

REVISED DIRECTION OF TRAVEL STATEMENT

Director/Head of Department: Chief Executive
Report Author: Hilary Mitchell

Recommendation: 1) that Audit Committee notes the External Auditor's revised comments in the annual Direction of Travel Statement 2007/8; and 2) That the Committee requires an action plan to be created from the Direction of Travel Statement 2007/8 for quarterly monitoring at its meetings.

1. BACKGROUND

The Direction of Travel Statement is an annual progress report on the Council's development since the last Comprehensive Performance Assessment, which for Copeland took place in 2004/5. The Direction of Travel Statement is compiled by the External Auditor from information and evidence gathered over the year from a range of audits and inspections supplemented by evidence provided by the Council.

2. ISSUES TO BE CONSIDERED

The Audit Committee meeting on 20 February 2008 considered the Direction of Travel Statement presented by the External Auditor. Following lengthy discussion of the comments included in the Direction of Travel Statement, the Auditor agreed to review some of the points made, and to seek further information from the Council.

The attached revised Direction of Travel Statement is the result of that reconsideration.

The Council's next step should be to create an action plan

3. CORPORATE PLAN

A number of the targets in the Corporate Plan 2007/12 are included in the Direction of Travel Statement 2007/8.

4. BENCHMARKING

The Direction of Travel Statement for district councils is not scored by the Audit Commission, nor published, so it not possible to benchmark this report with other local authorities.

5. PUBLIC CONSULTATION AND PUBLICITY

Not applicable.

6. CONCLUSION

The Direction of Travel Statement provides an overview of progress from the External Auditor to the authority. The Statement is important in that it provides pointers towards the areas for improvement that the Council needs to make. Developing an action plan containing the areas for improvement is the next step and will allow progress to be recorded and recognised.

List of Appendices : Direction of Travel Statement 2007/8 (revised)

List of Background Documents:

List of Consultees: Corporate Team , Audit and Fraud Manager

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	Covered in Direction of Travel Statement
Impact on Sustainability	Covered in Direction of Travel Statement
Impact on Rural Proofing	Covered in Direction of Travel Statement
Health and Safety Implications	Not included
Impact on Equality and Diversity Issues	Covered in Direction of Travel Statement
Children and Young Persons Implications	Covered in Direction of Travel Statement
Human Rights Act Implications	Not included

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Summary of improvement progress	
<p>Key lines of enquiry (KLOE)</p> <p>1. What evidence is there of the council improving outcomes?</p> <p>1.1. Are services improving in areas the council has identified as priorities and areas the public say are important to their communities?</p>	<p>1. The Councils overall performance was below the average for all district councils, in terms of a selected set of performance measures for shared priorities and corporate issues, for 2006/07. The Council achieved only 19 per cent of these PI's in the top 25 per cent compared to an average of 33 per cent for other districts. In the past year (2006/07) there was a much broader base of improvement across the indicators, with 62 per cent of indicators showing improvement, which is above the average range for districts (56.9 - 59.1 per cent). This is better than the overall trend over the past three years, which shows one of the lowest progress trends for all district councils. However, in 2006/07 35 per cent of performance indicators deteriorated against the Council's performance in the previous year and nearly 70 per cent of indicators are in the bottom 50 per cent performance. Overall this indicates that some improvement is being achieved across a broad range of performance measures and this is better than in recent years, but the scale of improvement is too small to move performance into higher performing categories compared to other district councils.</p> <p>2. The Council's 5 Year Corporate Plan provides a framework of objectives for the Council. There are three key themes included within plan 2007-2012 being, effective leadership, achieving transformation and promoting prosperity. The plan provides a commitment to ensure that delivery of the annual priorities are properly resourced and achieved as planned.</p> <p>3. The Council is reporting that it is on track to achieve its job creation targets having already supported the creation of 2,050 jobs in Copeland, with a target of reaching 5,000 between 2002-2010. The increased need for jobs has arisen in response to the planned decommissioning of the nuclear industry. Copeland has recently reached agreement in principle with the nuclear industry that they will contribute towards an independent fund intended to support community objectives in the longer term to recognise towards an the borough gives to the nation by hosting the low level waste repository.</p> <p>4. The 'Economic assessment 2007' shows that wage levels in Copeland are 115 per cent of the national average. However the Business Survey 2007 reported there are still a number of vacancies that remain</p>

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unfilled with the number job opportunities exceeding the availability of local people looking for work by approximately 3,600.

5. However, Copeland has a higher unemployment rate than the average for Cumbria, being the second highest behind Barrow. Also, 38% of local businesses experienced difficulty with recruiting people with the right skills, which is similar to other areas of Cumbria.

6. In respect of the indicators that cover waste collection and recycling, the Council has continued to achieve overall improvement in this area but this has been below the average improvement achieved by all single-tier and district authorities in the last three years. The amount of waste being collected is decreasing, and Copeland's performance has improved and moved out of the bottom 25 per cent in the last year.

7. The Council has extended recycling facilities at two key recycling sites within the borough in order to enable residents to recycle a wider range of waste. In addition the Council has used funding from the Cleaner Safer Greener initiative to promote recycling within the most deprived areas, which has contributed to a 10 per cent increase in the amount of recycling and an 18 per cent reduction in the amount of waste being collected for landfill in these specific areas. Recycling and composting has shown year on year improvement, but it is in worst 25 per cent for the percentage of the population served by a kerbside collection of recyclables. Satisfaction with waste collection has fallen between the two surveys, and remains in the worst 25 per cent performance, and the same applies to satisfaction with recycling. The Councils information on the cleanliness of the local area in terms of litter, graffiti and fly tipping did not comply with the required definition and the Council is not able to accurately evaluate and compare its performance on this key measure. The Council reports that corrected information is shows good performance levels in 2007/08.

8. The Council was identified as a council that failed to meet national minimum standards for the processing of major applications. The Council established a working group to look at the whole of the development control service and has shown strong improvement over the last year, but performance is still weak overall compared to all other councils. The Council remains worst 25 per cent performance for Major and Minor planning applications and bottom 50 per cent for 'others'. The national performance target for dealing with minor planning applications was not achieved in 2006/07. The Council failed to meet the milestones which the Local Development Scheme sets out. The authority is in the worst 25 per cent for

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	<p>the planning quality of service checklist, and has been in this category for the last three years.</p> <p>9. Performance against the checklist of enforcement good practice for environmental health service has improved this year and has now moved out of the worst 25 per cent. The Council reports further progress in 2007/08 to good performance levels.</p>
<p>1.2. What contribution is the council making towards wider community outcomes?</p>	<p>10. Copeland remains a relatively low crime area and achieved a further reduction in total crime of over 13 per cent in 2006/07 (as measured against the British Crime Survey crime categories). However, crime is not being reduced to the same degree during 2007/08 as some damage and violent crimes have shown an increase over the same period last year. The overall evaluation, at December 2007, is that the prospects for achieving the national crime reduction target, is poor. In the context of a relatively low crime area this is not a major cause for concern. There has been a focus on reducing crime levels within the most deprived communities. The CDRP has reported that they have achieved their 15 per cent reduction target a year earlier than predicted within the priority locality areas. This includes a slight reduction in the violent crime BVPI. This success is due in the main to the introduction of the Police Community Support Officers and also the 'Nightsafe' and 'Pub Watch' schemes.</p> <p>11. The Benefits service came out of special monitoring arrangements by DWP in June 2007, and the performance indicators have shown improvement. There was a sharp deterioration in the processing speeds for housing benefit claims during 2005-06 and for 2006/07. However, the latest performance monitoring does show that processing speeds and change of circumstance amendments are improving significantly during 2007/8, but are still behind the average for other districts. The Council remains in the worst 25 per cent nationally for the 2006/7 year. The Council does however achieve best 25 per cent for recovering overpayments.</p> <p>12. After successful lobbying, by the Council the Lillyhall/Parton bypass is under construction and will be completed in 2008 to improve transport links for businesses, residents and visitors in Copeland.</p> <p>13. In July 2007 parks and open spaces in Copeland were awarded four Green Flag awards and three Green Heritage awards, following partnership working between Copeland Borough Council's Open Spaces Unit, local community groups and friends of parks groups. Whitehaven was also awarded a Britain in Bloom silver award.</p> <p>14. There are clear difficulties in balancing the local housing market to local demand. The numbers of low</p>

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	<p>demand housing has decreased in the last year, after increases in previous two years. The percentage of new homes built on previously developed land is in the worst 25 per cent and has been for the last four years. The largest regeneration initiative is the Housing Market Renewal (HMR), but this is exclusively the responsibility of West Lakes Renaissance and any strategic input by Copeland in determining priorities appears to be largely excluded. No affordable dwellings have been reported as completed/acquired during the period 2003/04 to date.</p>
<p>15. The planning agenda is similar, in that the focus on building executive homes ignores essential issues around the creation of mixed communities and delivery of affordable housing of an acceptable standard, which engagement from an effective strategic housing team would bring. The ability of the Council and its partners to appropriately re-house people that lose their homes is still limited and waiting times in temporary accommodation can become extended. Average length of stay in B&B accommodation has fallen into the worst 25 per cent in 2006/07. Vulnerable groups such as the elderly, or other groups that experience difficulties, ex-offenders and recovering drug users, still face problems in obtaining appropriate housing.</p> <p>16. The Council has not signed up to the 'Nottingham Declaration' that is concerned with tackling environmental improvement and responding to climate change. The Council has also not developed of a full range of clear objectives, baseline information on CO2 emissions and improvement targets in support of the environment.</p>	<p>1.3. To what degree is the council improving both access and the quality of service for all its citizens focusing on those who have been 'hard to reach' or previously excluded?</p>
<p>17. The Council has prioritised social inclusion, but has made limited progress in developing its approach to ensuring all of its policies and activities promote equality of opportunity for minority and other groups that may be disadvantaged. The overall objectives for social inclusion have been formalised within a new policy in January 2008.</p> <p>The Council has remained level 1 of the local government equality standard while 71 per cent of all councils had achieved Level 2 or above during 2006/07. There was no further progress in its duty to promote race equality and so this has not kept up with the rate of progress at other councils. Training for staff and members has been undertaken and Equality Impact Assessments are in progress and the council expects to achieve level 2 of the standard in March 2008.</p> <p>18. The results of the 2006/07 user satisfaction survey have deteriorated and the Council is in the worst 25 per cent nationally, and showed the largest reduction in satisfaction for Cumbria Councils. The Council now aims to carry out the same survey annually to assess user satisfaction through its 'Customer First'</p>	

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	<p>team. The team have been responsible for producing the A-Z of services and the introduction of plastic recycling in response to customer demand. The Council has now developed Customer Service Commitments and these now need to be well communicated and performance monitored.</p> <p>19. The Council set a target to make all public building accessible to people with disabilities by 2006-07 but has not achieved this target.</p> <p>20. A concessionary travel scheme is in place to provide free travel countywide to those groups selected for entitlement, improving access to services for disadvantaged groups</p> <p>21. The Council and the LSP have recognised the need to use more detailed information at a neighbourhood and ward level to assess if activity is having greater impact in the most deprived areas. Performance review and service information is not currently supplemented with analysis by neighbourhood or by vulnerable groups in communities to inform policy or service planning.</p> <p>22. There are good Leisure initiatives to improve participation in sport and leisure, the Council has worked with Leisure Copeland to introduce the Copeland Access to Leisure card (CAL Card) in April 2007. This scheme provides concessions across a range of leisure facilities in Copeland, and aims to reduce the cost of regular access to leisure facilities for all residents. The Council is also working with partners to improve access to services for groups that have been identified as being previously excluded. In September 2007 a sports club specifically tailored to meet the needs of young people with Special Needs was launched in partnership with Leisure Copeland. The Council has also worked with Job Centre Plus to develop a year-long arts project entitled Pathways to Art, which aims to reduce the social exclusion of Job Centre Plus and in particular Incapacity Benefit customers through visual and performing arts classes.</p> <p>23. Copeland is the first area to participate in the TV switchover to digital and the Council have worked closely with Digital UK during this process. A Stakeholder Group was convened to oversee the transition, with the voluntary sector and hard to reach groups involved. Attendees also included registered social landlords, Cumbria County Council, The Whitehaven News and Age Concern with the aim of protecting the interests of the community during the switchover period.</p> <p>24. The Council has improved its position in comparative costs so that it is not significantly higher than other councils, but this has not been matched by improvements in the relative performance of services as noted above (KLoE 1.1) in the comparison of a selected set of performance measures for shared priorities and corporate issues, for 2006/07</p>
<p>1.4. Is value for money improving as well as quality of services?</p>	

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25. Service improvement has been variable and there are areas of slow progress. The Council is identifying areas of under-performance and is investing in these activities.
26. The capital programme is well monitored and generally satisfactorily managed. The new corporate plan should ensure better links to priority areas in the future.
27. The Council is starting to develop information on costs and comparative information. However, this is not yet used in a comprehensive manner to review VFM within services and corporately. Information on the quality of services and the experience of users and communities is not integrated into reviews of service effectiveness.
28. Efficiency savings are being achieved and there are processes established to generate plans for future efficiency gains.
29. Procurement arrangements are developing through a review process. The commitment to collaborative projects, for example through the Cumbria procurement initiative has started but this is yet to make a significant impact.

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Summary of improvement progress	
<p>Key lines of enquiry (KLOE)</p> <p>2. How much progress is being made to implement improvement plans to sustain future improvement?</p> <p>2.1 Does the council have robust plans for improving? (Aligned with other plans, SMART¹, detailed, resourced, agreed and widely communicated?)</p>	<p>30. The Council has been heavily involved in leading the development of a Masterplan in West Cumbria to manage the planned future after Sellafield is decommissioned. The public's concern about possible social and economic decline has fed into the major plans for the area. New governance arrangements have been agreed for the West Cumbria Strategic Forum and the Masterplan delivery plan is now developed in draft. Copeland's delivery plan is being revised to match this plan.</p> <p>31. The Council continues to consult widely with its partners on priorities and a joint vision and the Corporate Plan in particular had significant input from stakeholders.</p> <p>32. Copeland Borough Council works jointly with the West Cumbria Strategic Partnership (WCSP) to develop performance measurement. The WCSP Performance Group was set up to monitor service levels in localities with the highest levels of deprivation. The Group ensured that resources were successfully targeted to narrow the gap in Whitehaven and Cleator Moor. The Council reports improvement in these neighbourhoods.</p> <p>33. The Council consulted the wider community on how the Beacon museum and the Museum Service could be improved and the Councils partners managed to secure £2.2 m external funding for refurbishment.</p> <p>34. A Parish Charter for Copeland has been agreed between Copeland Borough Council, Cumbria County Council, the Lake District National Park Authority and the local councils in Copeland. It is hoped that the charter will provide a better framework to enable the parishes to respond to community aspirations and local priorities.</p> <p>35. The Whitehaven Regeneration Group is in operation, and the Council continues to work with all its' regeneration partners.</p>

¹ Specific Measurable Achievable Realistic and Timed

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<p>2.2 How well is the improvement planning being implemented: are key objectives and milestones being achieved?</p>	<p>36. The corporate plan includes a key priority to 'influence responsible bodies to improve the level of skills and qualifications of local people'. However, the monitoring against annual priorities (May 07) showed that none of the targets with respect to this priority had been met by the target dates. This has been changed to 'We will work with partners to ensure that we have an adaptable, multi skilled workforce able to meet the needs of the future economy' in the 2007-12 Corp Plan'</p> <p>37. The Council has supported independent local regeneration partnerships in creating and developing own community based improvement programmes. This has resulted in significant financial support for regeneration programme management locally in those areas, seen through projects such as the redevelopment of Cleator Moor Co-Op which was officially opened on 16 August 2007. The conservation of a significant building in the middle of Cleator Moor for its new use is seen as an important step in ensuring that the town is able to develop economically.</p> <p>38. In Millom, there has been a variety of regeneration programmes, the major one being the Network Centre which was opened in January 2007. The Centre was set up to encourage an enterprise culture in Millom and provides local business support and training.</p> <p>39. The Council's performance management system (PMS) and was introduced in January 2007. The system is populated with Corporate Plan and Service Plan objectives, Audit Recommendations as well as BVPIs. The system is currently being updated with operational and strategic risks.</p> <p>40. Corporate Plan objectives are monitored quarterly through the new PMS with reports going to Corporate Team and Executive. Three Corporate Management Boards have been set up to help deliver the new 5 year Corporate Plan. The deputy leaders are responsible for each of the three themes in the Corporate Plan.</p>
<p>2.3 Does the council have the capacity to deliver its plans?</p>	<p>41. There is limited current capacity within certain functions and this is having a wider impact on the overall capacity within the Council as temporary reallocations of responsibilities and interim arrangements are put in place. There has been a significant loss of expertise and staff numbers from key functions. The Council is reliant on interim arrangements and support from other organisations but this position is not</p>

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secure beyond a very short term position.

42. Interim arrangements for key positions, such as the 'Head of Finance and Business' and the 'Acting Accountancy Services Manager' which have been in place for over six months already and will continue well into the new year pending a restructuring of the finance section. This could have a significant impact upon the Council's ability to produce accounts and associated working papers by the statutory deadline. The Council is currently scored at level one (below an acceptable standard) for financial reporting under the use of resources assessment. Although we have been informed that the role of Section 151 officer has been made part of an agreement to ensure this role will be covered irrespective of the potential changes to the current arrangements to cover on an interim basis the function of 'Head of Finance and Business' in addition the post of deputy S151 officer is covered by the 'Acting Accountancy Services Manager', who is a permanent member of staff.
43. In April 2007 the Council introduced a new financial reporting system that should give additional functionality and reporting options.
44. The recent Housing Inspection has highlighted a lack of capacity within the Housing Service which may impact upon the Council's ability to deliver future housing and other strategic plans.
45. The Council has suffered from relatively high sickness levels and while days lost to sickness in 2006/07 has shown improvement from last year (15 days in 2005/06 to 13 days in 2006/07), it remains in the worst 25 per cent. A new policy for Absence and Sickness has been agreed and Occupational Health provision has improved and managers are being trained to manage their section's sickness absence more effectively. However, the fact that sickness levels remain relatively high also impact upon the Council's capacity which is already stretched.
46. The Council's planning for its future staff resource needs is not developed sufficiently to inform the medium term financial plan and improvement plans of the Council. The potential impact of future service delivery models, shared services and other strategic procurement options on staff skills and job roles has not been evaluated. The capacity of partners and contractors to support improvement plans over the medium term is yet to be incorporated into medium term planning.

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	<p>There are plans to substantially increase the staff training budget for 2008/09. Opportunities for apprentices and trainees within departments should increase through this budget alongside structured development opportunities to support staff in developing the skills to take on more demanding jobs that are proving difficult to recruit for.</p> <p>47. The Council has been awarded accreditation to the North West Employers' Organisation Member Development Charter. Accreditation was one of the Council's key corporate objectives helping Members identify their training and development needs. The Council has also delivered a joint induction programme for new Councillors in May/June 2007 in partnership with Allerdale Borough Council, and is exploring other opportunities for joint training with Allerdale and other authorities in Cumbria.</p> <p>48. The Council has recently secured funding for the Community Fund, following negotiations with the Government to recognise the service the Borough provide to the nation by hosting the Low Level Waste Repository near the village of Drigg. The Government will pay £1.5million a year into the fund for every year that the repository is operating; in addition to an initial endowment of £10m, which would start the fund off. The details of how the fund will operate, and how payments are to be made, still need to be finalised. However, the overriding principle will be that that the fund is managed to provide a benefit to the residents of Copeland.</p>
<p>2.4 Are there any significant weaknesses in arrangements for securing continuous improvement or failures in corporate governance that would prevent improvement levels being sustained?</p>	<p>49. The Council failed to implement a Pay and Grading review in accordance with the national agreement timetable. At present the Council can not be assured that it has a fair and equitable pay structure that will support wider pay and workforce plans to meet the future needs of the organisation. The Council has completed the first phase of the review and will work through the arrangements for implementation during the summer towards having a pay and grading structure agreed and in place by the end of 2008/09.</p> <p>50. The Council introduced a new ledger system from April 2007 and the turnover in financial staff and lack of continuity represents a continued significant risk to the Council.</p> <p>51. The Council does not have sufficient capacity to effectively monitor and control current grant funding, particularly when acting as accountable body for arms length organisations. This has resulted in a number of claims being qualified and grant funding being reclaimed from the Council. In addition this lack of capacity restricts the Councils ability to apply for and attract new external grant funding.</p>

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52. For the second year running the Housing Benefit claim has had to be qualified, even after the Council had carried out extensive additional testing. Capacity within the Housing Benefits service continues to be a problem particularly at supervisory level. The Council has agreed to buy in staff/supervisory input from Carlisle City Council on an interim basis, with a view to evaluating it for a long term agreement.
53. The Council does not currently have a robust tested Business Continuity Plan (BCP) in place. All services are currently developing their individual BCP's and the Council hopes to have a final comprehensive BCP in place by the end of the year. This will be fully tested in February 2008.