

Inspection report

December 2004



Comprehensive performance assessment

Corporate Assessment Report

Worcestershire County Council

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Introduction

- 1 The local government White Paper *Strong Local Leadership – Quality Public Service* encourages greater focus on improved services for local people. Better performing councils are freed from central government controls and restrictions and poorer councils receive better focused support for improvement. The first step in this process was to make an overall judgement, a comprehensive performance assessment (CPA), of where each council stands.
- 2 In December 2002 the Audit Commission reported the results of the comprehensive performance assessment, for the first time, for each council. Your council was categorised as 'good'.
- 3 In December 2003 new CPA information was published for each single tier and county council, based on reported changes in service performance during 2003 and the council was scored as 'good'. In July 2004, the Commission undertook a corporate assessment and once again the overall category remained as 'good'.
- 4 This report presents the results of a proportionate corporate assessment carried out in November 2004. The judgements are based on the Audit Commission's published key lines of enquiry, and include an update and analysis of your council's progress against the weaknesses contained in the 2004 (August) report.

Summary of judgements

- 5 Worcestershire County Council is a strong authority which continues to translate many of its plans and areas for investment identified earlier this year into positive achievements. These continue to improve the quality of life for local people. The council has essential core processes in place to continue to drive improvement.
- 6 The council is outward looking and an effective community leader. The community strategy has supported the development of its community leadership role. Partnership working is a real strength, particularly with the districts and this has enabled national and local issues to be tackled effectively. There has been a consistent focus on cross cutting issues which have led to significant improvements. Priorities are clear and the council is effective at communicating these to the local community.
- 7 Capacity has been strengthened, particularly through local partnerships such as that with districts for waste management and the development of the information hubs. Scrutiny has begun to achieve results through joint work with the primary care trusts (PCTs) on hospital discharges and on school exclusions. Performance management is effective and has been used to develop improvements in both education and social services. However some members are not fully engaged in the management of performance and a medium term financial strategy has not been fully developed.
- 8 There has been considerable improvement across all service areas. The council continues to deliver improvements in priority areas including social care, education and libraries and leisure, while the quality of the county's road network has been enhanced too. Resident satisfaction levels are mixed and whilst there has been some improvements there has been a reduction in the overall level of satisfaction of service offered by the council. Investments have been made to drive improvements in areas identified in the earlier corporate assessment reports. These include human resources and member training.
- 9 Worcester has developed a learning culture. There are a number of cross service learning groups and scrutiny has been used to undertake research and review the impact of cabinet decisions. The council has plans to review officer and political structures and the council has embarked on the development of a new corporate plan. However it has no plans to develop a medium term financial strategy.

Corporate Assessment Score

Key Question	Theme	2002 Final Weighted Score	2004 (August) Weighted Score	2004 (December) Un-weighted Score	2004 (December) Weighted Score
What is the council trying to achieve?	Ambition	3	4	4	4
	Prioritisation	3	3	3	3
	Focus	3	4	4	4
How has the council set about delivering its priorities?	Capacity	3	3	3	3
	Performance management	2	3	3	3
What has the council achieved to date?	Achievement	9	9	3	9
	Investment	4	6	3	6
In light of what has been learnt, what does the council plan to do next?	Learning	3	3	3	3
	Future Plans	3	3	3	3
TOTAL THEME SCORE		33	38		38

Context

The locality

- 10 The County of Worcestershire is situated in the West Midlands. It is a mainly rural area, covering an area of 173,529 hectares. The population of the county is 545,900, with 4 per cent of the population from ethnic minority communities. The majority of the population live in the towns of Worcester, Bromsgrove, Droitwich, Evesham, Kidderminster, Malvern and Redditch. It is an ageing population. There is a higher than average proportion of older people living in the county (19.3 per cent, compared with a regional average of 18.6 per cent) and a lower than average proportion of young people (19.3 per cent compared with the regional average of 20.5 per cent).
- 11 Three in every four people work in the service sector with a further one in five jobs in the manufacturing sector. Although unemployment is lower than the regional and national averages at 1.5 per cent, gross average wage levels are higher (£389 per week compared with a regional average of £366). Compared with the rest of the country, the majority of wards are less deprived on average (Index of Multiple Deprivation 2000). However there are some pockets of relative deprivation. There are also service access problems in rural parts of the county.

The council

- 12 The council continues to be run by a minority conservative administration which holds 26 of the 57 seats. Both the cabinet and the management structure are organised on traditional service based lines. The cabinet has ten members, including the leader and members of the opposition parties. There are four cabinet members with responsibility for: education/lifelong learning; social services, health and well being; environment and sustainability and economic development and regeneration; and resources and cultural services. The officer structure mirrors the portfolios of cabinet members.
- 13 The council is a low spending authority and is one of the lowest spending county councils. In 2003/04, the overall gross revenue budget was £437 million. Between April 2002 and 31 March 2006, the council plans to spend £182 million on capital projects.

What is the council trying to achieve?

Ambition

- 14 Ambition is an area in which the council is strong. Ambitions are realistic and based on a good understanding of local needs supported by strong relationships with district councils. The community strategy 'partnership towards excellence' identifies clear long term ambitions. These are supported by other key policy documents such as the BVPP and corporate plan. These plans are robust.
- 15 The council provides effective leadership to the local community and in the delivery of its services. For example it worked closely with the districts in the development of its joint municipal waste strategy and through its involvement in 'spotlight' meetings when officers and councillors from the county meet with the districts. These meetings facilitate leadership to local communities.
- 16 There is a consensual style of political leadership. We identified that the main political parties support the corporate plan priorities. This style has enabled the last three budgets to be agreed unanimously and councillors identified the need to place party political issues to one side to support policies for the benefit of local people.

Prioritisation

- 17 Strengths outweigh weaknesses in this area. The council continues to be clear about its priorities. The BVPP is clear on what the county's priorities are. These include education, social services, libraries, electronic government and roads. These priorities are reflected in the medium term financial plan (MTFP) 'framework principles' document. However priorities are not ranked and we could not identify many areas where money had been disinvested in favour of local priorities.
- 18 The council has in place a number of mechanisms to communicate priorities. The council has made active use of the citizen's panel, area reviews involving residents in 'open' discussions about their area and an increase in press and radio coverage. The council has developed an agenda in tune with the needs of local people.

Focus

- 19 Focus is strong. The council's structures continue to be organised around traditional service lines rather than cross cutting corporate issues. However the chief officer management board (COMB) maintains an effective collective overview of the council's priorities. Directors have contracts which commit 20 per cent of their time to corporate business and use this to lead cross cutting corporate projects such as equalities, procurement and electronic government.
- 20 There has been a consistent focus on improving core service areas including education and social services in line with corporate priorities. Quarterly monitoring of the corporate plan and best value performance indicators (BVPIs) enable a focus on improvement. This has been recognised by the Joint Reviews

and Ofsted. We identified a clear and consistent focus on addressing the risks involved with the PFI deal on waste management supported by regular reports to members over a period of several years.

How has the council set about delivering its priorities?

Capacity

- 21 Strengths outweigh weaknesses in capacity. The chief officers and members are clear about their respective roles and have the capacity and skills to deliver change in key areas. There is mutual trust and respect between officers and members which has enabled the council to work effectively despite no party having overall control. The council has also strengthened its internal and external leadership of cross cutting issues such as equalities.
- 22 The council has made excellent use of partnerships to deliver complex priorities. These include waste management, working with districts to provide the hub for one stop shops in each district and supporting the human resources team in one district.
- 23 The council has made good progress in strengthening its approach to the procurement of both goods and services. This enabled the council to save £1.9m in 2003/04. The small central procurement team may be strengthened to maintain this level of progress.
- 24 Scrutiny is working effectively. The scrutiny function has begun to mature. We identified several recent successes. These include reports on delayed discharges which have subsequently reduced from 70 to 20 per month and the rate of school exclusions. However we found that there is inconsistent member engagement with performance management.
- 25 Financial resources continue to be well managed and the overall position of the council remains sound. There are £40 million in earmarked reserves.

Performance management

- 26 Strengths outweigh weaknesses in performance management. We identified a strong performance culture developing across the council. There is quarterly reporting on a basket of key indicators for both the corporate plan and the BVPP. This has supported improvements in all of the key service areas e.g. education.
- 27 Performance management within directorates has also improved. Service plans are now monitored to ensure they support the delivery of corporate priorities and there has been a greater focus on target setting. All directorates have identified, and monitor, a key group of business critical performance indicators. A series of directorate level meetings with portfolio holders on a six week cycle enable the management of performance. Variances from targets in the corporate plan are reported quarterly with a brief explanation of what action is planned to address these issues.
- 28 There has been some progress in developing a systematic approach to risk management but this is not yet fully embedded. A risk management strategy has been adopted: this sets out clear responsibilities and mitigating actions. Most of the elements of risk assessment and management arrangements are in place. However the corporate risk register is too strategic and does not include major

service risks that could have a significant impact on the council e.g. the PFI on waste management.

- 29 Further work is required to develop a medium term financial plan to support resource planning. The current MTFP is an annual plan which is updated each year and provides an effective framework to support the delivery of services. However this has only worked given the high levels of political consensus which have existed and may not be sufficiently strong to support the delivery of services in a more robust political climate.

What has the council achieved / not achieved to date?

Achievement of improvement

- 30 Strengths outweigh weaknesses in this area. The council continues to deliver improvements across priority areas including social care, education and libraries and leisure. 69 per cent of key BVPIs have improved with 19 per cent in the best quartile. There has been a consistent improvement in the state of principal and non principal roads. 10 out of the 13 LPSA1 indicators have improved.
- 31 In two other priority areas, corporate health and community safety there has been mixed improvement. Staff sickness absence remains high and has risen to 8.5 days per annum. Resident's satisfaction scores are mixed. For the planning services 100 per cent of applicants were satisfied with the service and there have been improvements in satisfaction levels for how complaints have been dealt with. There have been reductions in the overall satisfaction levels with council services and on public satisfaction with the use of libraries.

Investment

- 32 Investment continues to be made to drive improvement. Strengths outweigh weaknesses. These include the work with districts in developing the hub to ensure implementation of electronic government. This will provide a cross county information network with an information centre in every district.
- 33 Recent investments have been developed to address weaknesses in the CPA (August) 2004 report. A joint municipal waste strategy has now been developed with the districts. There is considerable investment in member training. This is well attended and members spoke highly of the courses. All service plans are now assessed to see how well they support corporate policies.
- 34 Additional investment is being made in human resources. For example, a new software system will come on line in January which will enable the collation of sickness statistics and the collation of performance appraisals, a training programme for managers has been developed and a new induction process has been implemented. Work is currently under way on the development of a new work force plan.
- 35 Some plans and strategies do not contain risk assessments. There has been no consistent approach to developing risk assessment of delivery capacity e.g. for the economic, communication and consultation strategies. This could create a future barrier to sustained improvement.

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

Learning

- 36 Strengths outweigh weaknesses. The council is generally self aware. This is supported both by good information systems and by effective external networking. Officers in particular are aware of the significance of organisational culture in delivering improvement. Learning from staff workshops has been used to shape the organisational development agenda. Consequently, the culture of the organisation is now a more open one, with staff encouraged to develop and test out new ideas. However, there remain some weaknesses in mechanisms for sharing learning and best practice effectively across the council. This means that the benefits of learning are not always maximised.
- 37 The council is beginning to use scrutiny to effectively review internal processes. A small but effective scrutiny team is able to undertake research and through this process ensured that the Hartlebury museum was not closed. The overview and scrutiny panel collates the learning from across the scrutiny panels from users' surveys and undertakes research.
- 38 The council has responded well to the corporate assessment that was conducted earlier in 2004. New investment is being made in areas which were identified as weaknesses such as human resources and the effectiveness of members.

Future plans

- 39 Strengths outweigh weaknesses in this area. The council continues to scope and plan for the future. The council has recently appointed the society of local authority chief executives (SOLACE) to review political and management structures. This is in the light of the children's bill, Gershon and the Planning and Compensation Act 2004. The report is intended to be finalised by the end of February to inform the new administration after the May 2005 elections.
- 40 Internal processes will be strengthened by the development of the new corporate plan. Staff seminars have already been completed on the form of the new plan. This will be developed in the context of the community strategy and the LPSA2 targets. The corporate risk register will be amended to reflect the new focus. The draft plan will be consulted through a stakeholders conference.
- 41 The council has no plans to develop a MTFs. The current plan does not provide a medium term framework to support the delivery of council priorities.

Summary of theme scores and strengths / weaknesses

Theme	Grade	Strengths	Weaknesses
Ambition	4	<p>Ambitions are realistic and based on a strong understanding of local needs</p> <p>Key policy documents support the achievement of ambitions</p> <p>Close working with key stakeholders e.g. district councils</p> <p>Consensual style of leadership supports a common agenda for improvement</p>	
Prioritisation	3	<p>Clarity in what the priorities are</p> <p>Priorities identified in key documentation</p> <p>Mechanisms in place to communicate priorities</p>	Priorities are not ranked
Focus	4	<p>Effective focus on priorities e.g. education and social services</p> <p>Focus on both operational and cross cutting issues</p> <p>Focus on risks in the waste management PFI</p>	
Capacity	3	<p>Chief officers and members have the capacity and skills to achieve improvements</p> <p>Measures taken to strengthen organisational capacity</p> <p>Scrutiny working effectively</p> <p>Finances continue to be well managed</p> <p>Procurement used effectively</p> <p>Effective partnerships to deliver complex priorities</p>	Some members not involved in performance management

Performance management	3	<p>Improvements in performance management arrangements</p> <p>Effective performance management in all directorates</p> <p>Service plans policed by the corporate centre to strengthen target setting and how they will deliver corporate priorities</p>	<p>MTFP is not fully developed</p> <p>Corporate risk register needs refining</p>
Achievement	3	<p>69 per cent of PIs have improved with</p> <p>19 per cent in the best quartile</p> <p>Improvement identified in priorities e.g. education and social care</p> <p>Improvements in cross cutting areas</p>	<p>Decline in overall public satisfaction levels</p> <p>Some corporate health indicators are not improving</p>
Investment	3	<p>Work with districts on the development of the new 'hub' for information services</p> <p>Investment being made in areas of weaknesses identified by the earlier CPA report e.g. human resources, municipal waste strategy</p>	<p>Risk assessments of delivery capacity not undertaken for all plans and strategies</p>
Learning	3	<p>Learning culture developing</p> <p>Scrutiny being used effectively to review policies</p> <p>Staff workshops in place to develop the new corporate agenda</p>	<p>Some areas of weakness for testing out new ideas</p>
Future Plans	3	<p>Organisational review has been developed</p> <p>New corporate plan being developed</p>	<p>Council has no clear plans to develop a medium term financial plan</p>

Framework for comprehensive performance assessment

- 42 This comprehensive performance assessment was carried out under section 99 of the Local Government Act 2003. This section imposes a duty on the Audit Commission to, from time to time, produce a report of its findings in relation to the performance of local authorities in the exercise of their functions. This report must categorise local authorities as to their performance.
- 43 The main elements of the assessment were:
- ◆ the council's improvement plan;
 - ◆ the Audit Commission's qualitative assessment of continuous improvement;
 - ◆ updated performance indicators;
 - ◆ inspection findings; and
 - ◆ the 2004 (August) corporate assessment and supporting documentary evidence.
- 44 The assessment of Worcestershire County Council was undertaken by a team from the Audit Commission and took place on 25th November 2004.
- 45 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 improvement planning by the council.

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