundamental review may be required.

5.5.15. **Children's Services:** There are outcomes to follow up from the SSI inspection of May 2003 as well as those from the previous best value vulnerable children review. Action plans to improve services have therefore been established and approved by Members. Therefore there is little to be gained from a Best Value Review in year five or six.

5.5.16. In considering this report it is important to bear in mind the **efficiency reviews** that Members have commissioned of operational property, transport and procurement. The conclusion of the Property Services Best Value review has been reported. This review does not include a review of the property portfolio. Procurement was a year one review. Transport services was reviewed separately as a pre best value review and was examined relatively recently.

5.5.17. In all these areas there are either improvement initiatives in place or the areas are undergoing organisational or financially lead reviews warranting further reviews unnecessary. However should improvement not be forthcoming Members will have the option of instigating a best value review next year or subsequently.

6. Audit and inspection programme 2004/5

6.1. Following discussions with the Audit Commission the audit and inspection programme for next year has been agreed and set out in Appendix 2. The costs have been significantly reduced by about £70,000 reflecting the Council's move to a Good classification. The key features of the audit and inspection programme are:-

6.2. To have a watching brief on the creation of area committees with a fuller examination next year.

6.3. An integrated series of audits based round:-

- The strategic project management of change
- Children's Trust arrangements
- Project Management of Major Schemes

These are designed to examine further our improvement in project management arrangements as well as other factors of performance management.

6.4. An audit of the medium term financial strategy.

6.5. A significant inspection of Crime and Disorder encompassing the Best Value review but also examining our wider approach to partnership working.

6.6. An audit of revenue and capital contracts including the PFI to assess our procurement procedures.

6.7. A regular performance assessment of Cultural Services. The scale of which will depend on the degree to which our self-assessment can generate evidence to warrant uplift in our CPA rating of 2 for the 2005 judgement.

7. Conclusion

7.1. Best Value generally and reviews in particular have driven managers' attention towards performance. Experience of the process has been a powerful positive learning force for those involved. We need to maintain this momentum to continue the overall improvement in the Council's performance and in future move from **good to excellent**. Where future reviews are justified this learning and the improved performance information should mean streamlined reviews. Also it may be appropriate to be more selective in terms of the 4C's, for example just considering the 'Compete' aspect having reference to the procurement strategy and practice, if the position on the other 3C's (Challenge, Consult and Compare) was robust. The management development programme, culture change initiative and further implementation of performance management will support this aim.

7.2. Audit Commission Best Value inspections should increasingly take place where improvement in performance is driven by the impact of performance management and the other initiatives rather than necessarily best value reviews. In some areas, notably Health & Social Care and Education, the inspections are significantly shaping their improvement plans. This places an increased importance on the monitoring of the delivery of these plans and the improved performance that should follow at both departmental and corporate level.

8. Consultation

8.1. Members of the Finance, Resources & Equal Opportunities Scrutiny were asked to consider areas for inclusion in the review programme. All corporate directors have been consulted. Their views have been incorporated in this report. The comments of all Scrutiny committees following their consideration of the comprehensive report on performance will be included as they emerge.

9. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

Financial Implications

9.1. None.

Legal Implications

9.2. None

Other Implications

9.3. These are set out in the table below:

OTHER IMPLICATIONS	YES/NO	Paragraph references within supporting information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	

9.4. **Background Papers – Local Government Act 1972**

9.4.1. None

9.5. **Consultations**

9.5.1. Members of the Finance Resources and Equal Opportunities Scrutiny Committee and Corporate Directors were consulted on the proposed programme of reviews.

9.6. **Report Author**

9.6.1. Austin Roberts - Head of Performance & Best Value - 7120