

# Leicestershire County Council

## Corporate Assessment

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# 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

Appendix 1 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 has 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 Leicestershire County Council has a history of average to high levels of service delivery achieved at a relatively low cost for local people. Success in improving service performance is evident over recent years and future prospects are judged to be positive by several inspectorates. Improvements have been in line with the service priorities the council has set itself. The council has a sound financial base and practices good financial management. Since the elections in 2001 when the Conservative group took overall control of the council, it has been working to overcome the legacy of many years where there was no administration to drive a corporate agenda, evident in an inability to take hard decisions that might be publicly unpopular and consequent delay on some improvement issues.
- 2 The council currently lacks a clearly defined set of priorities that relate to the identified needs and aspirations of the local community, and which sets out clearly what the council is trying to achieve. The Medium Term Corporate Strategy is a good start in defining objectives but the future community leadership role for the council is not clear. The council has a history of engaging with local people about their views on services but there is no history of engaging directly with local people to determine their general needs and aspirations. This, combined with the political history of the council, has led to a tendency to focus only on internal service delivery and improvement rather than also on the wider quality of life outcomes for local people and communities that could be produced by the council's services and functions.
- 3 Leicestershire County Council is relatively self-aware and, in recognition of the challenges ahead, has begun to invest in new capacity and plans to enable future improvement. The medium term corporate strategy, departmental restructure and job evaluation scheme are examples of this. However, some of the key corporate building blocks are only partially in place, but most feature in future plans. The development of clearer priorities, a medium term financial plan, a county-wide Local Strategic Partnership and agreement of targets for a local public service agreement are high on the agenda for change. The council is engaged in resolving a number of significant outstanding service issues such as children's residential services and youth and community education.
- 4 The work currently in progress and planned has the potential to clarify future goals and commitments, against which the council can consider longer term plans. The council has a track record of achieving improvements in service quality, and therefore has the capacity to do so. The key challenge for the council now is to add corporate value to the strength that it has built in service delivery through clear priorities and greater community focus. However, previous improvements and changes have sometimes taken longer to implement than anticipated, and timescales for the next round of changes are challenging. As the agenda for the council becomes more complex, there is a need to increase the pace, capacity and systems for change inside and outside the council. Corporate action by leading members and officers is needed now to implement and monitor priority improvements to service delivery.

## Corporate Assessment Score

<b>Corporate Assessment Score</b>			
<b>Key Question</b>	<b>Theme</b>	<b>Un-Weighted Score</b>	<b>Weighted Score</b>
What is the council trying to achieve ?	<b>Ambition</b>	2	2
	<b>Focus</b>	3	3
	<b>Prioritisation</b>	2	2
How has the council set about delivering its priorities ?	<b>Capacity</b>	3	3
	<b>Performance Management</b>	2	2
What has the council achieved/not achieved to date ?	<b>Achievement</b>	3	9
	<b>Investment</b>	2	4
In light of what has been learnt, what does the council plan to do next ?	<b>Learning</b>	3	3
	<b>Future Plans</b>	3	3
<b>TOTAL THEME SCORE</b>			<b>31</b>
<b>OVERALL CORPORATE ASSESSMENT SCORE</b>			<b>2</b>

## Recommendations

- ◆ To achieve clarity in the development of the council's community leadership role it should set a clear timetable and deliver on:
  - engagement with local people and partners to establish needs, priorities and aspirations;
  - articulation of a vision for the area and identify how the council functions and services will contribute to its achievement; and
  - engagement with partners on delivery of the vision.
  
- ◆ To ensure the effectiveness and focus of future plans, the council should:
  - identify clear objectives for each priority element of the change programme;
  - implement a corporate performance management system reporting progress on achieving council priorities against individual targets
  - focus improved project planning on complex priorities requiring cross-cutting and partnership delivery
  - approve a medium term financial strategy to resource priority improvements.
  
- ◆ To increase the levels of public accountability, the council should:
  - publicise service standards, targets in areas of public priority, and subsequent performance levels.
  
- ◆ To increase the pace of organisational development, the council should:
  - focus time-limited best value review improvement programmes on key priority improvement issues;
  - plan ways in which the it can learn from what works well elsewhere;
  - develop ways of appropriately spreading skills, knowledge and key systems across the organisation; and
  - devise and implement a staff and member development programme that identifies and meets the needs of the new agenda.

# Context

## The locality

- 5 Leicestershire County Council in the East Midlands covers seven district council areas. The main centres of population in the county are market towns, but the population is split between a few geographically small urban areas, extensive suburban areas and a range of rural settlements. The county includes the towns of Loughborough and Melton Mowbray to the north, Market Harborough to the south-east and Hinkley and Ashby-de-la Zouch to the west. East Midlands airport is within the county area to the far north-west.
- 6 The area is generally affluent, although a small number of wards are amongst the most deprived 20% of wards nationally. 17,000 people (approximately 3% of the population) live in these areas. Unemployment in the county is around 2.2%, which is below the national average. The average income per household is below the national average at £19,040 compared to £22,360.
- 7 The county council serves a population of 611,200 (2000 estimate) which is set to increase by 3% in the next ten years. The 1991 census estimated that the ethnic minority population was 3.4%, mainly of Asian descent, with significantly higher populations in Charnwood and Oadby and Wigston. The city of Leicester is projected to be the first UK city to have an ethnic majority population, and it is expected that the 2001 census will show significantly higher populations of ethnic minority communities living in the county due, in part, to the expansion of these communities from within the city.

## The council

- 8 The county council has had its current administrative boundaries since 1997, when Leicester City and Rutland both became unitary authorities. The council has 54 members, 33 of whom are also members of district councils in the county area. There are comparatively few women on the council and currently no members from ethnic-minority backgrounds.
- 9 A shadow leader and cabinet model was introduced in 1999, with formal adoption in 2001. In addition, a scrutiny commission, five scrutiny committees and regulatory bodies were formed. Prior to 1999, when a joint administration was formed between the Conservative and Liberal Democrat groups, no political group was in overall control for many years, and no coalition of parties could come together to form an administration. In June 2001, the Conservative group took overall control and formed a single party administration.
- 10 At officer level, the council has historically had eleven departments. This gave a large corporate officer management team. The structure has now been reformed into six departments. The net revenue budget for the council is £455m in 2002/3, and 18,000 staff are employed in delivering council functions.



# What is the council trying to achieve?

## Ambition

- 11 Leicestershire County Council is currently developing an overall vision of what can be achieved for the local area and its communities with district councils and wider partners. Recent progress in this area has been purposeful yet councillors and officers recognise that the community leadership role of the council is in need of both greater clarity and further development. They recognise too, the need to build good corporate approaches upon the successes of individual services and to better reflect the needs and aspirations of people and communities. Overall although good progress is being made from a low base, weaknesses, at this time, outweigh strengths.
- 12 The council has identified areas of service priority. These include the national priorities of Education and Social Services, and improving access to services. There is a general commitment to the improvement of service quality and the ruling group have highlighted a number of outstanding issues that require urgent resolution. These include residential services for older people and children, youth and community education and the delivery of highways services.
- 13 The council exercises its service leadership role effectively especially in areas where the agenda is clearly articulated through national frameworks and where the council has direct control and influence. The ambitions for education and social services are clearly set. Recent best value reviews of highways and public transport have also aided the setting of clearer priorities and leadership in these areas. Other service areas have yet to clarify their role and ambition, for example the county-wide museums service.
- 14 The wider corporate community leadership role of the council is an area recognised for further development. This is, at least in part, a legacy of the political history of the council which was, until 1999, operating without an administration. This resulted in consensual decision-making and made the taking of difficult, publicly unpopular decisions difficult, if not impossible. The council sought to impact positively on the local community through a focus on the delivery of good quality services, with many good results for local people. There has remained a tendency in some areas to focus solely on service-delivery rather than understanding that both the council as a whole, and individual services, can and should now also be contributing to broader outcomes for local people in, for example, areas such as community safety and provision for young people. Officers and councillors spoken to demonstrated that they understood that the community leadership role of the council and its services needs to be developed.
- 15 In November 2001 the council agreed a medium term corporate strategy (MTCS), drawn from the manifesto of the ruling group, which includes national and local service priority areas. The production of the strategy was a significant step forward in view of the political history of the council. The MTCS provides a council-wide statement of intent, and a focus on a number of priority areas. Work is needed on specifying targets and accountabilities so that the public are better

- able to assess success. The council has recognised both the progress made and improvements that still need to be made to the strategy, and work is ongoing to develop it into a timeframe, with milestones and measures of success.
- 16 Building on the production of the MTCS the council has begun to make considerable progress in the development of a community strategy. Following a first meeting of a shadow, county-wide LSP in the early Summer progress has been made including:
- Engagement with partners to agree membership of the LSP a process that required considerable sensitivity;
  - A draft community strategy has been drawn up and agreed by the LSP and issued for consultation:
  - The draft community strategy appropriately draws on and reflects the County's MTCS and moves on from it. For example concern about the engagement of and facilities for youth is a significant theme in the draft community strategy.
- 17 While there is not yet overall vision of what can be achieved for Leicestershire that is clearly informed by consultation with local people, to reach the point described above in a relatively short period of time demonstrates that the authority has had a positive level of urgency and has used sensitivity and skill in engaging partners.
- 18 The district councils in the county are developing their own Local Strategic Partnerships and the county council is represented on each by a member of the Executive. Each of the district local strategic partnerships and community strategies are at different stages of development, with one fully in place.
- 19 In areas where the council has a clearly identified role and remit, it exercises productive leadership. This is evident in many of the key partnerships in which the county council plays a role. In these areas partner organisations are clear about what the council is seeking to achieve and the role played by the partnership. Other partners are less clear about the priorities of the council in general and as there is no coherent vision for the area or articulation of what the council is seeking to achieve for the locality, there is less focus.
- 20 One example of this is in relation to the crime agenda, where there is evidence of some confusion amongst partners about the specific role played by the county. The council is currently completing a best value review in this area, jointly with District Councils, which should bring greater clarity to the role of the county council. This could be used as the basis for further discussions with partners and through the LSP.
- 21 There is no history of the council directly seeking an understanding of the aspirations of a diverse local community and its needs now and into the future. The growing population of ethnic minority communities in the city council area and the expansion of these communities into the county are changing the makeup of these localities. The council needs to develop an approach to

community leadership that recognises and reflects the issues and diversity across the county.

## Focus

- 22 The council has demonstrated that it remains focused on the priorities it has set. The systems and processes by which this is done are appropriate for the agenda that the council has set itself in the past, and these are working appropriately. Overall, strengths outweigh the weaknesses in this area.
- 23 Internally, the council has identified the need to develop its corporate capacity to make further service improvements and to develop its community leadership role. The focus is on developing the medium term corporate strategy into a coherent set of priorities with measurable outcomes for local people. Other areas of development, including the medium term financial plan, citizens panel, local strategic partnership and public service agreements, have been brought together into an action plan which identifies a timeframe and input from officers and members. The departmental restructure and job evaluation scheme, which are both considered to be vital components of the council's corporate development are a part of the current focus of the council.
- 24 In service terms, relevant senior managers and members are clear and focused on those areas stated as priority (Education and Social Services) as shown by consistent performance in service areas. User groups, where they exist, also aid the focus on what matters in these areas of service. Recent best value reviews of public transport and highways, and associated improvement plans have led to focus in these areas.
- 25 Agendas presented to member meetings (Executive and Scrutiny) in the main demonstrate a focus on the important issues facing the council. The commitment to resolve a number of outstanding issues is reflected in the items for discussion and decision. Reports presented for consideration by officers and members generally aid focus on the stated priorities of the council and, since the development of the medium term corporate strategy, show an improved focus on the high-level objectives of the council. Again, the lack of a vision and set of explicit priorities means that focus on outcomes for local people is under-developed in some forums.
- 26 Agenda-setting for the executive since the start of the current administration has been driven predominantly by the need to respond to national initiatives and to resolve those outstanding issues not tackled in previous administrations. The cabinet has acknowledged the need to be more pro-active in the future and the corporate development agenda is seen as an aid to this process.
- 27 The Corporate Officers Management Team (COMT) is generally not considered to be an effective forum for maintaining focus on what matters to the council. It is too large a group to operate effectively at maintaining corporate focus and operates predominantly as an information dissemination meeting. The departmental restructure by the council is aimed, in part, at forming a smaller and more focussed corporate management team.
- 28 The extent to which the council remains focused on what matters is affected by the lack of a coherent set of priorities for the local area. The effect of this is that the connection between what matters to local people and the focus of the council is not clear. As the complexity of the agenda increases and the community

leadership role is developed, the council will need to review the suitability of its current mechanisms to ensure that focus is maintained on delivering outcomes for local people through direct and indirect means.

## Prioritisation

- 29 The council responds well to national initiatives and to specific local issues identified through intelligence and performance information. The consultation information gathered for individual services and best value reviews has not been brought together with other sources of information to form a coherent picture on which to base overall priorities. There is no direct input from local people on their priorities. Additional resources have been committed to some services to support performance improvement but the shifting of resources to target key priorities away from areas of low priority does not occur to any great extent. Weaknesses outweigh strengths in this area.
- 30 The priorities of the council, where they are clearly expressed, reflect areas of national focus. The council responds effectively to external factors such as central government frameworks for education and social services. Local issues also feature as current priorities of the council, based on a mixture of areas of poorer performance and local priorities, for example community and adult education and public transport.
- 31 The council has engaged in consultation on service specific areas and more recently this has included attempts to engage local people in budget consultation exercises. The council has responded to some issues raised from consultation but this does not extend to a comprehensive use of consultation intelligence and information gathered from other sources to shift or set plans and priorities. The benefits offered by the consultation undertaken to date have not been maximised. The council has not yet engaged in widespread consultation with local people on their needs and aspirations with the intention of feeding this into an overall vision for Leicestershire or a set of priorities for the county council.
- 32 There is evidence of the council aligning resources to areas it has identified as priority, predominantly through the allocation of new monies or shifting resources within departmental budgets. Both education and social services have had additional resources committed to address identified issues. This has amounted to substantial sums over several years. The budget position over the past two years shows some movement of resources and there have been 'losers' (albeit on a relatively small scale) as well as 'winners' through budget-setting. Other service areas have also seen recent increases in budget allocations, however there is not yet a comprehensive alignment of budgets with priorities. The council has committed to putting in place a medium term financial strategy following the outcome of the Government's comprehensive spending review and the development of a clearer set of local priorities. This is an area where the council has been urged to take action over several years and it considers that this has not been possible until the current administration. The ability to put such plans in place is important if the anticipated clarification of priorities and outcomes is to be meaningful.

# How has the council set about delivering its priorities?

## Capacity

- 33 Some of the capacity needed by the organisation to achieve change already exists, with key managers exhibiting skills in planning and managing improvement. Although the council does not have a clear picture of the skill requirements for the future there is recognition of the need to identify the skills gap. Examples of effective cross-departmental working, partnership working and delegation of responsibilities to departments have all contributed to the council's capacity to deliver improvement. Member processes are clear, and members feel generally well-supported and informed. Management development, although effective in the past, needs a fresh focus. Training and development for Members is in place but is not tailored individually. Overall, strengths outweigh weaknesses.
- 34 Many of the key skills and abilities that the officers of the council will require in its next phase of development are currently evident within the authority. There are strong senior managers with proven capabilities in strategic and service planning and performance management, evident by the extent to which these approaches are working in Education, Social Services and Property Services. There has been a commitment in the past to meeting the development needs of managers and staff and, although the management development approach is recognised as being in need of a new focus, this has had a positive impact on the skills base.
- 35 There is no clear picture of where the specific skills and knowledge gaps are and what needs to be done to fill them. Strategic management of staffing resources is not a feature of the council. This is identified as one of the next steps to be addressed in human resource development following the current top priorities of the departmental restructure and job evaluation and the clearer articulation of the council's priorities.
- 36 Officer capacity is often utilised through the delegation of responsibility for corporate roles to departments. There are examples of good cross-departmental working supporting issues such as the corporate parent role for looked after children. Conversely, there are areas where a more corporate approach could be more productive, for example in consultation and public relations, where opportunities to gather information on or promote agendas greater than single issues/services have been lost.
- 37 Members and officers are clear about their respective roles and responsibilities. Member decision-making processes are expressed within the constitution and operated across the organisation. The constitution lays out the protocols and standing orders and there is access to the policy framework within which the decision-making process operates. Member training and induction packages exist but are not delivered to specific individual needs. Training for members on IT issues has been realigned with the shift to web / intranet access to information. The council has recognised the need to keep all members well-

- informed of developments and a member information service is in operation. Members have access to information electronically through password protected areas of the website and paper copies of member information are sent out routinely. Members generally feel well-informed and supported.
- 38 The operation of a single party cabinet is a new experience for Leicestershire. The leadership of the council through the leader and executive, the chief executive and other chief officers is undergoing change to meet the challenges of this new way of working. Recent changes in portfolio descriptions, along with the planned departmental restructure are designed to more clearly link member and officer structures.
- 39 Procurement practice is strong. The council has a pragmatic approach to decisions about whether to purchase or directly provide services and will take whichever option it judges to be in the best interests of the people of Leicestershire. Corporate purchasing expertise is made available through specialists within key services and from the Eastern Shires Purchasing Organisation. Corporate management team play a key coordinating role in ensuring good procurement practice is followed.
- 40 Consultants have been used to provide challenge on the development of the highways network proposals and there is on-going use of the national federation of house builders to assess performance in property services. An external project manager from another county council has been brought in to review and challenge highways network review. Private sector consultants have been used to benchmark industrial properties and Loughborough University has benchmarked library services for education.
- 41 There is commitment to the use of partnerships to deliver services to local people, and the council has developed service level agreements with several partners to clarify roles and expectations. The council has built and maintained good relationships with many of its partners against a difficult historical context, including local government reorganisation in 1997. There are a significant number of effective partnerships operating within the county. Relationships are strained with some partners but there is little evidence that this is limiting success. The council needs to use the development of its community leadership role to clarify the specific role that can be played by the county and use this as a basis for future discussions.

## Performance management

- 42 Overall, weaknesses outweigh strengths in performance management. Although several of the components of an effective performance management culture are evident across the council, this does not currently come together into a single coherent system. The lack of clear priorities and desired outcomes for local people is a significant barrier to this. Service standards and performance against targets in priority areas are not widely reported to the public and service users, limiting the opportunity for the public to call the council to account. Taken overall, the approach is more of a monitoring process than a driver for change.



- 43 There is a history of effective financial monitoring and management across the authority and of the effective use of its resources. The council's standard spending assessment is the fifth lowest of English county councils and consequently below the average of neighbouring counties. The good service performance recognised in education and social services can therefore be considered good value.
- 44 Effective performance management is operating in some areas of the council. Social Services and Education have strong performance cultures, with service plans built on clear objectives based on national frameworks endorsed by the council. The improvement brought about in performance levels in both of these areas has been focussed on the achievement of upper quartile performance on national indicators. Performance management is evident in some other areas of the council, for example property services, but this has not been translated into a corporate approach to driving service improvement in line with corporate priorities.
- 45 There has been a corporate requirement for the production of service plans since the duty of Best Value was introduced in 1999/2000. Service plans are submitted to the relevant Executive portfolio holders and to scrutiny chairs. Feedback on the quality of service plans is given by officers at the corporate centre, along with recommendations for improvement. There is currently a mixed picture, with some plans being used as a basis on which corporate priorities are cascaded into service delivery and this used as a basis for assessing performance. This does not occur across the council.
- 46 Recent service plans seen included summaries of activities in the previous year but performance against previous targets was often omitted. Reference to the medium term corporate strategy also appears in some plans but clear links between service activities and corporate priorities or outcomes for local people are seldom made.
- 47 Monitoring of performance against national targets takes place half-yearly and is reported to members of the executive and scrutiny functions. Members are informed of performance levels in key priority areas and monitor progress against national or local targets.
- 48 Target-setting in some areas is not sufficiently developed and has not been matched to any action aimed at achieving targets. Outside education, social services and property services there is little evidence of any prioritisation to drive target setting in key areas. Taken alongside the general expectation to improve across the board, it is unsurprising that the targets set often have little meaning to managers and many are not met.
- 49 Service standards are in place in some areas of the council, but promotion of the standards or service performance against them is rare. There is no corporate requirement to set, publicise or monitor performance against service standards. Engagement with performance targets and standards at the team and individual level is not embedded across the organisation and objectives are rarely cascaded to individual level or translated into personal targets.
- 50 From an external perspective there are limited opportunities for local people and service users to clearly see whether the council is performing against the targets



and standards it has set itself. Although the BVPP identifies all performance against targets and comparator authority groups, there is little explanatory narrative showing the previous year's performance achievements against the targets that have been set.

- 51 Risk management is not yet developed across the council. A risk group based around insurable risks exists and there is a requirement that all new projects undertake a risk assessment. Improvement plans for best value reviews are also risk assessed in terms of their implementation. However, there is no overall assessment of risk to delivering the council's services; consequently any existing components of risk assessment do not provide for continuous review. The council has acknowledged the need to address this area.

# What has the council achieved/not achieved to date?

## Achievement

- 52 The council has a history of average to high levels of service performance which it achieves at a relatively low cost for local people. Achievements in service performance levels and improvement have been significant over recent years and future prospects judged to be positive by several inspectorates. These improvements are in line with the priorities the council has set itself. Overall there are more strengths than weaknesses in this area.
- 53 There has been external validation of the achievements in the key service areas that have been a focus for the council's efforts over recent years. This is particularly the case in social services through the SSI assessment of Leicestershire as a three-star authority and the OFSTED assessment of education. Both services have been commended on the levels of service and the prospects for improvement.
- 54 Inspection of best value reviews by the Audit Commission to date has also generated positive findings both on the quality of services and prospects for improvement. Public transport was judged to be a good (two star) service with excellent prospects for improvement and domiciliary care services were judged as good with promising prospects.
- 55 There is internal and external recognition of improvement as well as of good performance. The sustained improvements in Social Services over the past three years are recognised by staff, members, service users and external inspectors. A specific example is the education of 3 year old children, where the percentage receiving early years education has increased from 6.7% in 2000/1 to 58% in 2001/2. The speed with which the council makes decisions is also seen to be improving by partner organisations.
- 56 Other priority areas include:
- the delivery of highway services, which was recently independently inspected and was judged to be providing a good service that has high levels of public satisfaction and the service was judged as having promising prospects for further improvement
  - adult education where the number of enrolments to adult education courses has increased significantly; (bv42) and,
  - residential services for older people where progress has been slow but here and in the provision of residential services for children, plans are now being developed to address the problems that have been identified.

- 57 There are some examples of the work of the council having a specific impact on the lives of local people and communities. For example, the former coalfield in north-west Leicestershire has had considerable resources invested through the council and a range of partnerships. There is no doubt that the quality of life for local people and the visual environment have improved. Unemployment levels are now at the county average. However, the council is unable to measure the extent of its contribution to these successes.
- 58 The council's national profile is increasing with recent awards or commendations for its web site, IT, and the TNT award 2<sup>nd</sup> place last year.
- 59 The council publishes its performance in the Best Value Performance Plan against the priorities set out in the Medium Term Corporate Strategy. However, there is no method of assessing the relative priority of indicators across the council or within specific services (through service plans, the BVPP or elsewhere). There are 82 indicators where the council's performance can be compared with similar councils across the country for 2000/01. In 45 cases Leicestershire's performance is above average and in 30 cases the performance is in the top 25%. In the area of 'working together to deliver quality services' 9 of the 10 indicators are above average.
- 60 While the picture overall is of improving services there is mixed picture of the council's achievements against the targets it sets itself. Of 109 targets that the council set for 2001/2 that will be reported in the BVPP, 55 were achieved and 54 not. The area where the highest number of targets was not achieved was 'Achieving excellence in education and learning' where 20 of the 26 targets were not met. This is as likely to be a reflection of the quality of target-setting, as of service improvement. Government departments monitoring education are satisfied with the steady progress being made. There is some evidence of targets driving performance in individual departments but this is not commonplace across the council, and is also not a focus of the corporate centre. Service plans are not being used to target and monitor work required to fill the gap between performance and targets.
- 61 There are 96 indicators that the council reports in its BVPP where performance can be compared between 2000/1 and 2001/2. Performance has improved in 62 of the indicators with the most successful area for the council being 'promoting economic well being' where 9 of the 11 indicators reported showed improvement. There has been deterioration in some performance indicators, however, including those related to libraries and museums and in educational attainment of children looked after.
- 62 According to the 1999/2000 MORI survey, customer satisfaction with the council is amongst the top 25% of County councils. Satisfaction levels in the individual services are generally good.

## Investment

- 63 The Medium Term Corporate Strategy (MTCS) is a significant cultural building block for the council, and signals a commitment for the future. Some elements of what will be needed for the future are in place, including skills and capacity developed over time through management development programmes. The website and intranet provide good information sources and there is emerging evidence of the ability to complete best value reviews that drive improvement. Procurement practice is strong. Some key building blocks are currently only partially in place – the HR strategy, the risk management strategy and medium term financial planning. The effectiveness of scrutiny is mixed but developing. Overall weaknesses outweigh strengths in this area.
- 64 The council has put the MTCS in place, with 9 objectives and 9 corporate priorities, but recognises that this has limitations and will need significant further development to make the council's priorities clear. The strategy signals to staff, partners, members and the wider community that a shift is occurring in the way the council undertakes its role in the area. In this way, its significance should not be understated. Staff and members understand the need to develop the strategy to include clear priorities and measurable outcomes.
- 65 The council is aware of some of the future capacity/skills that the organisation needs to support its corporate development, and a number of plans are being developed to address this. For example, the formal inclusion of corporate responsibilities on the job descriptions of Directors. The council is currently addressing a significant proportion of its perceived officer capacity agenda through a council-wide job evaluation scheme and departmental restructure. A long-term moratorium on re-grading claims had led to the development of an untenable situation which is now being addressed.
- 66 Good practice and key skills are evident in the council. The achievements in education and social services demonstrate a track record in delivering improvements in service performance. Although the council has clearly shown commitment to consultation and is actively seeking to improve its effectiveness as a tool for corporate and strategic planning, this crucial building block remains insufficiently developed. However, in order to ensure consistency in consultation, it has developed a good practice guide which is being used by services. Further developments are planned to improve consultation and resources have been aligned to support this. Coordination is taking place through a cross-council working group.
- 67 The council has recognised that it needs to formalise the approach that informs its good practice on procurement and it is developing a procurement strategy.
- 68 Risk management is only partly in place; a risk management strategy has not yet been agreed. There is however, evidence that the council takes risk into account when making key decisions and there is past evidence of this. In some service areas risk assessment and monitoring is an inherent part of project management.
- 69 Progress on the development of a human resources strategy has been slowed firstly by a need to recruit to a head of human resources and subsequently by

- the need to invest resources in the job evaluation exercise. Over the last 12 months the council has effectively increased its investment in councillor training and development.
- 70 The internal restructure, implemented from September 2002 and the implementation of job evaluation across the council, are key building blocks for delivering improvement and are recognised as requiring careful management. The outcomes of the restructure are a more corporate and strategic senior management team. Internal consultation on the need for the restructure, general principles and early views on how departments might be configured were undertaken. This brought about changes in some of the proposals.
- 71 Following a difficult start, the council's best value reviews are beginning to deliver improvement. The council has learnt from its early reviews and is now concentrating on their outcomes rather than process.
- 72 Within the council there has been continued development of the scrutiny function. The council has learned from its initial experience of scrutiny and has developed arrangements that are seen as more effective and focussed. These improvements were recently introduced and as yet it is too early to assess the effectiveness of these arrangements.
- 73 The council's website and intranet are good sources of information. The council has not used the intranet as a communication tool in the past but has plans to do so for the future. It is recognised that not all staff have access to the intranet although access to the intranet is available widely in County Hall and at remote sites. Recognising the rural nature of many areas covered by Leicestershire the council has contributed to the East Midlands Broadband Consortium to facilitate all schools gaining access to broadband in line with the government target.
- 74 The development of consultation systems is recognised by the council as an area for improvement. Additional resources have been identified to support this and there is a commitment to setting up a citizens' panel and to the more effective management of consultation processes and results. The Best Value Performance Plan 2002/3 contains a commitment to ensure that the identification of needs and the solutions to problems reflect the views of local communities.
- 75 The council has, in the past, not been good at communicating its achievements to its own staff or to the communities it serves. This is changing with the publication of a staff newsletter and 'Leicestershire Matters' a quarterly newsletter sent to all Leicestershire residents. Responsibility for promotion has been shared between the departments and a small public relations team at the centre. Protocols are in place for contact with the media and the majority of media coverage over the past year has been positive.
- 76 Leicestershire has invested in improved partnership working. A member of the council's executive sits on each one of the local District's Local Strategic Partnerships and the Leicestershire wide local strategic partnership is being developed by the council in an inclusive way. This provides a further element of external challenge to the council.

- 77 The Council has committed to putting in place a medium term financial strategy but it is not yet fully developed. The lack of a single coherent system of performance management and the general historically slow speed of implementation may, unless addressed, impact upon the success of some of the Council's investments.

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

## Learning

- 78 The council is relatively self-aware and responds to initiatives and feedback from external auditors and inspectorates. There have been significant successes in priority areas and the council is aware of the barriers it faces to further improvement. There is evidence that when initiatives have not been successful, approaches are changed. The council is not complacent and is committed to improvement, but it has not yet developed a sufficiently proactive approach to learning, nor taken advantage of the all opportunities to spread good practice across the organisation. Overall the strengths outweigh the weaknesses in this area.
- 79 Through its self assessment, the council has shown a substantial degree of self awareness in relation to the corporate development needs of the organisation and the service challenges facing it. The council has set itself an agenda, articulated through the self assessment and more recently in internal planning documents identifying the issues (both internal and external) that need to be addressed. This indicates an understanding of the limitations of past ways of working and the need for the organisation to move on.
- 80 As can be seen from the achievement section of this report (see page 18) the council has a strong track record in delivering on its priority areas.
- 81 Learning from high performance or innovation in other councils is evident in many service areas, and members participate in a number of groups and networks seeking good practice. Some standard professional network groups are in place amongst officers and these are perceived to be helpful, particularly in best value work.
- 82 There are several examples of where the council changed approach in the light of its own experiences or following feedback from external audit or inspectorates:
- Early best value reviews in the council concentrated on processes rather than outcomes, leading to delays in completion of reviews and lack of impact for service users. Subsequently the council has learned how to use best value to effect improvements, and more recent reviews have been more rigorous and have been judged as having promising prospects for services in the future.
  - The size and operation of the Chief Officer Management Team (COMT) did not aid corporate working. A restructure of the size, roles and responsibilities of the COMT in the summer of 2002 led to chief officers being given corporate responsibilities.

- The council has identified elements of its past operational and service practices that have not had the desired effect overall, and this has prompted changes in approach. The departmental changes overall, and particularly to the Planning and Transportation department where a move to new arrangements with the voluntary sector is occurring, are examples of this.
  - The effectiveness of scrutiny has recently been reviewed and this has led to changes in operation. Written guidance has been produced for Members about their role in the scrutiny process and member panels have been formed to investigate areas of concern.
- 83 The council learns from experience and takes action to address areas of poorer performance. The development of the Corporate Parenting Policy, for example, has created a cross-departmental approach to improving the life-chances of children looked after by the authority. Where action has occurred the council has often allocated additional resources to deal with the issue where appropriate. The Better Access to Better Services Initiative (BABS) is one that the council is putting significant resources into. However, whilst the council has a clear policy regarding the initiative its mechanisms for measuring the impact of the work remain underdeveloped. A series of service shops have been set up across the county, but these operate inconsistently and do not appear to have been based upon recognised needs.
- 84 The council does not take a proactive corporate approach to learning and spreading knowledge across the organisation. Opportunities to share good practice in service areas across the council are too rarely taken, the primarily service led approach to performance management does not aid this. While there are examples of high levels of competency, there is also inconsistency. Whilst this is doubtless a legacy of past departmental working, the council needs to develop a stronger corporate capacity in this area support its improvement agenda.

## Future Plans

- 85 The council has made clear commitments to a range of partnership and corporate developments and service improvements. The agenda and timescales set are challenging. Plans are in place in some of these areas, although some of the more critical ones are currently under-developed. The council's track record in improving service quality indicates some capacity, but it has had less success in tackling more complex agendas and making difficult decisions on priorities and allocation of resources. Strengths outweigh weaknesses in the council's future plans.
- 86 A programme has been agreed for the development of the Local Strategic Partnership (LSP) with the first meeting recently held. Work is still required to establish how the LSP will interface at district level, although there is continuing dialogue with partners as the developments progress. The ongoing role of partnership in the future plans of the council is evident and important. The commitment to the county-wide LSP is evident and its effective implementation will be challenging. The current lack of co-ordination of district LSP's or the county-wide partnership means that there is not yet an articulated shared agenda amongst the council and its partner organisations. The e-government



agenda and the associated access to services priority will be more difficult to move forward without the 'umbrella' role played by a county-wide LSP.

- 87 A broad plan exists to meet the emerging corporate agenda. Senior officers and members see this as action that has not been possible previously due to the history of the council. A draft action plan has been considered by the Corporate Officers Management Team that identifies a timeline and process for bringing together the medium term corporate strategy, with the financial plan, PSA development, community strategy and citizens' panel. In the short to medium term there is no stated intention, or realistic ability to focus these developments on the known priorities or aspirations of local people.
- 88 The council has continued to state its commitment to a medium term financial plan. However, there is little evidence of a pathway to achieving this that engages council members on the need for this approach and of the potential disinvestment decisions.
- 89 The departmental restructure is aimed, in part, at increasing the corporate capacity of the organisation, but this has not yet been developed into detailed plans or structures for departments or central functions. It is not clear what the specific roles or objectives of the corporate centre are, and how it will interface with departments. Additionally it is not clear how the council will measure the success of the restructure in meeting the overall aim. If the council is to successfully change the way it operates, this next stage will need to ensure that the expectations of the organisation are clearly articulated to officers, members and partners.
- 90 Both the medium term financial plan and departmental restructure are seen as 'work in progress' and the detail is yet to be worked through. This is indicative of where the council is on the corporate change agenda. However, failure to be clear about the objectives for each element and the processes by which they will be achieved in the desired timescales will affect the ability to achieve the desired outcomes. We are therefore recommending the need to undertake a project planning approach to the most critical of these plans that identifies objectives, measures of success, actions and responsibilities.
- 91 On the corporate agenda, several key issues have been identified to be addressed in the next stages of development. Commitments are in place for developments in consultation, procurement, and human resources. The important role for the HR function of the authority is recognised, but the size of the agenda is considerable, and plans are not yet in place in a number of areas. There is recognition of the need for better use of e-procurement and Egan compliance in building, for example, but planning for implementation is at an early stage. There are some areas where the council has not moved beyond recognition of the need to take action in the future, for example with regard to race issues. Some of these issues have been given a lower priority in view of the size of the agenda and the recognition that not everything can be achieved simultaneously. Prioritisation across the range of corporate initiatives is, however, not evident.
- 92 In line with the historical commitment to general improvements in services, plans are in place to tackle specific areas where performance is poorer. The council has identified resources to improve performance where this is deemed

necessary. The council is in the early stages of developing and negotiating potential PSA targets with partners and is seeking to ensure that these are in line with the MTCS, and known local priorities.

- 93 Both the Social Services Inspectorate and the Standards and Effectiveness Unit have stated their confidence that plans for further improvements in social services and education can deliver desired performance levels.
- 94 The council's self assessment lists eight service issues as priority for decisions over the next two to three months. These are reflected in agenda items at officer and members meetings, and in some of the meetings we observed during the inspection.
- 95 Members and senior officers have shown that they are prepared to make changes. Some of these changes may not be popular with people inside and outside the organisation, but the council recognises that these are needed to improve services and quality of life in the future. The council has a track record of achieving improvements in service quality and therefore has the capacity to do so. As the agenda for the council becomes more complex, there will be a need to review the capacity within the organisation to implement and monitor delivery.

## Summary of theme scores and strengths / weaknesses

Theme	Grade	Strengths	Weaknesses
Ambition	2	<ul style="list-style-type: none"> <li>• MTCS provides direction and framework for focus on a number of priority areas</li> <li>• Recognition of the need to develop clear priorities and the MTCS is the first step</li> <li>• Some areas of service priority are clear and service leadership is evident in these areas within the council and with partners</li> </ul>	<ul style="list-style-type: none"> <li>• No set of priorities and goals yet in place that is based on: <ul style="list-style-type: none"> <li>• Clear, articulated vision for the area, or of what can be achieved for local people ( including diversity issues)</li> <li>• Consultation with local people</li> <li>• Accountability to local people</li> </ul> </li> <li>• Corporate community leadership role in need of greater clarity and definition</li> <li>• County LSP at early stages of development</li> </ul>
Focus	3	<ul style="list-style-type: none"> <li>• Internal focus maintained through action plans, agenda items and debates in meetings</li> <li>• Relevant managers and members focussed on service priorities, aided by user groups</li> <li>• Agendas and reports to members generally align with stated priorities</li> <li>• Mechanisms work appropriately</li> </ul>	<ul style="list-style-type: none"> <li>• COMT not an effective mechanism</li> <li>• Appropriateness of approach with a more complex future agenda is unknown</li> </ul>
Prioritisation	2	<ul style="list-style-type: none"> <li>• Responds to national priorities</li> <li>• Commits resources for performance improvement / key priorities</li> <li>• Identification of some local priorities</li> <li>• Evidence of acting on specific consultation results</li> </ul>	<ul style="list-style-type: none"> <li>• Information and consultation not brought together to form intelligence base to set priorities</li> <li>• No direct input from communities / partners on priorities or aspirations</li> <li>• Shifting of resources away from lower priorities to be targeted on key areas does not occur to any great extent</li> </ul>
Capacity	3	<ul style="list-style-type: none"> <li>• Key skills evident amongst senior managers within the authority – track record</li> <li>• Effective cross-departmental working, good levels of delegation to departments on corporate issues</li> <li>• Member processes clear, members well-supported and informed</li> <li>• Effective use of partnerships e.g. Rural Partnership,</li> </ul>	<ul style="list-style-type: none"> <li>• No comprehensive picture of range and extent of skills/capacity gap for the future</li> <li>• Individual Member and officer development needs have not been identified</li> <li>• Lack of strategic approach to human resources</li> <li>• A corporate approach is not evident in all areas</li> </ul>
Performance management	2	<ul style="list-style-type: none"> <li>• Some areas of good performance management practice operating in social services, education, property</li> <li>• Sound history of financial management and financial monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Target setting is not focused across the Council or focused on outcomes</li> <li>• No coherent operation of performance management across the organisation</li> <li>• Lack of service standards against which local people can judge services</li> <li>• Risk management is under-developed</li> <li>• Where performance management systems are in place there is limited use to drive performance improvements, make different decisions, analyse against aims</li> <li>• No cascade of objectives to individual level</li> </ul>

Achievement	3	<ul style="list-style-type: none"> <li>• Achievement clear on key service areas (social services education)</li> <li>• History of stability in service quality</li> <li>• Examples of impact on people's lives (econ. regen)</li> <li>• Improvement in key areas such as social services and education has been steady to significant in recent years.</li> <li>• High levels of public satisfaction in most areas</li> <li>• BVI's show 'good' services on those inspected to date</li> <li>• Increasing national profile / awards</li> </ul>	<ul style="list-style-type: none"> <li>• Inability to evidence outcomes of improvements on people's lives in most areas</li> <li>• Focus on service achievements, rather than through community leadership</li> </ul>
Investment	2	<ul style="list-style-type: none"> <li>• Procurement practice is strong and is co-ordinated through the Eastern Shires Purchasing Organisation</li> <li>• MTCS significant in terms of commitment</li> <li>• Good examples of external challenge</li> <li>• People / development investment - good practice / skills are evident restructure / job evaluation</li> <li>• Ability to complete BVR's that drive improvement</li> <li>• Good information sources for officers through website and intranet.</li> </ul>	<ul style="list-style-type: none"> <li>• Some key building blocks currently only partially in place : <ul style="list-style-type: none"> <li>• HR strategy,</li> <li>• risk mgt strategy</li> <li>• medium term financial plan</li> </ul> </li> <li>• Effectiveness of scrutiny is mixed but developing</li> </ul>
Learning	3	<ul style="list-style-type: none"> <li>• Evidence of success in key priority areas of education and social services</li> <li>• Responds to national drivers – knows it can improve key services as track record exists.</li> <li>• Self-awareness of the next steps that need to be taken, and need to be more ambitious</li> <li>• Has changed approaches in the light of experience e.g. consultation, scrutiny, communications</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of overall systems for sharing learning internally. No formal basis on which organisation learns</li> </ul>
Future Plans	3	<ul style="list-style-type: none"> <li>• There is a commitment to future plans covering partnership, corporate and service development</li> <li>• Key corporate plans are being aligned and their inter-relationships recognised, discussions with partners form part of the agenda</li> <li>• Service improvement plans are in line with the general commitment to improve services and the council has a proven track record in this area</li> <li>• Resources are identified for service improvements</li> <li>• Commitments to address outstanding service issues and decisions are being delivered</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritisation across all the issues is not clear</li> <li>• Plans focus more on activities than outcomes</li> <li>• Plans to address some of the key issues are under-developed: <ul style="list-style-type: none"> <li>• Medium term financial plan</li> <li>• HR/capacity components</li> </ul> </li> <li>• There is no track record to demonstrate a capacity to deliver a more complex agenda</li> </ul>

## Conduct of the corporate assessment

- 96 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 3 of this act to secure continuous improvement in the exercise of their functions. Section 10 gives the Audit Commission the power to inspect councils' performance of the general duty of improvement.
- 97 The assessment took place in Leicestershire over the period from 17<sup>th</sup> June 2002 to 27<sup>th</sup> June 2002. 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.
- 98 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
- 99 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.