

Inspection report

July 2004



Comprehensive performance assessment

Shepway District Council

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Introduction

- 1 Comprehensive performance assessment (CPA) is part of the wider agenda set out in the Local Government White Paper *Strong Local Leadership – Quality Public Services*. The White Paper encourages greater focus on improved services for local people by freeing good councils from central government controls and restrictions, and providing poorer councils with more, and better focused, support for improvement. CPA is the first step in this process, that of making an overall judgement of where each council stands.
- 2 This report presents an analysis of the council's overall performance as well as two short diagnostic assessments which cover important areas of responsibility. It also includes an assessment of the council's benefit service by the Benefit Fraud Inspectorate (BFI), and the appointed auditor's assessment of performance on each of the main elements of the code of audit practice. The appendices to this report set out further details on the findings of these assessments and the framework for CPA.
- 3 The official version of this report is also available on the Audit Commission's web site at www.audit-commission.gov.uk. The Audit Commission cannot verify the accuracy of and is not responsible for material contained in this report which has been reproduced by another organisation or individual.

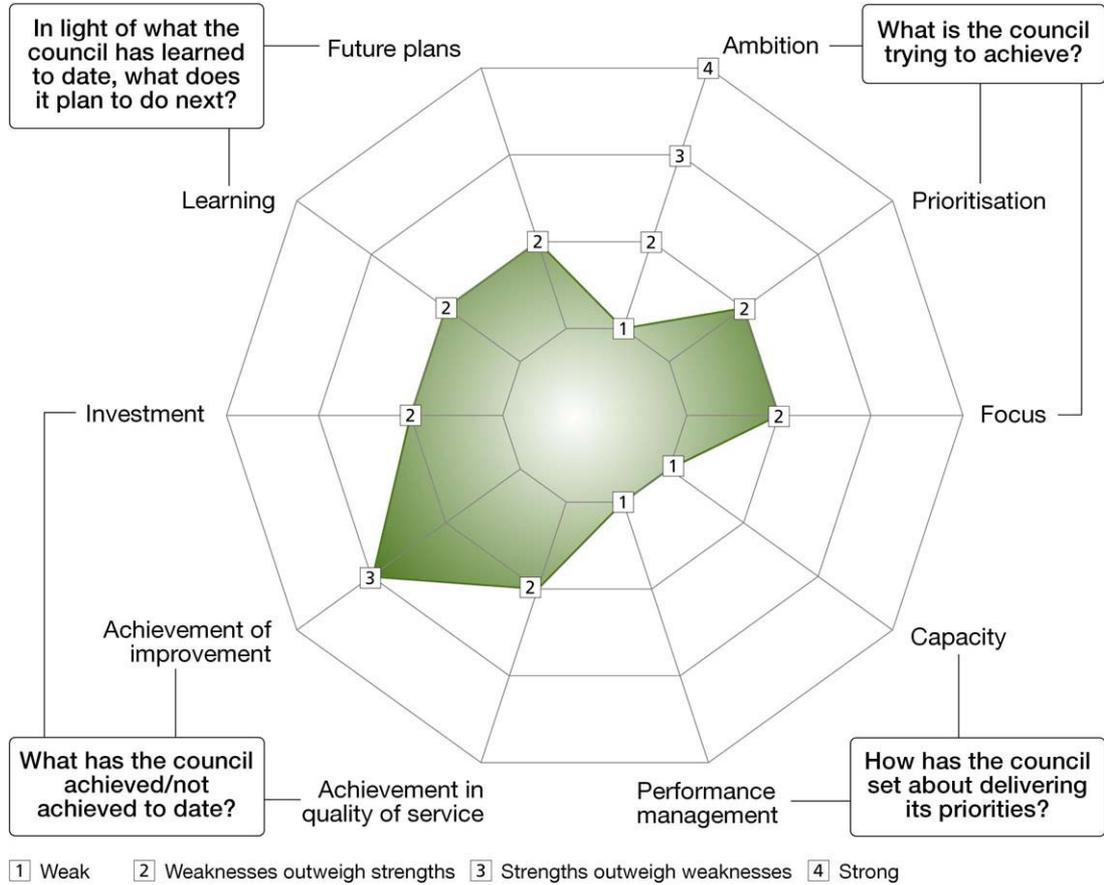
Summary of comprehensive performance assessment judgements

- 4 Shepway is a weak council. In the past, the leadership of the council has been undermined by poor relationships between councillors, and between councillors and officers. Following elections in May 2003, and as the result of improvement measures taken by the council, these relationships are now positive. Councillors and officers share a strong willingness to take the council forward and progress has been made on some fronts over the past year.
- 5 The council does not have clear ambitions for the district. There are weaknesses in the community strategy, which the council developed by itself, rather than in partnership with local stakeholders. However, the council has led partners in substantial programmes of urban and rural regeneration, which are helping to promote community cohesion in the district.
- 6 The council has established clear priorities for improvement, under the three overarching themes of clean green and safe, regeneration and housing. It is also developing processes for allocating resources in accordance with priorities. However, weaknesses in consultation mean that priorities do not take full account of the community's needs and preferences. The council has a poor record in maintaining corporate focus on priorities. It has too many operational priorities, with the result that resources are stretched too thinly in some areas to deliver them.
- 7 There are weaknesses in the capacity of the strategic management team (SMT) and councillors. The council is also in a weak financial position and its expenditure for 2004/05 is likely to be capped by the government. Staff morale has improved under the new political administration but remains comparatively poor, because of concerns about the council's financial difficulties and the lack of strategic and operational direction in some areas. The council has strengthened its political management arrangements but scrutiny does not provide rigorous, challenge to the executive.
- 8 There are some weaknesses in the performance management framework and the council does not make systematic use of performance information to drive improvement.
- 9 National performance indicators (PIs) show that service quality is mixed. Satisfaction with the council's services overall is low but there are high levels of satisfaction with some services – for example, housing planning, waste collection and recycling. There was an overall trend of improvement in the council's services in 2002/03 and the council has achieved improvements in its priority areas of clean green and safe, regeneration and housing.
- 10 The council is investing in service improvement but uncertainties about its medium-term financial strategy puts some of these improvements at risk. The council is not a fully self-aware organisation and does not have a good track record for proactively learning from experience. There are some weaknesses in its strategies and plans for the future.

Summary of assessment scores

Top level question	Theme	Grade	Weighted score
What is the council trying to achieve?	Ambition	1	1
	Prioritisation	2	2
	Focus	2	2
How has the council set about delivering its priorities?	Capacity	1	1
	Performance management	1	1
What has the council achieved/not achieved to date?	Achievement in quality of service	2	6
	Achievement of improvement	3	9
	Investment	2	4
In light of what the council has learned to date, what does it plan to do next?	Learning	2	2
	Future plans	2	2
Weighted score			30
Corporate assessment category			Weak

Shepway District Council



Recommendations

- 11 It is recommended that the council:
- ◆ actively and promptly shares the findings of this assessment with the public, partner organisations, councillors and staff; and
 - ◆ uses the strengths and weaknesses identified in this report as the basis for its improvement planning.

Context

The locality

- 12 Shepway covers some 357 square kilometres along the Channel coast in south east Kent. It includes three distinct areas, the North Downs, the Folkestone and Hythe urban area, and Romney Marsh. The Channel Tunnel and the M20 corridor make the district an important gateway to and from continental Europe.
- 13 The population of the district is 96,800 (2001 census), most of whom live in the Folkestone and Hythe area. Overall, the district has a comparatively low population density, with an average of 271 people per square kilometre, compared with 421 in the south-east region and 380 nationally. Rural isolation and access to services is a problem for some local people.
- 14 The proportion of young people is close to the national average but the district has more people of pensionable age (23.0 per cent) than nationally (18.4 per cent). The proportion of the population from ethnic groups other than 'White British' is 5.4 per cent. This compares with 8.7 per cent for the south east and 13.0 per cent for all England (2001 census).
- 15 The council serves a diverse community, which combines relative affluence with pockets of urban and rural deprivation. Three wards in Folkestone – East, Harbour and Foord – fall within the 20 per cent most deprived in England, based on the Index of Multiple Deprivation 2000, and one ward – Folkestone Harvey Central Ward – falls within the 10 per cent most deprived. The residents of these wards face problems in terms of educational attainment, skill levels, health and crime. Much of the private housing stock in these wards is in poor condition.
- 16 Most of the district's employment is provided by service and distribution industries. At 2.4 per cent, unemployment is in line with the national average, but average earnings are relatively low. Affordable housing is an important issue for the community.

The council

- 17 Following a four-year period of Conservative control, the Liberal Democrats took political control of the council in May 2003. The Liberal Democrats hold 28 of the 46 seats, the Conservatives 16 and Labour one and there is one independent. The council adopted a leader and cabinet model of governance in 1999. The single-party cabinet has six portfolio holders and there are three cross-party scrutiny committees.
- 18 The chief executive and two strategic directors form the senior management team (SMT). The council is organised into seven business units and a corporate centre and there are nine heads of service. The council employs approximately 615 staff (550 full time equivalents).
- 19 The net revenue budget for 2003/04 was £15.9 million and capital expenditure (including housing) was £11.6 million. The council's debt at 31 March was £31.1 million (including temporary borrowing) and projected revenue reserves amounted to £1.7 million.

- 20 The council retains and manages a housing stock of 3,550 properties.
- 21 The council carried out, as requested, a scored self assessment for this inspection against each of the corporate assessment themes. The self assessment was informed by a peer review commissioned by the council and undertaken by the IDeA in January 2004. Using the Audit Commission's scoring mechanism the council has assessed itself as 'fair'.

What is the council trying to achieve?

Ambition

- 22 This is an area of weakness with few identifiable strengths.
- 23 The council has not developed clear long-term ambitions for Shepway. Its Community Strategy 2002–2005 does not set out clear, robust and focused aims for the social, economic and environmental development of the district. The strategy is based upon seven themes, supported by actions and targets. However, many of the actions are not SMART (specific, measurable, achievable, relevant and timed) and many of the targets relate to the Kent County Council's public service agreement (PSA). This lack of a coherent vision for the district leaves the council without clear longer-term direction for service development and cross-cutting initiatives.
- 24 The council produced a community strategy in October 2002 (*Community Strategy 2002–2005*) but partners and community groups had little involvement in the development of this. The council published the strategy before the local strategic partnership (LSP) had been established, and consultation with partners and community groups was very limited. As a consequence, partners have not demonstrated any ownership of the strategy or taken any part in implementing it.
- 25 There are weaknesses in corporate planning. The council does not have a corporate plan. It relies instead on its annual performance plan for communicating its strategic priorities, which have been set by the new administration under the three overarching themes of clean, green and safe, housing and regeneration. However, the detailed operational actions in the plan are not grouped under these priorities, and so the plan does not provide an effective mechanism for following through these cross-cutting issues. Nor are these priorities picked up in all other strategic plans. Furthermore, the actions and targets in the Community Strategy 2002–2005 are not cascaded into the performance plan, and so the links between these plans are weak. These weaknesses in corporate planning mean that the council's medium-term aims and targets are unclear.
- 26 The council's ambitions in relation to diversity and black and ethnic minority communities are underdeveloped. The council is involved in a wide range of partnership initiatives in support of social inclusion. However, many of its own strategies do not take sufficient account of social inclusion issues or set objectives in respect of these.
- 27 There are weaknesses in the internal and external leadership provided by the SMT. The political and senior managerial leadership of the council was undermined by poor relationships between councillors, and between councillors and officers, in the four years 1999–2003. The deterioration in relationships was caused by misunderstandings about the new political management arrangements, which the council implemented early (in 1999), and confusion about roles and responsibilities under these arrangements. It was also attributable to divisions within the majority political party and to inappropriate behaviour by some councillors. This behaviour led to the referral of seven councillors to the English Standards Board in 2003. These internal tensions have largely been resolved.

However, staff and other stakeholders remain critical of some aspects of the leadership provided by the SMT, and have concerns about the lack of management direction in some areas.

- 28 The council has taken some recent steps to engage stakeholders in developing ambitions for Shepway. It has widened the membership of the LSP, which now includes a wide range of representatives from the public, voluntary and private sectors. It has carried out residents' surveys to identify which issues are of most concern to the local community and has involved residents in two major quality improvement projects (QIPs) for housing and public space. It is revising its community strategy and has discussed the first draft of this with the LSP. An LSP sub group is working with the council's new community unit to develop community engagement. These initiatives to involve partners and community groups in community planning will help the council to develop a strategy for improving local quality of life that has their full support.
- 29 Over the past year, the leader and cabinet have provided clearer political direction to the council. The new administration came into office in May 2003 with a clear political agenda and has worked with officers to translate this into high level strategic priorities for the council. Political leadership has also been strengthened by the resolution of internal tensions. As a result of this positive political approach, councillors, managers and staff now share a common purpose and are enthusiastic about taking the council forward.
- 30 The council has provided strong community leadership in some areas. It has led local partners in the public, private and voluntary sectors in substantial programmes of urban and rural regeneration. In addition to the physical regeneration of the district, these programmes are helping to build cohesive and sustainable communities.

Prioritisation

- 31 Weaknesses outweigh strengths.
- 32 The council has not translated its strategic priorities into clear operational priorities. It has not prioritised the many action points in the performance plan. These actions are derived from action plans from reviews and inspections, and proposals submitted by heads of service. However, the council does not have the staff and financial resources to complete all the actions in the performance plan and has not prioritised them. As a result, staff are confused about priorities at service level, and resources are stretched too thinly in some areas to deliver stated priorities.
- 33 There are weaknesses in the council's approach to consultation. It has developed some mechanisms for consultation and community engagement. It held several road shows in 2002, following the publication of the community strategy, although these were poorly attended. Over the past year, it has held some council meetings at different locations in the district, to encourage public attendance, and has convened some of these meetings as 'community assemblies', which have provided residents with a forum for expressing their views. It has a residents' panel, which it consults about some issues. Residents have also taken part in consultation exercises and workshops as part of the recent quality improvement projects (QIPs).

The council has also carried out some consultation exercises for the purpose of service development – for example, in relation to the equalities policy and its strategies for waste management, parking, sports development and housing. However, the council has not consulted the community about its strategic priorities or budget proposals. Because its priorities are not based on wide-ranging consultation with residents and other stakeholders, the council does not always concentrate efforts and resources on issues that matter most to local people. For example, it is reconsidering its decision to close its public toilets in Shepway, which it announced in March 2004 as part of the budgetary cuts for 2004/05, because of the strength of local resistance to this decision. In its self-assessment, the council acknowledges that it needs to develop more effective and imaginative ways of engaging with the community, especially with hard to reach groups. Weaknesses in consultation mean that the council does not have a full understanding of residents’ preferences and needs, for the purpose of service development.

- 34 There are weaknesses in the external and internal communication of priorities. Although staff are familiar with headline priorities, many residents and partners are not. The council produces a council newsletter, ‘Shepway Today’, three times a year – although until recently this reached only about 70 per cent of households in the district because it was sent as an enclosure with other publications – and a quarterly magazine for tenants and leaseholders, ‘Coast and Countryside’. Relationships with the local press have often been poor and unattributed briefings to the press have compounded past difficulties in relationships between officers and councillors. The main mechanisms for internal communication are the intranet, meetings between the SMT and heads of service, and team briefings. However, there is evidence that information is not always cascaded to non-managerial staff. Weaknesses in external and internal communication mean that stakeholders do not fully understand all that the council is seeking to achieve and are not fully engaged in this.

- 35 The council has established clear high-level strategic priorities for improvement. It has a good understanding of the challenges and opportunities facing the district. The new administration has chosen to concentrate on the themes of clean green and safe, regeneration and housing and councillors and officers have worked together to establish priorities for improvement under these themes, which were included in the performance plan for 2003/04. This has given the council a clearer sense of strategic direction.

- 36 The council takes an integrated approach to allocating resources to priorities. Councillors and the SMT have evaluated the priorities identified by the QIP process and have allocated resources to these (for example, recycling) as part of the development of the medium-term financial strategy. Financial pressures have forced the council to make piecemeal cuts in expenditure in recent years. However, councillors and the SMT have now agreed non-priority areas (for example, tourism), as the basis of a more systematic approach to the re-allocation of resources and the development of the medium-term financial strategy. The council has also aligned its capital programme with corporate priorities. These steps to integrate strategic and financial planning are enabling the council to achieve a closer alignment between resources and priorities.

Focus

- 37 Weaknesses outweigh strengths.
- 38 The council has a poor record in maintaining corporate focus on priorities. It acknowledges in its self-assessment that it has experienced difficulties in retaining focus on corporate priorities. This weakness was also highlighted by the IDeA in its peer review in 2002. Internal tensions between councillors and staff, and financial pressures on the council, undermined corporate focus in the period 1999–2003. Although internal tensions are now largely resolved, too many demands on financial resources continue to detract from a focused approach to issues facing the council and mean that councillors and the SMT deal with too many matters on a fire-fighting basis.
- 39 Some of the council's mechanisms for sustaining focus are not fully effective. Although the council has streamlined some of its political management arrangements, some elements of these remain cumbersome – as evidenced by the council's having seventeen councillor committees, including four scrutiny committees (prior to May 2004). The quality of reports to councillors is variable, with some reports lacking in clarity. Reports do not disclose authorship or indicate which officers are responsible for recommendations made. Focus is also undermined by the underdeveloped role of scrutiny and the ineffective use of performance information.
- 40 The council's record in maintaining focus at service level is mixed. Some service managers and frontline staff have proved their ability to maintain focus. For example, in recent years the regeneration service has developed and managed a complex programme involving approximately 80 regeneration projects, based on partnership working and external funding. This has resulted in the redevelopment of the coastal park in Folkestone, parts of the harbour area and shopping streets in the town centre. It has also involved a wide range of community projects. The service's concerted approach to attracting private sector investment to Folkestone has also resulted in recent planning applications for three major new development schemes. However, in other service areas conflicting priorities and staff shortages undermine focus and co-ordinated working.
- 41 The council has demonstrated that it is able to focus on service improvement in some areas. It has achieved some significant improvements in operational efficiency and service quality by providing some services with additional resources and through the concerted development and implementation of improvement plans. For example, over the past two years this approach has resulted in improvements to the quality of service provided to homeless people and in major reductions in the number of households in bed and breakfast accommodation. It has also resulted in significant improvements to the benefits service, waste recycling and minimisation, customer access to services and crime prevention in Folkestone town centre.
- 42 The council has put in place two new mechanisms that are strengthening focus. The risk management strategy contains guidance to service departments on managing projects.

The two quality improvement projects (QIPs) completed by the council informed its approach to CPA and are being fed into the development of the community strategy and performance plan. These new mechanisms are helping the council to establish priorities and focus resources on these.

How has the council set about delivering its priorities?

Capacity

- 43 This is an area of weakness with few identifiable strengths.
- 44 There are weaknesses in strategic management capacity. Some members of staff and other stakeholders lack confidence in the SMT in some areas. They have particular concerns about frequent internal reorganisations, poor communications with staff and a lack of strategic and operational direction. Weaknesses in strategic management mean that the council is not taking a fully cohesive approach to the challenges that it faces.
- 45 There are weaknesses in councillor capacity. Some cabinet members and councillors have long experience of local government and a good understanding of the issues facing Shepway. However, other councillors are less experienced and knowledgeable – of the 46 councillors elected in May 2003, 16 had no previous experience as councillors. The Institute of Local Government Studies (INGOLOV) concluded that councillors had significant training and development needs in its report, published in October 2003, on relationships between councillors and officers, and the operation of political management arrangements. The council provides training opportunities for councillors – including induction training, which is well-regarded by councillors. However, some councillors do not participate in these opportunities and the council has acknowledged the need to improve the overall standard of this training. Weaknesses in councillor capacity are a constraint on the council's ability to develop and implement policies for improving services and the quality of life in Shepway.
- 46 The council is in a weak financial position. In recent years, it has funded demands for additional spending and limited council tax increases through savings (£2.5 million over the past three years) and substantial use of revenue reserves. This strategy could not continue. The scope for making savings that could be achieved quickly and not affect service delivery had been reduced. Revenue reserves were considered to be too close to the prudential minimum to allow any further significant withdrawals. In order to balance its budget for 2004/05, the council raised council tax by 29 per cent and made cuts in service expenditure, which included ending support for local tourism and the closure of public toilets. However, in April 2004 the government announced that it considered the council's budget to be excessive and was capping expenditure for 2004/05 at £15.494 million. This is £598,000 less than budget and will necessitate additional cuts in service expenditure should the council's appeal fail. The council will also incur an estimated £100,000 in costs if it has to re-bill. Against this background, there are considerable uncertainties about the council's capacity to sustain services at existing levels of provision and to deliver growth in priority areas.
- 47 Staff morale is poor. Most interviewees confirmed that staff morale has improved over the past year, due mainly to more positive political leadership. However, staff morale remains comparatively poor, because of concerns about heavy work loads, the council's financial difficulties and the perceived lack of strategic and operational direction in some areas.

Whilst the council has made progress in moving from the 'blame culture' that characterised it in the recent past, it has not moved to an open culture where employees feel encouraged to express their concerns and views.

- 48 The council does not take a strategic approach to dealing with HR issues. It takes some steps to develop the skills of managers and staff, with training programmes based on development needs identified through staff appraisals. However, it does not carry out workforce or succession planning and has only recently taken steps to develop an HR strategy. Some important HR policies for the recruitment, retention and motivation of staff are either not in place or are applied inconsistently across the organisation – for example, in relation to the recruitment and induction of new staff. The council has not carried out a staff survey for three years. The lack of a strategic approach to HR issues means that the council is not maximising internal capacity, in support of service quality and operational efficiency.
- 49 Women are under-represented among the council's management. The senior management team (SMT) has no women members and only one of the nine heads of service is a woman. Staff recognise that the general lack of promotional opportunities makes it difficult to change this imbalance. However, it is the perception of some staff that there is a predominantly male culture within the council, which sometimes works to the advantage of men, particularly in relation to salary awards. This perception has an adverse impact on morale.
- 50 Overview and scrutiny is underdeveloped. The council's four scrutiny committees are not providing rigorous, constructive challenge to the executive. For example, the performance review committee does not review service performance in depth and the public accounts committee has not scrutinised budgetary performance with the rigour appropriate to the council's financial situation. Officers and councillors state that the scrutiny process is sometimes broken down by party divides. However, the council has made some progress in strengthening overview and scrutiny. It has dedicated scrutiny officers. Relations between scrutiny and cabinet are positive. There are clear criteria for the selection of scrutiny topics and protocols for dealing with witnesses to scrutiny. Cabinet scrutiny is contributing to some decisions before they are made (for example, in respect of car parking strategy) and the performance review committee has begun to be involved in the development of policy – for example, in the recent development of the equalities policy.
- 51 The council has not developed corporate working that supports cross-cutting initiatives. For example, the street cleaning service does not ensure that the streets in the regeneration areas of central and east Folkestone are as clean as other parts of the district. A departmentalised approach to service provision weakens corporate capacity.
- 52 The council has not developed a strategic approach to partnership working. It is effective in working with partners on externally funded projects, as shown, for example, by the success of the two major SRB regeneration programmes, which have attracted total funding of £42.9 million. There are examples of successful partnership working in some service areas – for example, the highways partnership with Kent County Council. However, the council does not make partnership working central to service delivery.

For example, it is not working with other district councils to develop a sub regional waste management strategy for East Kent. It has also made little progress in developing the wider strategic partnerships needed to deliver the cross-cutting initiatives in its community strategy.

- 53 The council has able and hard-working staff. Both the peer review and external stakeholders commend the council for the quality of its staff. However, staff sickness rates are above average in comparison with councils nationally. Staff turnover is in line with the average for councils in the south east. In common with councils nationally, the council is experiencing difficulty in recruiting and retaining officers in some professional areas, such as planning and environmental health, but is generally able to recruit successfully to these positions, although with some delays.
- 54 Working relationships between councillors and between councillors and officers are positive. This is in contrast to the internal tensions of the recent past. The key factors in this improvement have been changes in the composition of the council following the elections in May 2003, a strong determination on the part of all councillors and officers to resolve internal tensions, constitutional changes, and the draft councillor-officer protocol. Councillors and officers have also developed a better understanding of their respective roles, responsibilities and accountabilities and the boundaries between these. Councillors now receive regular monthly briefings from officers. Council meetings observed for the purpose of this assessment were well chaired, structured and open. The improvement in working relationships supports the effective operation of the council's political management arrangements.
- 55 The council has strengthened political decision-making arrangements. It has reinforced the collective authority of the cabinet by revising some executive arrangements and making changes to the balance of responsibilities between the cabinet and individual cabinet members. This has made political decision-making more efficient and transparent. It has also resulted in a significant reduction in the number of meetings held by councillors
- 56 The council has made good progress in establishing a corporate procurement framework. It has developed a procurement strategy and code of practice, with assistance from the IDeA, and established corporate arrangements for procurement. It takes a progressive approach to exploring and using alternative methods of service delivery. For example, it has secured private finance initiatives (PFI) credits of £10 million for two new sports centres in Folkestone and Hythe. It has delivered a major new conference centre at the Leas Cliff Hall through a public/private partnership. Contracts for dredging the Royal Military Canal, for the Hythe to Folkestone coast protection scheme and responsive housing repairs have been based on partnership working and best practice contractual principles.

Performance management

- 57 This is an area of weakness with few identifiable strengths.
- 58 There are major weaknesses in the council's performance management framework. The performance plan sets out the council's priorities, together with actions planned for the current year and the following three years.

However, the plan does not set milestones for several major projects, which makes it difficult to assess progress made towards implementing these. Most of the actions are not linked to performance indicators, as targets and measures of success in priority areas. Furthermore, the council does not have service plans and so lacks an important mechanism for ensuring that initiatives are delivered at service level. Because of these weaknesses, councillors and managers do not have a sound framework for managing performance across the whole council.

- 59 Performance monitoring is ineffective. It is based upon quarterly management information reports (MIRs), which are submitted to the SMT, the performance review committee and cabinet. The MIR summarises progress in implementing action plans developed after external inspections and internal reviews and highlights 'areas of concern' where actions have not been taken. It also uses 'traffic light' coding to show progress towards implementing the actions in the performance plan and meeting national and local PI targets. Although the MIR has considerable potential as a strategic management tool, the council is not making effective use of it to monitor and manage performance. With a few exceptions (for example, in relation to the land charges service), councillors, the SMT and heads of service do not use the MIR to challenge underperformance or to initiate corrective action in response to this.
- 60 Most recent major initiatives to improve service performance have arisen from external inspections, rather than from the performance management system itself. For example, the council developed its improvement programme for the homelessness service in response to a critical Audit Commission inspection report and the programme for the benefits service in response to pressure from the Department of Work and Pensions (DWP). The council is not using the performance management system to monitor and manage performance effectively and to drive improvement.
- 61 Staff appraisals are of variable quality. The council does not have an up to date central record of how many staff have received appraisals and the quality of appraisals is mixed. Individual targets are not linked to service and cross-cutting initiatives in all cases, and so staff performance is not fully integrated with the achievement of corporate priorities across the whole organisation.
- 62 Although the external auditor assessment is that financial management overall is adequate to good, there are some weaknesses in this. Current estimates show net overspending of approximately £395,000 on the general fund budget for 2003/04. Much of this is attributable to a fall in investment income, due to market conditions, and increased borrowing to replace reducing reserves. However, the assessment also identified some weaknesses in budgetary control, which have added to budgetary pressures. Furthermore, the council did not develop a full medium-term financial strategy until December 2003 and there have been delays in developing alternative plans in response to the risk of capping. These factors have contributed to the financial difficulties that the council faces.
- 63 There are few positive examples of measures taken to improve cost-efficiency and value for money. For example, although the council has service level agreements with some of the organisations that it supports with funding (for example – the Metropole Arts Centre and the Town Centre Management Company), to ensure that it receives value for money, it does not have agreements with most of these.

- 64 The quality of performance information has improved. The appointed auditors expressed reservations on 18 of the 45 performance indicators for 2002/03, an error rate of 40 per cent, which resulted in a qualified opinion on the performance plan for 2003/04. The council subsequently made internal audit responsible for carrying out checks on performance information and the systems for producing this. The external audit of data for 2003/04 shows that there has been a significant improvement in the accuracy of the council's national performance indicators.
- 65 The council has developed some arrangements for risk management. It has worked with external consultants to identify and evaluate major strategic risks and is taking actions to control these risks, with progress reported in the MIR. It also assesses the risks associated with all major new projects. The council is in the early stages of developing arrangements for managing operational risks. The gradual development and embedding of risk management is strengthening the council's ability to achieve its objectives and deploy its resources to the best effect.

What has the council achieved / not achieved to date?

Achievement in quality of service

- 66 Weaknesses outweigh strengths.
- 67 Satisfaction with the council's services overall is low. The residents survey of 2000/01 showed that only 56 per cent of respondents were satisfied with services overall. This puts the council in the lowest 25 per cent of councils nationally and is also below the predicted result of 64 per cent, based on deprivation in the district. The council's residents survey of 2003 shows that satisfaction with council services overall has declined to 50 per cent.
- 68 However, there are high levels of satisfaction with some major services. For example, on the basis of the residents survey of 2000/01, the council is in the best 25 per cent of councils nationally for satisfaction with housing services overall and with opportunities for tenant participation. There are also high levels of satisfaction with the planning, waste and recycling services and parks and gardens.
- 69 The Audit Commission survey of parish councils shows variable levels of satisfaction with the council and the services it provides. Respondents were satisfied with refuse collection, parks and open spaces, and leisure facilities. However, there were concerns about the lack of activities for young people.
- 70 National PIs show that service quality is mixed. The council has marginally more 'above average' than 'below average' indicators. In 2002/03, 19 PIs were in the best 25 per cent nationally, 10 in the second 25 per cent, 11 in the third 25 per cent and 15 in the worst 25 per cent. Planning is one of the council's best services and has been in the top 25 per cent of councils nationally for several years. However, there has been some decline in the overall quality of the planning service over the past year. Because of staff shortages, the service is concentrating on dealing with planning applications in a timely manner and has curtailed some advisory and monitoring activities.
- 71 External assessments have concluded that services are good, with the exception of the homelessness service. Shepway Lifeline has achieved BSI ISO 9001. The Audit Commission assessed the regeneration service as good. The BFI found that the benefits service was fair to good. However, the homelessness and allocations service was assessed as poor in 2002 and as only fair on re-inspection in 2003.
- 72 The council provides good public access to its services. Its offices at Hythe and New Romney have dedicated customer service officers, who provide a 'one-stop shop' service to customers. However, one-stop service is not available at the Civic Centre. The new Romney office has video conferencing links to three rural locations in the district. In 2002/03, 63 per cent of interactions with the public were capable of electronic delivery, which was in the top 25 per cent of councils nationally. Of the council's buildings open to the public, 50 per cent were accessible to people with a disability in 2003/03, which was in the second 25 per cent of councils nationally.

- 73 The council is achieving mixed results in its three priority areas. The regeneration service is strong. The council's housing stock is in good condition and most of its housing management services perform well. However, there are weaknesses in providing affordable housing and in improving the condition of private sector housing. There are some significant weaknesses in the council's approach to keeping the district clean, green and safe, particularly in relation to street cleaning.

Regeneration

- 74 The council is the driving force behind some successful regeneration programmes in Shepway. Working with partners, it has redeveloped the coastal park and harbour area in Folkestone and shopping streets in the town centre. Regeneration has also involved a wide range of community projects, such as the early years centre in Folkestone; village halls, shops and other amenities in rural areas; programmes for personal development and training; and outreach activities for young people. The council has also worked with partners to develop business parks and units and to provide support services for local companies. The council's programmes for regeneration and economic development have revitalised areas of the district, provided new facilities and opportunities for local people, and strengthened local employment.

Housing

- 75 The housing stock is substantially modernised and in good condition, although 37 per cent of homes currently fail the decent homes standard. In 2002/03, the council was in the top 25 per cent of councils nationally for six of the ten housing management services PIs and in the second 25 per cent for two of these.
- 76 The council's performance in relation to affordable housing has been weak. RSLs completed only 50 affordable homes in the three years 2000/01 to 2002/03. Only 18 affordable homes were secured through planning policy during this period.
- 77 The council has done little to tackle the large stock of unfit private sector housing in central Folkestone and until recently has not taken a co-ordinated, strategic approach to this problem. Only four dwellings were demolished or made fit through council action in 2002/03, which was in the worst 25 per cent of councils nationally.

Clean, green and safe

- 78 There are some major weaknesses in the council's approach to keeping the district 'clean, green and safe'. Environmental enforcement is weak. The appearance of parts of the district is poor due to inconsistent standards of street cleaning, slow response to fly tipping and weak cross service working. The council's approach to child protection and to the provision of facilities for young people is poor.
- 79 However, the council compares well with councils nationally on recycling rates and minimising household waste collected. It maintains parks and gardens to a high standard. It has also worked with partners in several successful initiatives to reduce crime and disorder.

Achievement of improvement

- 80 Strengths outweigh weaknesses.
- 81 National PIs showed an overall trend of improvement in the council's services in 2002/03. Of the PIs for 2002/03 for which a year-on-year comparison is possible, 11 indicators (69 per cent) improved in comparison with 2001/02 and five (31 per cent) declined. Un-audited data in the council's management information report (MIR) shows that this improving trend was maintained in 2003/04. The MIR shows that 16 indicators (80 per cent) relating to its three priority areas have improved and four indicators (20 per cent) have declined.
- 82 The benefits service has improved over the past two years. The Department of Work and Pensions (DWP) effectively placed the benefits service on special measures in 2002 due to poor performance. However, the DWP rescinded these measures in December 2003 following an improvement in the service and the BFI has recently assessed the service as fair to good. Speed in processing new claims and changes in circumstances improved sharply in 2002/03, although performance remained weak in comparison with other councils. Un-audited data shows that this improvement is continuing and that performance is likely to be in line with the average for councils nationally in 2003/04.
- 83 The council has continued to strengthen customer access to services. The recent introduction of e-payments means that residents can now make web site payments to the council by credit and debit card. The council has improved access for people with disabilities to its public buildings from four per cent in 2000/01 to 50 per cent in 2002/03.
- 84 The council has achieved improvements in its three priority areas.

Regeneration

- 85 The council has played a major role in several recently completed initiatives that are contributing to the regeneration and economic development of the district. Together with a private sector partner, the council has developed a new conference centre and banqueting suite at its Leas Cliff Hall complex. This development is being complemented by the second phase of the regeneration of the Folkestone coastal path. The Folkestone Creative Foundation, which is supported by the council, has acquired and refurbished approximately fifteen properties in the high street and Tontine Street, which has improved the appearance of this area and resulted in redevelopment by other landlords. Recent economic developments facilitated by the council have included Hythe Farmers Market and the relocation of several businesses to the district.
- 86 Recent community projects in which the council has been involved include the Village Children's Centre and the Folkestone Adolescent Resource Centre, which provide facilities and support for children and young people.

Housing

- 87 There were 815 new housing completions in Shepway in the two years 2001/02 to 2002/03, which exceeded average annual targets in the Kent structure plan. This is in contrast to the period 1991-01, when the district had a shortfall against structure plan targets, which it has carried forward to the draft replacement local plan 2001-11. The increase in new housing completions has been facilitated by the council through its planning policies.
- 88 There has been an increase in the provision of new affordable housing, albeit from a low base. RSLs completed 49 units of affordable housing in 2003/04, compared with 21 in 2002/03 and 20 in 2001/02. The council facilitated the provision of some of these units through land assembly and discounted sales of land to RSLs.
- 89 The council has significantly reduced its use of bed and breakfast accommodation (B&B) for homeless households. At 31 March 2004, there were 4 households in B&B, compared with 42 last May (the highest in 2003). The council met the ODPM's requirement that families with children must not be in B&B for more than six weeks by November 2003, which was ahead of the ODPM target date of 31 March 2004. The key factor in this improvement has been the provision of additional private sector rented accommodation for homeless people, including approximately 65 leased properties which a registered social landlord manages on the council's behalf.
- 90 In partnership with Kent County Council, the council has secured Supporting People funding from central government for existing and new floating support services for its tenants and for homeless people living in its hostels and leased accommodation. For example, support is provided to recovering substance misusers at Shepherd House, the accommodation built in partnership between the council and the Salvation Army Housing Association. These services provide tangible benefits to vulnerable people.
- 91 The proportion of non-decent homes has fallen from 44 per cent in 2002 to 37 per cent at 31 March 2004. However, the council has not delivered its planned maintenance programme in full for the past three years and tenant satisfaction with repairs remains low.
- 92 The council has made good recent progress in relation to unfit private sector properties. Unaudited data shows that 57 properties have been made fit or demolished through council action in 2003/04, compared with only four properties in 2002/03.

Clean, green and safe

- 93 There have been some major improvements to services for keeping the district clean, green and safe. The council is managing a £12 million coastal protection scheme. Following the introduction of wheeled bins, satisfaction with the waste collection service has risen significantly and the council is in the best 25 per cent of councils nationally for waste minimisation. Recycling of household waste has risen from 15 per cent in 2002/03 to nearly 20 per cent in 2003/04 (unaudited data).

This is below the target of 24 per cent set for the council by the government, but the recent introduction of a green waste collection service to 12,000 properties may raise performance to this level in 2004/05. Initiatives taken by the council such as the introduction of CCTV have contributed to a significant reduction in crime in Folkestone town centre and to progress in meeting other crime reduction targets.

- 94 However, the public remains dissatisfied with street cleaning in Shepway. Although the council has worked with partners on projects that benefit children and young people, the lack of a strategic approach has limited improvement in this area.

Investment

- 95 Weaknesses outweigh strengths.
- 96 It is uncertain if the council can afford all the improvements that it has planned for the four years 2004/05 to 2007/08. The medium-term financial strategy (MFTS) approved by councillors in December 2003 for funding these improvements has proved unsustainable because it was based on council tax increases of 36 per cent for 2004/05 and 16 per cent for 2005/06. Following the ODPM's decision to cap expenditure for 2004/05, and on the basis of projected increases in council tax in the range three per cent - five per cent for 2005/06, the council estimates that it will need to make full year savings of approximately £1.5 million (against the MFTS) in 2005/06 and subsequent years. The council is reviewing its MFTS in order to determine how these savings will be made. Funding will remain in place for some of the improvements planned in waste management, recycling, community safety, housing, and regeneration, because these are council priorities. However, these resources will not be secure until the council has completed its review of the MFTS.
- 97 The council has not put all the resources in place needed to achieve the decent homes standard (DHS) by 2010. It has not developed a comprehensive DHS programme of works. The housing revenue account (HRA) business plan 2002–32 shows a shortfall of £3.6 million by 2011 in the financing of the DHS programme but the council has not revised its funding projections to address this.
- 98 There are some important areas where the council is not making appropriate investments to fill gaps in capacity. It has developed an HR strategy, with supporting action plans, but because this strategy has only recently been completed, none of the measures in it has yet been implemented. As a result, work force planning, succession planning and other key areas of HR strategy remain weak. Furthermore, the council is not taking any direct steps to address the problem of poor staff morale. In addition, the council is not strengthening its performance management system, weaknesses in which are impeding its ability to drive service improvement.
- 99 The council is addressing weaknesses in councillor capacity. It has developed a wide-ranging training programme for councillors, including scrutiny training. It is revising the constitution to clarify councillor and officer responsibilities and is introducing a code of corporate governance and a councillor-officer protocol. It is also strengthening the role of the standards committee.

- 100 The council is strengthening its mechanisms for external communication and consultation. It is re-launching its newsletter, 'Shepway Today', and will send this by mail in future, in order to ensure that it reaches all households in the district. It is also establishing a new community, consultation and communication unit.
- 101 The council is investing in service and cross-cutting improvements. For example, it has developed a neighbourhood renewal programme for the Guildhall North area in the Folkestone Harvey Central ward. This combines the targeted renovation of private sector housing stock with a wider programme of physical and social regeneration to be delivered with partners. The council's more co-ordinated approach to private sector renovation, empty properties and houses in multiple occupation has already led to a significant increase in the number of properties made fit or demolished through its actions. The council is also investing in services already performing well. For example, in support of its recycling programme, it plans to introduce a weekly kerbside collection of dry recyclable materials. The council is also continuing to improve customer access to services. It is installing new telephony to provide a first point of contact for all callers ringing the council and is participating in a national project on customer relationship management.
- 102 The council has secured external funding for future improvements. The South East England Development Agency (SEEDA) has indicated that the sub regional investment area of which Shepway is part ('Channel Corridor Kent') will receive funding of £3 to £4 million per annum over the next few years. More than half of this is likely to be allocated to economic development and regeneration projects in Shepway. Following a successful bid to the ODPM, the council is taking part in a neighbourhood management pathfinder programme, in relation to community cohesion in Hawkinge, and has been awarded funding of £2.5 million for this. In partnership with RSLs, the council has won a grant of £2.1 million from the Housing Corporation, which will help to provide 69 affordable housing units.
- 103 The council is supporting three prospective development schemes that will help to revitalise central Folkestone. It has facilitated the development of a major shopping centre in Bouverie Place, by means of compulsory purchase orders and the proposed sale of a car park to the developer. The developer has recently submitted planning applications for this scheme, which involves a major food store as the anchor retailer, a number of other large modern retail units, and the refurbishment of the car park. The council has also facilitated the redevelopment of Folkestone seafront, by producing a comprehensive development framework for the area and through working with SEEDA and other key partners. Developers have recently submitted planning applications for 750 residential units, together with leisure facilities at Marine Parade, and for a hotel and leisure development on land south of Marine Parade.
- 104 The local campaign led by the council for the introduction of high speed rail services between Folkestone and London, using the Channel Tunnel Rail Link, has had some success. Under proposals in the consultation document issued by the Strategic Rail Authority, some high speed CTRL services will serve Shepway. These services will contribute to the development of the district as a residential, business and leisure location. The Strategic Rail Authority consultation document does not specifically include the development of Folkestone West as a parkway station, although the significance of this omission is debatable. The possible extension of the Channel Tunnel Rail Link to Dover would probably result in some reduction in Shepway services.

- 105 The council exposes itself to external challenge and is receptive to suggestions for change. It commissioned an IDeA peer review in 2002 and an investigation into councillor/officer relationships from INLOGOV in 2003. Both these reviews have driven investments in improvement. For example, the council has streamlined its decision-making arrangements, in response to criticisms in the IDeA report, and has enhanced its training programme for councillors, in line with recommendations in the INLOGOV report. However, the council is sometimes slow to implement recommendations made by external bodies. For example, it has not yet implemented most of the recommendations made by the Audit Commission in its inspection report on the regeneration service of March 2003.
- 106 Recent internal reviews have resulted in investment in improvement. The council has put several investments in place following the quality improvement projects (QIPs) – for example, the new community, consultation and communication unit and the fully integrated waste management service.

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

Learning

- 107 Weaknesses outweigh strengths.
- 108 The council is not a fully self-aware organisation. The CPA self-assessment identifies some major corporate strengths and weaknesses. However, it does not give due weight to some weaknesses – for example, in respect of ambition, capacity and performance management. Furthermore, it does not address the formation of town councils for Folkestone and Sandgate, which will have important implications for the district council. Although the council has learnt from some of the IDeA's conclusions in its peer review of 2002, it has been slow to learn from others. In consequence, some of the issues raised by the IDeA in its CPA peer review of 2004 are a restatement of weaknesses that it identified in 2002 – for example, in relation to poor internal and external communications and the lack of a strategic approach to HR issues.
- 109 The council does not have a good track record for proactively learning from experience. There are some examples of the council using lessons from experience to improve services – for example, the appointment of a housing options team (comprising officers from the housing and benefits services) to develop relationships with private landlords, which has helped to reduce homelessness. However, such examples are relatively few. In other cases, the council has failed to learn important lessons – for example the failure to remove litter from Payers Park which has been raised a number of times internally and through external challenge.
- 110 The council does not feed back lessons from complaints into service development on a consistent basis. It has a system for logging complaints, and for ensuring that these are dealt with promptly, and information from this is included in the MIR. However, some complaints are not entered in this central log and one business unit does not use the log at all. The council has recently responded to numerous complaints about difficulties in contacting the benefits service by providing the service with a dedicated telephone number. However, there are few other examples of complaints driving service improvement and the council does not take a systematic approach to this.
- 111 Learning is not systematically shared across the council. There are some mechanisms for sharing learning – for example, meetings between the SMT and heads of service and the 'away days' attended by councillors, the SMT and heads of service. However, there are few other mechanisms for sharing good practice and experience across the organisation and the council has not developed a culture that encourages this.
- 112 The QIPs are an effective mechanism for corporate self-appraisal and for encouraging staff, councillors and residents to put forward suggestions for service improvement. The QIPs for housing and public space involved a thorough analysis of the problems facing the council and generated a wide range of conclusions and ideas for service improvement, which have been fed into action plans.

Some of these ideas have already been implemented and are of proven success – for example, better-targeted enforcement against poor housing conditions. However, apart from the QIPS, there are no other formal mechanisms to enable staff to contribute new ideas for service development.

- 113 The council actively seeks out ideas and good practice from other councils and organisations. For example, it developed several key elements of its successful approach to dealing with homelessness from policies and practice at two London boroughs. It developed its customer care strategy in a joint project with two neighbouring councils, which enabled it to share good practice with them. The council drew extensively on advice from the IDeA and other bodies in the development of its procurement strategy and HR strategy. It visited other councils (including beacon councils) and organisations (such as the Government Office for the South East (GOSE) and the housing corporation) for the purpose of the QIPs, in order to learn from good practice. Examples of good practice adopted by the council include the development of an empty homes database. The council also belongs to several benchmarking groups and is an active member of the Kent performance improvement network.

Future plans

- 114 Weaknesses outweigh strengths.
- 115 The council's strategic planning framework is incomplete. The lack of a fully developed community strategy means that the council does not have long-term high level aims and targets, agreed with partners and the community, to cascade to its performance plan. The council does not have a corporate plan as a mechanism for developing and delivering medium-term service and cross-cutting objectives. However, it is currently redesigning the performance plan as a corporate planning and improvement tool.
- 116 The council does not have a complete set of plans for each of its three priority areas. It has some good quality strategies in place in support of these priorities – for example, the regeneration strategy. However, in its self-assessment, it acknowledges that it has not developed some of the plans needed to take these priorities forward. For example, it does not have a youth strategy or a child protection policy (clean, green and safe).
- 117 Some of the council's plans are under-developed and lack clear milestones. For example, the crime and disorder reduction strategy does not include clear targets and the LA21 plan does not have an action plan. GOSE rated the council's housing strategy 2002 as 'well below average'. However, the new housing strategy (which has not been formally submitted to GOSE) is of much better quality and the council has actively consulted GOSE about the production of this from the outset. The draft replacement deposit plan is weak on sustainable communities and is not fully consistent with the aims in the first draft of the new community strategy. The council does not have a detailed plan to meet the requirements of the Disability Discrimination Act. The links between the council's plans are under-developed.
- 118 The council has very limited up to date supplementary planning guidance, as an important mechanism for helping to secure affordable housing and other forms of developers' contributions.

However, planning inspectors are about to publish their report on the deposit plan, following a public enquiry, and the plan will provide up to date guidance.

- 119 The council's record for engaging stakeholders in the development of plans is mixed. For example, stakeholders had very limited involvement in the development of the community strategy (Community Strategy 2002 – 2005). However, the council has now taken steps to engage stakeholders in the revision of the community strategy. It has also directly involved external groups and staff in the production of some recent plans – for example, the race equalities scheme, the comprehensive equality policy and the HR strategy.
- 120 The council has not assessed all the capacity issues that it faces in planning for the future. Of particular importance, it has not reassessed plans and capacity in the light of the formation of town councils for Folkestone and Sandgate. These councils will represent more than half the district's population but the council has given little consideration to the transfer of services to them and the implications of this for its future plans and resources. The council has not finalised consideration of the implications for its plans of changes to the medium-term financial strategy following the government's capping of expenditure for 2004/05.
- 121 The council has some good quality plans in place. These include the asset management plan and the capital strategy, which were rated good by GOSE, the homeless strategy and the procurement strategy.
- 122 The council has taken active steps to develop new and replacement strategies. It has recently completed a HR strategy. This is based on a wide-ranging analysis of the HR issues facing the council and sets out strategies and action plans for addressing these. However, the council has not commenced the detailed development work needed to implement the strategy. Other recently developed or revised strategies include the homelessness strategy, the neighbourhood renewal strategy, the empty homes strategy, the risk management strategy, the race equalities scheme and the comprehensive equality policy.
- 123 QIPs have provided the council with some good quality internal plans for service improvement. The QIP process was comprehensive and rigorous, for both housing and public space, and has generated SMART action plans. The QIPs represent an effective new planning mechanism and driver for improvement.

Summary of theme scores and strengths / weaknesses

Theme	Grade	Strengths	Weaknesses
Ambition	1	<ul style="list-style-type: none"> • Leadership of regeneration programmes • Council now taking steps to engage stakeholders in community planning • Clearer sense of direction under new administration 	<ul style="list-style-type: none"> • No clear long-term vision • Stakeholders had very limited involvement in development of community strategy in 2002 • Medium-term aims and targets are unclear • Ambitions for diversity and minority communities underdeveloped
Prioritisation	2	<ul style="list-style-type: none"> • Council has established priorities for improvement • Alignment of resources with priorities through QIP and MFTS • Decisions on non-priorities 	<ul style="list-style-type: none"> • Limited consultation with residents • Too many operational priorities, with resources overstretched • External and internal communication underdeveloped
Focus	2	<ul style="list-style-type: none"> • Focus on some corporate priorities eg recycling • Focus in some services eg regeneration • Turn round of poor services • New mechanisms eg QIPs 	<ul style="list-style-type: none"> • Financial pressures undermine focus • Lack of focus on some corporate priorities eg housing • Mechanisms for focus are predominantly weak • Lack of focus in some services
Capacity	1	<ul style="list-style-type: none"> • Relations between councillors and officers are positive • Decision-making processes have been strengthened • Willingness to adopt alternative procurement options 	<ul style="list-style-type: none"> • SMT does not provide strong leadership • Service cut due to financial pressures and capping • Staff morale is poor • Lack of strategic approach to HR • Women underrepresented in management • Scrutiny is underdeveloped • Mixed record in partnership working • Limited corporate working in support of cross-cutting initiatives
Performance management	1	<ul style="list-style-type: none"> • MIR provides wide range of performance information • Some arrangements for risk management • Accuracy of national performance indicators has improved 	<ul style="list-style-type: none"> • Inadequate framework for performance management and no service plans • Ineffective performance monitoring • Staff appraisals of variable quality • Some weakness in budgetary control and medium-term financial planning • Few examples of measures to improve cost efficiency

Theme	Grade	Strengths	Weaknesses
Achievement in quality of service	2	<ul style="list-style-type: none"> • High satisfaction with some services eg housing • Good public access to services • Successful regeneration programmes • Some services perform well overall eg landlord services, waste minimisation and recycling, crime and disorder • Council's housing stock in good condition 	<ul style="list-style-type: none"> • Only 56% satisfied with services overall • Weak performance on affordable housing and private sector renovation • Litter in some areas of district • Limited activities for young people • No child protection policy
Achievement of improvement	3	<ul style="list-style-type: none"> • Overall improving trend in PIs • Turn round in benefits service and homelessness service • Regeneration programmes delivering new benefits • Significant improvements in affordable housing, use of B & B, private sector properties made fit • Major coastal protection scheme • Continuing progress in recycling and waste minimisation and crime reduction 	<ul style="list-style-type: none"> • Satisfaction with services overall has fallen to 51% • Performance remains weak in some key areas eg affordable housing • Continuing public dissatisfaction with street cleaning
Investment	2	<ul style="list-style-type: none"> • External funding in place • Filling some capacity gaps eg training for councillors • Investing in services • Redevelopment of central Folkestone • Exposure to external challenge • Internal reviews driving change 	<ul style="list-style-type: none"> • Some important gaps in capacity not addressed eg performance management • Medium-term financial strategy is not sustainable • Uncertainties about DHS programme and funding for this
Learning	2	<ul style="list-style-type: none"> • QIP is learning mechanism • Learning from others 	<ul style="list-style-type: none"> • Limited self-awareness • Limited learning from experience • No structures for sharing learning
Future plans	2	<ul style="list-style-type: none"> • Some good quality plans • QIPs have generated SMART action plans 	<ul style="list-style-type: none"> • Gaps in strategic planning • Some plans are weak and lack milestones • Capacity issues not assessed

Scoring key:

1 - Weak

2 - Weaknesses outweigh strengths

3 - Strengths outweigh weaknesses

4 - Strong

Appendix 1 - Decent homes standard diagnostic assessment

What is the council trying to achieve in relation to the standard? Does the council know the condition of their housing stock and their compliance with the decent homes standard?

- 124 There is a high risk of service or function failure and/or poor outcomes.
- 125 The council has high aspirations for the decent homes standard. Housing is one of the council's three key corporate priorities. The draft Housing Strategy contains the following vision: 'decent homes in decent surroundings for everyone'. The council's long-term ambition is to achieve the minimum DHS 2010. It also wants to achieve an as yet undefined Shepway DHS. The council will agree the Shepway DHS as part of the options appraisal consultation during 2004. This means that it is unclear what the council wants to achieve or what level of resources is required.
- 126 It is unclear what broader outcomes the council wants to achieve in relation to the standard in terms of meeting the diverse needs of tenants, improving security or the environment. The council has drawn up a specific black and minority ethnic strategy and action plan for Coast and Countryside housing services but there are no clear DHS related outcomes. Without clearly defined and understood outcomes, the council is less likely to achieve its vision to ensure decent homes and decent surroundings for all.
- 127 The council has a mixed track record in involving tenants in developing strategic aims and decisions about council homes. It enjoys a positive relationship with tenant representatives and tenants are able to influence service outcomes such as improvements to customer services. It consulted tenants about issues relating to its housing stock and the DHS as part of consultation exercises carried out in connection with the housing QIP and the development of the housing strategy. However, the council missed the opportunity provided by the QIP to agree a Shepway decent homes standard with tenants. It also failed to consult STLG about its decision not to opt for an ALMO. This means that tenants have missed out on opportunities to influence some key housing decisions.
- 128 The quality of the council's housing plans is variable and those relating specifically to the achievement of the standard are weak. The QIP process involved stakeholders, partners and tenant representatives and has been successful in helping the council to produce a more robust draft housing strategy. However, the housing revenue account business plan (HRA BP) is not fit for purpose and includes no references to the decent homes standard which is a major shortcoming. The draft maintenance strategy lacks specific targets to help the council achieve the standard and is not based upon an up to date assessment of the sustainability of the HRA. So far, the council has not involved tenants or the Shepway group of tenants and leaseholders in agreeing priorities, objectives and overall budgets for the draft maintenance strategy. It is hard to see from the plans how the council will achieve the DHS.

- 129 The council's key plans are interlinked but do not fully support the achievement of the DHS. The new procurement strategy has been instrumental in influencing the council's decision to set up the housing and corporate responsive repairs partnering contract which started in April 2004. The asset management plan and capital strategy enable the council to take an holistic view of its investment needs, to ensure that capital is directed towards its key priorities and to ensure that all assets are maintained adequately. GOSE have assessed them as good. The capital strategy includes references to only some of the investment required to achieve the DHS and other related works which means the council is not prioritising its resources based on a full understanding of the investment required to achieve the DHS.
- 130 The council knows that its homes are in good condition with a low level of catch up repairs. All the windows are double glazed and most of the housing stock has full or partial central heating. The council's estimates that 37 per cent or 1,361 of its homes are non decent. This is average when compared to other councils nationally.
- 131 The council does not have sufficient financial resources to achieve both the DHS and its capital programme. The council estimates that it does have the £8.9 million required to achieve the minimum DHS by 2010. It expects a shortfall of £3.6 million by 2010/11 against its council housing investment programme. The council has not yet agreed a Shepway DHS which could significantly increase the resource requirement.
- 132 The council has adequate information about the condition of its homes to plan investment programmes. In January 2002, the council surveyed a 20 per cent representative sample of its homes internally and externally. The council also surveyed the external areas of all flatted properties. Consultants carried out the survey and, with the council, used robust methods to verify the accuracy of the data. The stock condition information is not up to date because the council has not updated the database with the results of planned maintenance programmes for 2003/04 or day to day responsive repair information prior to October 2003. Without up to date stock information, it is harder for the council to achieve the DHS.
- 133 The council has been slow to put in place clear and robust plans to maintain and update its stock condition information. The council has made progress in line with its October 2003 target to survey 20 per cent of all properties annually. The council relies upon a time consuming and inefficient method of updating the stock condition information with responsive repairs information. The council cannot link the two systems electronically and cannot produce responsive repairs reports so that the update can be carried out with the involvement of fewer people. This makes it harder for the council to plan programmes to achieve the DHS.
- 134 The council has good information about the demand for housing in the district. The 2003 housing needs survey showed that there is a net shortfall of 905 affordable homes per year. The council has also agreed to jointly commission an East Kent housing needs survey in 2006 to get a better picture of demand at the local and sub regional level. This means that there is demand for affordable housing including council housing and the council has plans to improve that knowledge base.

135 The council has carried out a rigorous review of the strategic options available to it for achieving the DHS and other housing objectives. Working with external consultants in 2001, it considered four strategic options for the ownership and management of its homes. The options appraisal fully involved Shepway tenants and leaseholder group (STLG) although it was less successful in reaching out more widely to tenants. The appraisal used up to date stock condition information to assess capital requirements. The council decided to retain its homes because an LSVT would have a projected negative impact of £2 million over five years on the general fund. It also decided to further consider the arms length management option. In 2003, as part of the QIP, the council reconsidered the options for its homes, it concluded that the ALMO status would be difficult to achieve. The council has made initial arrangements for another stock options appraisal, to be completed by July 2005, in line with the requirement for this. This means that the council has not yet agreed how it will fund the additional investment required to achieve the decent homes standard.

Is the council delivering its plans to meet the decent homes standard?

136 There is a high risk of service or function failure and/or poor outcomes.

137 The council has not consistently delivered the planned maintenance programme for the last three years. In 2001/02, it delivered 87 per cent of the programme, in 2002/3, 94 per cent and in 2003/04, 86 per cent. Better corporate monitoring arrangements contributed to the improved performance in 2002/03. Delays on three schemes and staff shortages contributed to the poorer performance in 2003/04.

138 The council has not focused works programmes on the achievement of the DHS. It has made extensive use of comprehensive repairs packages to refurbish larger flatted blocks in a regeneration area. The works included external works, kitchen refurbishment, rewiring and asbestos removal. The council did not know at the outset how the increased investment would affect its achievement of the DHS. This means that the council may have missed out other tenanted properties that may have failed several criteria and which could have benefited from earlier investment.

139 The council does not have a clear programme of works to help it achieve the standard by 2010. It has made slow progress in analysing and using the stock condition survey and other information to help it prepare a six year planned maintenance programme focused on achieving the DHS. The 2004/05 programme does not show how many homes should become decent as a result of the works and the overall impact on non decency. Until the programme is in place, the council is at risk of not achieving the standard by 2010.

140 In 2003/04, the council estimates that it will have spent £7 million on council housing repairs and maintenance including £4.5 million on major works. The council plans to spend an average of £6 million a year to 2006/07. The 2004/05 investment programme shows that the council plans to increase investment in DHS related works such as heating and potentially unfit homes. It intends to carry out works on tenant priorities identified in the summer 2003 survey such as kitchens and bathrooms. The council uses the opportunity when repairing empty home to bring properties up to the DHS. The programme represents a balance between DHS related works and other priorities. The council is more likely to achieve the standard using this approach.

- 141 The council is making the best use of its stock to meet the current and future needs of local people. It is remodelling bed-sit sheltered housing to create one bedroom dwellings where extra care support will be available. This means the council is more likely to create sustainable communities. The council has considered equalities issues in the development of the planned programme. For example, on environmental schemes it has worked with young people to develop play facilities. It has included over-bath or walk-in showers in bathroom renewal schemes to meet tenants' needs.
- 142 The council is making good progress in implementing its new procurement policy. It has let a partnered contract worth £4.8 million over three years for responsive repairs from April 2004 that it hopes will make it easier to maintain the stock in good condition. The council has extended two previously tendered contracts for kitchens and external works for an additional cost of £660,000. The council has already appointed consultants to help it let partnered contracts for heating and gas servicing and kitchen refurbishment from April 2005. The council has increased its capacity to achieve the standard.
- 143 The council has achieved variable performance against key priority areas related to the DHS. The level of non decency has reduced from 44 per cent in 2002 to 37 per cent in March 2004. Tenants satisfaction with the service and opportunities for participation, the energy efficiency rating of council homes, the speed of re-letting empty homes and the proportion of urgent repairs carried out on time were among the best, nationally, in 2003/03. However, rent collection declined from 98.4 per cent in 2001/02 to 96.7 per cent in 2002/03. This deterioration in performance reduces the resources available to achieve the DHS.
- 144 The council does not know if it has the resources to achieve the DHS, its desired capital programme or the Shepway DHS to be agreed as part of the options appraisal. It predicted in the HRA BP 2002-32 that by 2011, it would face a shortfall of £3.6 million to deliver the rest of its council housing investment programme. The council has not revised its medium to long-term projections for the HRA in light of the impact of the increasing rate of sales through the right to buy, recent changes to capital finance, management and maintenance allowances and the introduction of prudential borrowing. This means the achievement of the standard is at risk.
- 145 The council has not maximised the opportunities to create savings in the HRA. It has not assessed the potential for savings in the HRA through management efficiencies. In 2003/04, the HRA lost income of £600,000 due to an increase in right to buy sales. The council has not reviewed HRA costs and charges. It decided not to seek contractual savings from the new responsive repairs contract and does not know how much it can expect to save through this and other proposed new arrangements. The government's national report on procurement (Egan) identified that savings of up to ten per cent could expect to be achieved through long-term partnering. This means that the council does not know how much it can expect to save to reinvest in its homes.
- 146 The council could make more effective use of its financial resources. In 2002/03, taking into account all capital and revenue expenditure, it spent 75 per cent on planned works and 25 per cent of repairs expenditure on responsive repairs. The Audit Commission recommends 60:40 when just revenue expenditure is taken into account so the council would be doing well if it achieved closer to 80:20.

- 147 The council has not fully realised the benefits of its efforts to maximise its capacity to deliver the DHS and other housing objectives. It has reorganised the housing service to be more efficient and provided extra staffing resources. Key deadlines such as the creation of a six year investment plan and management cost benchmarking with other councils to see where savings may be possible have been missed due to a lack of capacity. The council has struggled over the last two years to implement a repairs system upgrade and has purchased a new system to enable its new responsive repairs contracts to begin in April 2004. A consultant has helped the council to devise and implement a new asset management database to record maintenance and renewal activity. The council still requires consultancy support to complete its data entry and reconciliation processes to report on the best value performance indicator. This represents a significant weakness in the council's capacity to deliver the DHS.
- 148 There is low satisfaction with housing services that are of most relevance to the DHS. The council's surveys show consistent low satisfaction with the repairs and maintenance service. It was 58 per cent in the 2001 tenants' survey and 62 per cent in the 2003 survey. Satisfaction with planned maintenance schemes averages 50 per cent. Tenants are not satisfied with the quality of planned maintenance works, the council's management of schemes or the range of choice available to them. Tenants' quality of life and the lifespan of repairs and maintenance works are affected by the poor delivery of services.

How well does the council monitor its progress and how effectively does this feed into future strategies and plans?

- 149 There is a high risk of service or function failure and/or poor outcomes.
- 150 The performance management framework is not robust. The Shepway plan 2003/04 determines the key objectives for the housing service and these are cascaded into the draft housing strategy. The HRA BP is out of date and does not reflect the newer priorities. The council no longer has service plans and so it is difficult to cascade meaningful objectives into staff workplans and appraisals.
- 151 The council's arrangements to monitor and manage performance are inadequate. The cabinet receives quarterly performance reports on progress against key housing performance indicators such as the DHS, financial performance of the HRA and progress against the housing capital programme. The portfolio holder with responsibility for housing meets fortnightly with housing managers to review progress against key plans. Tenants receive information about scheme progress (but not against the performance indicators) in the quarterly tenants' newsletter and managers brief staff in regular staff meetings. Cabinet does not receive reports on progress against key housing plans such as the HRA BP, the homelessness strategy or the housing QIP. The housing service does not monitor performance internally on a monthly basis meaning that poor performance such as the significant slippage on the HRA BP action plan could be missed. Performance objectives for DHS are not well cascaded down into staff work plans – objectives are not SMART and targets for performance delivery are not clear. Without adequate performance management, the council cannot be sure that it is making sufficient progress towards achieving the standard.

- 152 The council has made limited progress on assessing and managing risks to its plans. It has not assessed the risks arising from the financial changes mentioned earlier. The council does plan to link the capital strategy to a three year financial plan but this is as yet undeveloped. The council has not developed a contingency plan to tackle the lack of financial resources to achieve the capital programme. Without a good understanding of the risk to its plans the council does not know if it will be able to achieve the standard.
- 153 The council has made effective use of the QIP process to evaluate the quality and effectiveness of housing services. QIP project team members came from across the council and included an external representative. All QIP members received training in the QIP process. The QIP team did not include a tenant representative. The council is now much clearer about the quality of the housing service and the options to improve it.

Summary of decent homes standard diagnostic judgements and strengths / weaknesses

Area of focus	Grade	Strengths	Weaknesses
What is the council trying to achieve in relation to the standard? Does the council know the condition of their housing stock and their compliance with the decent homes standard?	C	<ul style="list-style-type: none"> Homes in good condition Good information about demand for housing Tenants consulted about the DHS 	<ul style="list-style-type: none"> No Shepway DHS Weak housing plans Stock condition survey not up to date and lack of systems for this Other council plans do not support DHS Insufficient resources to deliver DHS by 2010
Is the council delivering its plans to meet the decent homes standard?	C	<ul style="list-style-type: none"> Reduction in non decency from 44 to 37 per cent Perform well on energy efficiency, speed of re-letting empty homes and urgent repairs Good responsive/planned ratio Implementation of new procurement policy Void standard maximises opportunities to achieve DHS Packaging of related works contracts 	<ul style="list-style-type: none"> Low satisfaction with responsive repairs and planned maintenance schemes Lack clear programme to deliver DHS by 2010 Not delivered programme over the last three years Sustainability of HRA to meet DHS not assessed Income not maximised Lack capacity to progress DHS planned actions
How well does the council monitor its progress and how effectively does this feed into future strategies and plans?	C	<ul style="list-style-type: none"> Good at learning from others Housing quality improvement project 	<ul style="list-style-type: none"> Lack formal mechanisms for sharing learning across the council Performance management is not robust Risk management is not well developed
Decent homes standard diagnostic assessment judgement	C		

Scoring key:

For each of the key areas looked at within the diagnostic assessments **the need for improvement**, based upon the risk of service failure and poor outcomes, is identified using the following scale.

a = very low

b = low

c = high

d = very high

Appendix 2 - Public space diagnostic assessment

How well does the council contribute to the management of the physical environment?

- 154 There is a high risk of service or function failure and/or poor outcomes.
- 155 The council has not produced good quality and up to date supplementary planning guidance and lacks medium to long-term plans to address the district's social, environmental and economic issues in an integrated way. As a result some poor development has taken place in the district. There is little guidance specifically for Shepway or specific settlements in Shepway. Hawkinge has been the principal growth area for residential development in Shepway over the last ten years. A planning brief was produced in 1992 and is still being used to guide future development in Hawkinge. The quality of existing development has been poor for a number of reasons. The development has created two very distinct and separate communities – the old village and the new development – contributing to social cohesion problems. Also, the development is in the North Downs area of outstanding natural beauty and the development has not adequately taken into account landscape or sense of place factors, resulting in development that is not well integrated into its surroundings.
- 156 The quality of the council's planning services has fallen in the last year. The council has had severe problems recruiting and retaining development control staff and the service has been short of a number of staff during the last year. As a result, the council is concentrating on dealing with planning applications in a timely manner and has stopped all monitoring of section 106 agreements, provides less pre-application advice, has cut negotiation time with developers and has cut enforcement of planning conditions so that it is only reactive to complaints. The council has also recognised that it has not always made the best use of section 106 agreements in gaining benefits for the community. Staff morale is low and user satisfaction with the service is falling.
- 157 The council's approach to environmental enforcement is weak. The council and many of its partners recognise that the council is weak. The council only scored 40 per cent against a checklist of environmental enforcement best practice in 2002/03 putting the council amongst the worst performing councils in England. However, unaudited data shows that the council's score rose to 60 per cent in 2003/04. The council does not effectively co-ordinate enforcement across its service areas. For example, the council's eight community wardens only enforce parking when they could also be used for other types of enforcement such as dog fouling and litter. Managers recognise that they could easily improve this if they had time to work together on the issue.
- 158 The council lacks a detailed plan to meet the requirements of the Disability Discrimination Act. The council has made some progress towards improving access for people with disabilities by the national deadline of October 2004. The council improved access for people with disabilities to its public properties from four per cent in 2000/01 to 50 per cent in 2002/03 and has also undertaken a survey of the remaining work required. The council has not yet approved expenditure to undertake the work and does not have a detailed action plan to carry out the work.

- 159 The council does not have a co-ordinated approach to managing its own environmental impacts or addressing global environmental issues. The council had an active Local Agenda 21 initiative that also addressed elements of the council's own environmental performance. However staff resource has been taken away from this initiative and the council's work on the Local Agenda 21 action plans, which were drawn up with a wide range of partners, has stopped. The council lacks systems to coordinate improvement in the council's corporate environmental performance and is not consistently addressing global issues such as climate change.
- 160 The council has a good understanding of the main problems and opportunities regarding the physical environment of Shepway district and has some short-term plans to address them. The council recognises the diverse challenges it faces. They range from high levels of deprivation and urban decay in parts of Folkestone to problems of isolation and accessibility in an area of nature conservation interest in Romney Marsh and affordable housing and landscape conservation issues in the area of outstanding natural beauty on the chalk downs. The council has been addressing many of these issues through its regeneration programmes such as 'Believing in Folkestone' and 'Community Action in South Kent'. However these programmes are coming to an end and the longer-term management of these issues is not yet clear.
- 161 The council cares for both the rural and urban physical environments. It provides consistent financial support for the North Downs area of outstanding natural beauty management unit and the Romney Marsh and White Cliffs countryside projects. The area of outstanding natural beauty management unit produces a management plan for the area of outstanding natural beauty in the district. In Folkestone, the council is linking major regeneration projects through a 'streets and squares' initiative. This project uses European funding to improve the appearance of Folkestone town centre by the provision of pedestrian areas, street furniture, tree planting and works of art, for example, in the old high street.
- 162 There is a high level of public satisfaction with the council's management of parks. Folkestone and Hythe contain a rich heritage of parks and gardens and these are important to local people and visitors. Levels of public satisfaction rose from 64 per cent in 2000/01 (above average for councils in England) to 76 per cent in 2003/04 (un-audited figure). The council maintains formal gardens, such as Kingsnorth Gardens, to a high standard and supports maintenance of the parks held by Folkestone Charitable Trust. The new coastal park at Lower Leas is a significant improvement as it is designed to accommodate cultural events and contains high quality play facilities for children.
- 163 The council is improving coastal protection in Folkestone and Hythe. The council is managing a £12 million scheme to protect low-lying settlement on the coastal strip between Hythe and Folkestone Harbour. Work has begun to construct rock headlands and the beaches will be built up with additional shingle. This scheme is important to local residents as flooding of properties has occurred in the past and climate change is resulting in higher sea levels and more frequent severe storms.

- 164 The council has maintained good performance in the speed of determining planning applications. The council has, for a number of years, been among the best performing councils in England for its speed of dealing with planning applications. Despite current shortages of staff, the council is performing in line with the government's standards for speed of determining major, minor and other planning applications.

Does the council help keep the locality clean?

- 165 There is a high risk of service or function failure and/or poor outcomes.
- 166 The council has encountered some difficulties in contributing to the development of a waste strategy at a county level. The original county strategy contained a plan to develop a solid waste recovery facility at Shelford Farm in Canterbury. It was planned that this materials recovery and gasification plant would initially receive waste from Dover and Shepway districts. However, this plan is not now being progressed and, as a result, the waste management infrastructure for East Kent is underdeveloped. The council is working through the Waste Management Forum for Kent to help produce an up to date strategy for East Kent although its current plans for dealing with waste in Shepway are being developed independently of other districts.
- 167 The council has not met its current statutory recycling targets and it is not certain that it will meet its 2005/06 statutory targets. The government set the council targets to recycle or compost 24 per cent of household waste by 2003/04 and 36 per cent by 2005/06. In 2002/03 the council recycled 15 per cent of household waste – above average for councils in England. The council improved its recycling performance to nearly 20 per cent by the end of 2003/04 (unaudited data) but this was below the government set target. The recent introduction of a green waste collection service to 12,000 properties may raise performance to 24 per cent in 2004/05. The council has further plans to introduce a weekly kerbside collection of dry recyclable materials. This scheme could be rolled out across the district from January 2005. It could potentially raise recycling levels to above 40 per cent. However, there are a number of uncertainties in the plan including: availability of increased revenue funding; acceptability of fortnightly residual waste collection to the public; provision of an additional works depot; and short/long-term waste collection costs – within and beyond the life of the current contract.
- 168 The public is not satisfied with street cleaning in Shepway. In 2000/01 public satisfaction with street cleaning in the district was below average for councils in England. Although satisfaction levels were slightly higher in a survey in late 2003 (un-audited figures), the survey also showed that residents thought that the standard of cleaning had got worse over that three-year period.
- 169 Standards of street cleaning are not consistent across the district. The council has been aware of this problem for a number of years but has failed to improve the situation. For example, the council's best value review of public protection in 2000/01 recognised a problem of large amounts of litter in one of its own car parks. The council has not addressed the issue. Three separate services have an interest in cleaning the litter from Payers Park but none have taken responsibility for cleaning it – all believing it should be addressed by another service. This is an illustrative example of poor cross service working within the council. The council has achieved some success in cleaning up private land.

The environmental health service has enforced clean up of 21 private properties that contained large amount of waste that were visually intrusive and a potential health hazard. Overall, the result is continued poor appearance of parts of Shepway, and this is of importance to both residents of, and visitors to, the district.

- 170 The council's standards for the speed of fly-tip removal are poor. The council states that it will remove urgent fly-tips within two days and other fly-tips within five days. These standards are poor as the best councils clean up fly-tips in less than a day. In May 2003 it introduced a new computer software system to help manage street cleaning performance. This monitoring information (un-audited) shows very poor performance against the council's own internal standards for dealing with fly-tips, bulky items, cleaning issues and fridge/freezers. The council is not using this monitoring information to improve its own performance.
- 171 Residents' satisfaction with the council's waste collection service has risen significantly in the last three years. In 2000/01 satisfaction with the council's waste collection service was below average for councils in England. Since then the council has improved the service by introducing a wheeled bin service. Satisfaction in 2003/04 (un-audited figures) has risen significantly with a large proportion of the residents surveyed believing that the service has improved over the three-year period.
- 172 The council performs well in minimising the amount of household waste collected. In 2002/03 the council collected 347kg of waste per head of population and this was among the best performing 25 per cent of councils in England. It is important to the environment, and to the cost of waste management, that the amount of waste is kept as low as possible. When the council introduced a wheeled bin waste collection, it chose a smaller 180-litre bin to encourage waste minimisation. It also does not collect side waste – waste left out in addition to that in the wheeled bin. The council actively promotes waste minimisation through involvement in Kent wide campaigns, work with 30 local schools and over 80 presentations to the community each year.

Does the council work with partners to improve community safety?

- 173 There is a low risk of service or function failure and/or poor outcomes.
- 174 The council works well with partners to reduce crime and disorder in Shepway. The council's community safety officer provides support and a degree of leadership to the crime and disorder reduction partnership (CDRP) and that work is highly regarded by partners. The council provides a co-ordinating and support role to the five action groups of the CDRP. This assists effective crime reduction activities to take place in Shepway.
- 175 The council co-ordinated the production of an effective community safety strategy that is supported by detailed action plans. The strategy addresses a mixture of nationally and locally important issues. Five action groups support the five key objectives of the strategy and these groups have produced detailed action plans relating to: town centre crime and disorder; drugs and alcohol; quality of life, domestic violence and crime and disorder in East Folkestone. The council provides a lead on the town centre and quality of life action groups. In addition, the CDRP runs a number of Home Office funded community safety projects and the council provides administrative support for these initiatives.

- 176 The council has worked with partners in the CDRP to undertake many successful initiatives to reduce crime and disorder in Shepway. The CDRP action plans and home office funded projects have resulted in many successful initiatives that have addressed crime and disorder in Shepway. Some examples of successful projects that provide direct benefits to the community include:
- ◆ an anti-social behaviour tasking group and multi-agency action programme, linked to a joint family management programme (a locally developed initiative, subsequently rolled out across Kent);
 - ◆ the appointment of five rural wardens in partnership with Kent County Council;
 - ◆ the production of a domestic violence information pack and high profile campaign to highlight the issue; and
 - ◆ cross-service working within the council to address car racing in Folkestone town centre and area cleaning/abandoned vehicle removal as part of operation cubit plus.
- 177 The CDRP has achieved a significant reduction in crime in Folkestone town centre. An issue of particular importance to people in Folkestone was the level of crime in the town centre. The council has contributed to achieving a significant reduction in town centre crime through its support for the Folkestone area partnership against crime, use of CCTV and support for related initiatives such as project 'crystal clear' (aimed at reducing alcohol related violence) and the 'drink spike campaign' (date rape awareness and prevention).
- 178 The council, in partnership with the CDRP, has made some progress towards meeting crime reduction targets. Crime statistics for Shepway show a mixed picture with Shepway generally showing improvement and on track to meet national performance targets. Information for the period 2000/01 to 2002/03 shows an overall reduction in burglaries, theft from motor vehicles and sexual offences with a slight rise in robberies and larger rise in violence against the person. Recent un-audited figures for the rest of 2003 show a reduction in violent crime and domestic burglaries.
- 179 The crime and disorder strategy lacks clear targets. Although the strategy identifies overall objectives it does not give detailed measures for the improvements it is trying to achieve for the community. Monitoring progress of the CDRP action teams is not consistent. The council monitors Home Office funded projects well, but has been lacking in resources to provide consistent monitoring against the action plans that support the community safety strategy. As a result, there is an incomplete understanding of the progress of all the action team, and hence where important improvements for the community may not have been carried out.
- 180 The council has not set clear priorities in its community safety work. The council is contributing to a large number of CDRP projects but priorities within these have not been established. There is concern amongst staff and partners that too much is trying to be achieved at once – so not all projects get sufficient attention. It is important to establish crime and disorder priorities as resources are limited and efforts need to be focussed to ensure that the most important issues are effectively addressed.

- 181 Community safety is not effectively mainstreamed through all council services. Despite some recent examples of cross service working on anti-social behaviour and area clean up, not all services contribute effectively or consistently to community safety in Shepway. For example, the housing service did not contribute to a recent area clean-up in East Folkestone. The council recognises the problem but resource limitations have not yet permitted a comprehensive audit of this issue or the production of guidance for officers across the council.
- 182 The council is weak on addressing the community safety needs of all vulnerable people in Shepway. The CDRP has an action group on vulnerable groups but in practice the group is focussed only on domestic violence. There has been some recent work to set up a hate crime helpline and the council gives support to the reporting of racial incidents and the bogus caller nominated neighbour scheme. However, there is limited knowledge of, and engagement with, hard to reach and vulnerable groups.
- 183 The public perceive that crime in Shepway has got significantly worse in the last three years – even though crime figures do not show this. The CDRP undertakes some actions aimed at reducing people’s fear of crime but this is not done in a co-ordinated way. It is important that, as well as reducing levels of crime, people also feel safe and are able to enjoy an active life in Shepway.

Does the council contribute to activities to positively engage children and young people?

- 184 There is a high risk of service or function failure and/or poor outcomes.
- 185 The council has identified young people as a priority area but acknowledges that its policy and actions in this area are not well developed. The council undertook a QIP between May and September 2003 and reviewed its work for young people in Shepway. The review concluded that policies in this area were under-developed and that the council was not effectively improving facilities for young people in a co-ordinated way.
- 186 The council does not have a comprehensive understanding of the needs of young people across the district. The council asked a number of secondary school pupils about their needs as part of the QIP in 2003 but most of the results have not yet been fully analysed. The council does not have in place any effective mechanisms to obtain the views of young people across the district. As a result the council does not have a clear understanding of young peoples needs or their desires for improved facilities.
- 187 The council’s approach to child protection is poor. The council does not have a child protection policy in place. It has not carried out a training programme for all staff and councillors who may interact with children as part of their work. The council relies on the fact that many of its partner organisations have child protection measures in place. The council does not provide child protection advice or training for any of its partner organisations or community groups.
- 188 The council is weak at supporting the provision of facilities for young people throughout Shepway. The council has not been pro-active, with partners in developing facilities for young people across the district.

For example, Hythe Town Council helped provide a new skateboard park - without the active support of the district council. Also, the council is not evaluating needs, or considering provision of facilities, for young people in the villages in the north of the district.

- 189 The council has undertaken a number of projects that benefit children and young people. Despite the lack of a co-ordinated approach, individual service areas - notably community safety and regeneration - have achieved some practical improvements for young people. Examples of achievements by these services include:
- ◆ funding for crime reduction education in schools;
 - ◆ development of St Saviours community centre; and
 - ◆ support to develop Cafe IT – a town centre youth centre with training, recreation and employment opportunities.
- 190 The council has taken a lead in developing 'early years' facilities and support. The council built an 'early years' centre in central Folkestone as part of the Believing in Folkestone regeneration project. The council is also facilitating the Sure Start project in Shepway. This will provide three further early years facilities at Hawkinge, Lydd and East Folkestone. For example, the George Spurgen Sure Start Children's Centre in East Folkestone will, from April 2004, provide a nursery, crèche, café and social facilities as well as a full range of health and social services. These services are provided by a partnership between Sure start, Kent County Council, the Shepway Primary Care Trust and Shepway District Council.
- 191 The council has appointed a youth officer as part of new community engagement team. This reflects its commitment to making young people a new priority area for action.

Summary of public space diagnostic assessment judgements and strengths / weaknesses

Area of focus	Grade	Strengths	Weaknesses
How well does the council contribute to the management of the physical environment?	c	<ul style="list-style-type: none"> • Understanding of local context with short-term plans • Care for the physical environment • Public satisfaction with parks • Coastal protection works • Speed of planning decisions 	<ul style="list-style-type: none"> • Limited supplementary planning guidance • Under-developed plans for sustainable communities • Falling quality of development control service • Weak environmental enforcement • Lack of a corporate approach to environmental management • No implementation plan for DDA
Does the council help keep the locality clean?	c	<ul style="list-style-type: none"> • Satisfaction with waste collection • Improved standards of recycling • Waste minimisation work and achievements 	<ul style="list-style-type: none"> • Lack of engagement on county-wide waste strategy • Uncertainty about meeting statutory recycling targets • Low public satisfaction with street cleaning • Inconsistent standards of street cleaning • Poor fly tip response standards
Does the council work with partners to improve community safety?	b	<ul style="list-style-type: none"> • Partnership working • Crime reduction strategy supported by detailed action plans • Many successful practical initiatives • Reduction in Folkestone town centre crime • Some progress on crime figures 	<ul style="list-style-type: none"> • Lack of clear targets in CDR strategy • Lack of clear priorities • Weak mainstreaming • Weak on BME and hard to reach groups • Public perception – significantly worse in last three years
Does the council contribute to activities to positively engage children and young people?	c	<ul style="list-style-type: none"> • A number of SRB and CDRP projects have had benefits for young people • Council provides the lead to facilitate Sure Start activities • Plans to appoint a youth officer 	<ul style="list-style-type: none"> • Council priority area but not well developed • Lack of comprehensive needs assessment • No child protection policy • Lack of council facilitation of the provision of facilities for young people
Public space diagnostic assessment judgement			C

Scoring key

For each of the key areas looked at within the diagnostic assessments **the need for improvement**, based upon the risk of service failure and poor outcomes, is identified using the following scale.

a = very low

b = low

c = high

d = very high

Appendix 3 - Appointed auditor assessment

192 Appointed auditors are asked to score five areas which relate to the statutory code of audit practice. When scoring each area a range of issues are taken into account. These issues and the score that has been given in each area are set out in the table below.

Area for auditor judgement	Grade	Issues included in this area
Financial standing	3	Setting a balanced budget Setting a capital programme Financial monitoring and reporting Meeting financial targets Financial reserves
Systems of internal financial control	4	Monitoring of financial systems An adequate internal audit function is maintained Risk identification and management
Standards of financial conduct and the prevention and detection of fraud and corruption	4	Ethical framework Governance arrangements Treasury management Prevention and detection of fraud and corruption
Financial statements	3	Timeliness Quality Supporting records
Legality of significant financial transactions	3	Roles and responsibilities Consideration of legality of significant financial transactions New legislation

Scoring key

1 = inadequate

2 = adequate overall, but some weaknesses that need to be addressed

3 = adequate

4 = good

Appendix 4 - Benefit Fraud Inspectorate assessment

193 The BFI has undertaken the assessment in this appendix as part of the CPA process. The assessment covers two aspects, the current level of performance and the council's proven capacity to improve. Each assessment is measured on a five-point scale (poor, fair, fair to good, good and excellent).

Current performance

194 Overall, we found that Shepway Council's benefits service was providing a fair towards Good performance and demonstrated a number of strengths. These included:

- ◆ a good working relationship existed with the portfolio holder;
- ◆ the benefits service's plans and objectives were aligned with corporate plans and objectives, with challenging targets set for three-year periods;
- ◆ well-established arrangements existed for partnership working both locally and Kent county-wide on issues such as benefits staff training and welfare benefits take-up;
- ◆ the council's performance management framework had been cited in 2001 as national good practice by the Improvement and Development Agency;
- ◆ significant improvements had been recorded in customer satisfaction in recent years;
- ◆ there was effective management checking of all benefits work;
- ◆ there was proactive landlord liaison with dedicated staff and telephone lines, regular newsletters and well-supported forums;
- ◆ a rolling risk-based three-year audit plan was agreed annually with external audit and approved by members;
- ◆ realistic targets were set for counter-fraud work including sanctions, with a high success rates in sanction applications;
- ◆ a specialist overpayments team had been set up, with clear rules and delegation for managing write-offs;
- ◆ there was an emphasis on the prevention of overpayments; and
- ◆ there had been significant improvements in managing overpayments following involvement of the BFI performance improvement action team.

195 However, there are some areas where Shepway Council needs to develop further to fully meet the Department for Work and Pensions' (the department) performance standards framework. These include:

- ◆ written procedures were not kept up-to-date and did not exist for all processes;
- ◆ there was no business disaster recovery plan;
- ◆ the Race Equality Scheme had not been effectively implemented;
- ◆ reasons for delays in dealing with claims were not being recorded or analysed to identify opportunities for faster processing;
- ◆ the accessibility of the service to people in work or with other special needs had not been evaluated;
- ◆ improving performance against the best value performance Indicators was not seen as a major driver for the benefits service;
- ◆ post-opening procedures were insecure and were not subjected to regular management checks;
- ◆ there was limited awareness of the opportunities for internal fraud and the actions required to combat it;
- ◆ we were told that overpayment recoveries could not be reliably assessed because of unresolved computer issues; and
- ◆ the computer system defaulted to claimant error, not local authority error, with possible subsidy implications if these claims are not being checked.

Proven capacity to improve

196 We assessed Shepway Council's proven capacity to improve as fair towards good. Shepway Council was able to demonstrate the following positive aspects:

- ◆ there was a good record of building effective partnerships and obtaining external funding to support them;
- ◆ written compliments about the improvements that had been achieved in recent years had been received from the department and from the Improvement and Development Agency;
- ◆ the council's performance management framework had been cited in 2001 as national good practice by the Improvement and Development Agency;
- ◆ a specific improvement project methodology had been developed;
- ◆ new posts had been established in the benefits service based on the business cases that included some that were to be self-financing from overpayment recoveries;
- ◆ there was proactive and co-operative working with landlords;

- ◆ the benefits computer system had been upgraded with no significant downtime or accuracy problems;
- ◆ a workflow management computer system, with document image processing, had been successfully implemented; and
- ◆ the benefits service had worked effectively with the BFI performance improvement action team to achieve significant performance improvements, particularly in the management of overpayments and the time to process claims.

197 However, the following areas led us to question the extent to which Shepway Council was able to prove its capacity to improve:

- ◆ the benefits service had not completed a full self-assessment against the department's performance standards and was not treating this as a high priority;
- ◆ although there had been significant recent performance improvements, these appeared to have slackened and current values for some best value performance indicators were still in the lower quartiles;
- ◆ there were no specific plans to address these performance weaknesses; and
- ◆ the ethos of best value was acknowledged, but did not appear to have become fully integrated into the day-to-day management and working of the benefits service.

198 This report was produced pursuant to powers contained in sections 10 and 11 of the Local Government Act 1999.

Appendix 5 - Framework for comprehensive performance assessment

- 199 This comprehensive performance assessment 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.
- 200 The main elements of the assessment were:
- ◆ a self-assessment completed by the council;
 - ◆ accredited peer challenge to inform the council's self-assessment;
 - ◆ a corporate assessment of the council's overall effectiveness in supporting services to deliver improvements;
 - ◆ an assessment of the council's service delivery performance through two diagnostic assessments on
 - ◆ management of public space; and
 - ◆ progress in meeting the decent homes standard;
 - ◆ BFI assessment of benefit services;
 - ◆ appointed auditor assessments of performance on each of the main elements of the code of audit practice; and
 - ◆ audited performance indicators, inspection reports and plan assessments.
- 201 The assessment for Shepway District Council was undertaken by a team from the Audit Commission and took place over the period from 29 March to 2 April.
- 202 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.