

Corporate Assessment Report

June 2006



Corporate Assessment

Milton Keynes Council

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Introduction

- 1 Comprehensive Performance Assessment (CPA) is the means by which the Audit Commission fulfils its statutory duty under Section 99 of the Local Government Act 2003 to make an assessment, and report on the performance, of local authorities. Corporate assessment is one element in the overall assessment that leads to a CPA score and category.
- 2 The purpose of the corporate assessment is to assess how well the Council engages with and leads its communities, delivers community priorities in partnership with others, and ensures continuous improvement across the range of Council activities. It seeks to answer three headline questions which are underpinned by five specific themes.

What is the Council, together with its partners, trying to achieve?

- Ambition
- Prioritisation

What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?

- Capacity
- Performance management

What has been achieved?

- Achievement

Considered against the shared priorities of:

- sustainable communities and transport;
- safer and stronger communities;
- healthier communities;
- older people; and
- children and young people.

- 3 Corporate assessments are normally aligned with a joint area review of services for children and young people (JAR). In practice this means that the Council's achievements in relation to children and young people are assessed using the evidence provided from the JAR. In addition, examples of outcomes and activity, which are relevant to the other themes and which are identified through the JAR, are considered within the corporate assessment.

- 4 The JAR covers all services for children and young people that are directly managed or commissioned by the Council, as well as health and youth justice services provided by other bodies. It focuses on the contributions made by services to improving outcomes. The separate JAR report covers the leadership and management of services for children and young people and, in particular, the way that such services work together to improve outcomes. The description and judgement in respect of children and young people in this report is summarised from the JAR report.

Executive summary

- 5 Overall the council is performing well, consistently above minimum requirements. Milton Keynes Council, with its partners, has a bold set of ambitions to successfully manage the continued growth of the city to the point where in 2032 it will be one of the ten biggest cities in the country. Their vision is for an economically strong city with a good environment and a cohesive community. This vision is founded on a good understanding of the national and regional context.
- 6 The Council has been an effective community leader in the shaping of the vision and the subsequent planning of its implementation. The Council has strongly exercised this role through the active promotion of the city's intended growth and ensuring that local people have been able to influence how it will happen. The Council has a strong culture of partnership working which provides a good understanding of local need. However, as result of the Council ensuring that local people are sufficiently involved in discussions for the growth of the City, there is a strained relationship with English Partnerships, the key partner responsible for city expansion.
- 7 The population of the city is rapidly becoming more diverse. The Council is engaging with the new communities, but it has not yet won the confidence of a few elements of the community notably some BME groups. The Council's approach to diversity is not yet embedded and evident to local minority communities.
- 8 The Council's own priorities are robust and consistent with the overall vision and focus on the things that the Council needs to achieve. Priorities are recognised by partners and many are actively shared. A variety of processes such as the Council's medium term planning process are helping to deliver the Council's priorities.
- 9 The Council has several approaches to value for money which taken together across the organisation constitute an adequate approach, but there is potential for a stronger application of these principles. Its medium term planning process enables the Council to move resources in support of its priorities. Some services have avoided expensive late interventions in emerging problems by successfully engaging with the problems at an earlier stage at lower cost. One service area has successfully used 'system thinking' techniques to improve service performance and efficiency.
- 10 The Council has adequate capacity to deliver its priorities but is stretched by the requirements of handling rapid growth alongside its own public service change agenda. However, the Council's capacity is considerably enhanced by the strong local network of community and voluntary organisations and a strategic business partnership with Hyder Business Services (HBS).
- 11 The Council's financial standing is adequate. Through effective partnership working it has secured sufficient resources for the infrastructure to support growth, in particular, through innovative use of planning powers.

- 12 The Council's strategic management of staff is improving. However, despite some significant improvements in some service areas there is not a strong and universal culture whereby its customers are placed at the heart of service delivery.
- 13 The cabinet is strong and the overall political management of the Council is adequate. However, a weak approach by councillors to the scrutiny of the Council's performance, combined with the style of some elements of the opposition, means that there is insufficient constructive challenge to the cabinet.
- 14 The Council has established a corporate performance management framework that is starting to become embedded across the organisation. But there is not yet a strong and consistent performance management culture. The Council and its partners have established a set of baseline measures for the Community Strategy and are developing the performance management framework for the local strategic partnership (LSP). The Council is learning from its experience.
- 15 The Council, with its partners, can demonstrate consistent and significant achievement across the shared priorities. Together they have made progress in areas important to local people against social, economic and environmental agendas. This achievement must be set against a background of continuous population growth and a population that is increasingly diverse. The achievements demonstrate a strong, positive attitude to growth and a willingness to work with developers to shape the city's growth in line with the Council's and LSP's well developed ambitions for the area.

Areas for improvement

- 16 The Council needs to improve in four areas:
 - its relationships with an increasingly diverse community;
 - customer care;
 - performance management; and
 - the use of scrutiny and overview.
- 17 For the first three areas the issue is generally not one of a lack of systems or processes but the way in which they are operated by councillors, managers and staff. They are about the culture of the Council. The fourth area requires the development of better processes for linking the review of performance to the development of policy and the better engagement of councillors in these processes.
- 18 The Council has some effective processes for engaging with its increasingly diverse community, often working with key partners. However, while the engagement itself is positive, some communities are not confident that the Council has heard and is acting on what they have said. The Council should develop the dialogue so that it can communicate better how community views have been factored into decisions and what has changed as a result.
- 19 Some of the recent changes to parts of the organisation (for example, the service changes in Revenues and Benefits and the MK Direct one stop shop) show what can be achieved to improve the experience of customers. These changes in attitudes of staff and managers need to be transferred to the remainder of the organisation at all levels.
- 20 The Council has sound performance management systems and processes; however, they are not producing the necessary degree of continuous improvement. There is not a consistently strong performance management culture across the whole organisation. The Council needs to develop a more rigorous corporate culture of challenging its performance and costs, and to turn that challenge into clear actions and timescales.
- 21 The Council needs to strengthen the way in which the scrutiny and overview functions operate. Scrutiny should play a more consistently explicit role in oversight of performance, especially in the Council's priority areas. The Council needs to strengthen its scrutiny of the pace of change and the capacity to deliver it. That challenge to performance can then provide a more structured basis for the policy development role. This will also set a strong tone for the rest of the organisation.

- 22 The style of political engagement operated by elements of the opposition is not helpful to the Council as a whole. A change of style, combined with a more systematic and results-focused approach to scrutiny and overview, would offer greater challenge to the cabinet. It would provide a stronger approach to performance management of the Council. It would also strengthen the role of the whole Council as a community leader and offer scope for the robust debate of legitimate political differences. Development of this approach is a matter for all councillors not just those in opposition.

Summary of assessment scores

Headline questions	Theme	Score*
What is the Council, together with its partners, trying to achieve?	Ambition	3
	Prioritisation	3
What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?	Capacity	2
	Performance management	2
What has been achieved?	Achievement	3
Overall corporate assessment score**		3
*Key to scores		
1 – below minimum requirements – inadequate performance		
2 – at only minimum requirements – adequate performance		
3 – consistently above minimum requirements – performing well		
4 – well above minimum requirements – performing strongly		

**Rules for determining the overall corporate assessment score

Scores on 5 themes	Overall corporate assessment score
Two or more themes with a score of 4 None less than score of 3	4
Three or more themes with a score of 3 or more None less than score of 2	3
Three or more themes with a score of 2 or more	2
Any other combination	1

Context

The locality

- 23 Milton Keynes is a new city situated halfway between Birmingham and London. The city is set within a rural area, some of which is administered by the Council. The city is well served by strategic transport links being on the West Coast main railway line and M1 motorway and near to regional airports at Birmingham and Luton. It is within the South East Government Office region, but adjoins the East and East Midlands regions.
- 24 The new city was designated in 1967. At this time, the population of 67,000 was concentrated mainly in three towns - Wolverton, Bletchley and Newport Pagnell, with some smaller towns and a number of villages. Since that time the population has grown more or less constantly and now 220,000 people live in the borough. Most live in the new city itself which has become a coherent urban area. The Council also administers the rural area north of the city towards Northampton, which includes the towns of Newport Pagnell, Olney, and many villages.
- 25 The city is unusual for the UK in that it is designed around a grid (approximately 1km spacing) of high speed roads. Within each 'grid square' are the residential, commercial and other developments. The development pattern is generally of low rise buildings at a low density, but in recent years the density of development has been increasing in line with national planning guidance.
- 26 The government's Sustainable Communities Plan has identified further major growth in the South Midlands (including parts of adjacent Northamptonshire and Bedfordshire) which will take Milton Keynes to a population of 320,000 by 2030. This is a very significant influence on the sub region.
- 27 Responsibility for the original development of the new city lay with the Milton Keynes Development Corporation, rather than with the Council. The Corporation put in place much of the infrastructure and oversaw the rapid and large scale growth during the 1970s and 1980s. The Corporation was wound up some years ago. Its assets, including much land and many buildings within the city, are now managed by English Partnerships. This body, sponsored by central government, is now charged with developing the expansion of the city to 2032.
- 28 As with other new towns, Milton Keynes's initial population growth was by inward migration. Residents moved to the city from many parts of the country, but the largest proportion was from London. This pattern reflected one of the original purposes of the new towns system, accommodating the growth of London and the South East.
- 29 The present rate of growth is about 3,000 people per year, still with significant contribution from London and the South East. Many of these are people with young families. Based on current trends, two cohorts of the population are set to grow faster than the national norms over the next few years to 2011 - those aged 0-4 and those aged over 60.

- 30 Along with the projected changes in the age profile of the city population, the population has started to rapidly diversify in terms of ethnic and cultural background. In 1991 the census showed that 5.8 per cent of the population were from non-white, black and minority ethnic (BME) populations. This figure rose to 9.3 per cent in 2001. In 2004, 21 per cent of the school population were from these groups and this proportion will increase.
- 31 The city has been economically successful, ensuring sustained growth. No particular sectors dominate; there is a broad and apparently healthy economic base. Unemployment is low at 2 per cent. The Open University is based in Milton Keynes and, while there are further education establishments in the city, it has no residential university.
- 32 While the city is generally prosperous, there are areas that are among the 10 per cent most deprived nationally. These areas are often associated with the early Development Corporation public housing programme. Nineteen per cent of households do not have access to a car despite slightly higher than the national average car ownership overall.

The Council

- 33 Milton Keynes is a unitary council, with a revenue budget for 2005/06 of £259.1 million. It collects a Band D Council tax of £1,153.47 which is slightly below the median for this type of council. In recognition of its high rate of growth, it receives some additional funding from government - around £3 million in 2005/06.
- 34 The Council has a Liberal Democrat administration, with 27 Liberal Democrat, 16 Labour, 7 Conservative and 1 other seat. Elections are annual by thirds. The Liberal Democrats have been in power since May 2002 following a long period of Labour administrations.
- 35 The Council's last corporate assessment was in 2002 (score 2) which, when combined with service performance gave an overall Comprehensive Performance Assessment (CPA) rating of 'weak'. The 2005 assessment, which uses the 2002 corporate assessment and latest service performance, gives the Council 'two stars', on a five point scale from nought to four stars.
- 36 Milton Keynes has a lively local voluntary sector with many community groups. Some are members of the local strategic partnership (LSP). The LSP itself was formed from an earlier grouping of the key local organisations, so many partners are familiar with each other. The area is fully parished, including the city itself, which is unique. Thus much of the Council's work is done in partnership, including a large partnership contract with Hyder Business Systems (HBS) for a range of back office and other functions.

- 37 English Partnerships is the planning authority for the expansion areas of the city to 2030. The Council is the planning authority for the remainder of the city, including most of the existing city area and the whole of the rural area not designated for expansion. In order to develop the expansion areas, a sub-committee of English Partnerships, with delegated planning powers, has been formed with the Council and other key players. Known as the Milton Keynes Partnership (MKP), this means that there are effectively two planning authorities in the city.

What is the Council, together with its partners, trying to achieve?

Ambition

- 38 Milton Keynes Council is performing well in this area consistently above minimum requirements in developing, with its partners, a set of challenging ambitions for the city. It has set these ambitions out in terms of physical and economic change and is supported by strong and ongoing engagement with the city's communities. The ambitions define a realistic template for how the city will grow and what the Council and its partners expect it to be like in 2032.
- 39 Of necessity, the Council's ambitions are defined by a very challenging agenda of continued growth of the new city until 2032 when the borough is expected to have grown from 220,000 to 320,000 people. The Council and its partners have therefore produced a Community Strategy for the whole period.
- 40 The local strategic partnership (LSP) vision, set out in the Community Strategy, is to: '...create a city that has soul, energy and dynamism. Our towns, villages, neighbourhoods and spaces will be desirable, fun, affordable safe and accessible. It will be a learning city, built and developed by a skilled and well-educated population. People will thrive financially and emotionally on the buzz of living and working in this international city of the future'. The vision is supported by four areas for action:
- reinventing our city, places and spaces;
 - delivering the best services;
 - facilitating participative communities; and
 - managing change together.
- 41 The Community Strategy is based on a sound and regularly updated understanding of the needs of the existing community and the anticipated needs of the people who will come to the city as it grows. This understanding is built on a good range of research and consultation, with effective mechanisms for collecting public feedback. However, the reporting back of findings to the public is not consistent and the Council is addressing this through its new consultation toolkit.
- 42 The Council has an unusually strong set of mature relationships with partners from all sectors. The LSP is well established and reflects the long history of community groups and a strong voluntary sector. The Community Strategy is therefore jointly owned by a very wide range of partners from the public, private and voluntary sectors.

- 43 The Council is exercising its community leadership role sensitively and effectively. For example, while the growth agenda is clear, it is not universally popular. The Milton Keynes Partnership (MKP) developed a set of options for how the city might grow that were a mixture of outward expansion and inward redevelopment at greater density. Initial responses showed considerable public disquiet. The Council therefore pressed very hard against strong opposition, especially from English Partnerships, to extend the period for consideration of the options. This is not popular within the MKP and has led to a strained relationship with EP. But the Council considers it important to take the time to try and persuade local people and other partners that these key decisions are the right ones.
- 44 The Council has translated the broad ambitions of the Community Strategy into its own plans, as have key partners such as the primary care trust (PCT). For example, the Local Plan not only maps out the type and location of likely development but reflects the Community Strategy's environmental aspirations for better environmental standards. This means that developers are clear, when investing in the city, what will be required and what their contributions will be.
- 45 However, the Council has not spelt out fully what may be required in relation to traffic and transport in order to meet the broader aspirations of the Community Strategy. Businesses, as well as the majority of the city population who own a car, prize the lack of traffic congestion and easy access that the city's patterns of development have afforded to date. The Council is fully aware that the growth of traffic, coupled with the expansion of the city, will soon threaten this freedom of movement. While it is developing and implementing plans to address these issues, such as improvements to public transport, the Council anticipates significant opposition to the types of measure that would restrain demand for car use. It has been slow to engage in wider public debate and thereby risks a significant loss of advantage for the city unless the issues are addressed publicly in good time.
- 46 The clarity and scale of the physical and economic ambitions for the area are not matched by an equally well articulated strategy as to how the Council is going to meet the future social needs of the city. The LSP has, instead, mapped out a series of key behaviours for all the partners, including the Council, for engaging with the city's communities and adapting service provision to match the changing demography. A range of initiatives have been implemented and have met with success. The Council is at level 2 of the equality standard for local government and meets the race equality standards for engaging people to vote. The Council is also beginning to strengthen its structures for consulting with different groups, such as disabled people. However, not all sections of the community are confident that the Council is listening to them. Representatives of BME communities, in particular, consider that a more structured approach is needed to ensure genuine two-way engagement. Without a clear strategy for engaging with the diverse community of the future, there is the risk that inequalities may not be addressed effectively.

Prioritisation

- 47 Milton Keynes Council is performing well in this area consistently above the minimum requirements, having established a set of priorities that are drawn from a good understanding of the local and national contexts. The priorities take forward what the Council must do to deliver the Community Strategy and its ambitions for itself as an organisation. It applies them to managing its services and in its work with partners.
- 48 The Council has had an explicit set of priorities since the change of power in 2002. These have been reviewed and updated, with some new ones added, for the next three-year period starting in April 2006. They were drawn from a variety of sources including public comment, analysis of service performance and the political mandate of the current administration. The priorities for 2003-2006, current at the time of the corporate assessment, are:
- improving services that are not serving people well;
 - improving school standards;
 - improving the environment;
 - improving public transport;
 - giving older people the help they need to keep their independence;
 - providing affordable housing for those in need;
 - providing community leadership with partners; and
 - creating social inclusion.
- 49 Partners recognise and agree with the Council's priorities and, where appropriate, share them. For example, the existing priority to support older people in continued independent living has been broadened out to include all vulnerable people from April 2006. This priority is reflected in the health service where joint intermediate care is provided by the Council and voluntary sector. This long term focus on priorities combined with review means that the Council is seen to be consistent, and staff and partners can be clear about what they have to achieve.
- 50 The priorities are applied in practice. For example, there is an underlying theme that it is better to intervene early in developing problems than to be tied into expensive solutions when the problems have reached a peak. The Council's priority to support older people to live independently is a good example of this approach which is being delivered in practice through a number of programmes such as joint intermediate care with the PCT. This shows a good awareness of, and commitment to, approaches that maximise the use of available resources to achieve positive outcomes.
- 51 The Council's priorities reflect the LSP's ambitions for achieving community cohesion through facilitating participative communities. The population is starting to rapidly diversify and the Council's priority has been to engage effectively with communities, understand their needs and respond accordingly.

There are examples of ongoing and positive engagements with the new communities arriving within the city such as with the new Somali community where specialised washing facilities were developed in their housing. However, there is only limited evidence of services changing significantly as a result. To some extent this reflects the fact that these types of population change are relatively recent.

- 52 The Council is focusing on its priorities in a number of ways. One way is through the medium term planning process in which every service team is set clear expectations. These are defined in terms of its performance, cost and the degree to which the Council will focus its corporate effort into improvement. This process is robust and evident in the work of the Council. For example, there has been a longstanding priority to improve educational attainment. There have been steady increases in revenue budget provision for education and the Council spent at 106 per cent of FSS in 2004/05 not including a £4 million investment to revise the school system to align better the age of transfer between schools with the key stages. In contrast, the leisure and library service are expected to develop their services and maintain standards without significant corporate focus and financial investment. Indeed, these services are to yield up savings for re-investment elsewhere of over £200,000 from a £3.5 million budget in 2005/06. This process enables the Council to shift resources in support of its priorities.
- 53 The Council's commitment to its priorities is demonstrated in its business plans. Service plans reflect corporate priorities and in turn, individual staff targets reflect service planning objectives. For example, improving the housing service is a priority. Front line members of staff are at the centre of reforming the service to give much stronger customer outcomes and at the same time identify significant efficiencies. This demonstrates willingness to innovate and to deliver significant service improvements in line with Council priorities.
- 54 The Council is prepared to take, and has taken, some difficult decisions in support of its priorities. An example is the Council's response to the undesirably low levels of educational attainment by children. Increasing attainment for this group is a priority for the Council that flows from its ambition to produce a workforce with better skills, especially for knowledge-based industries. As part of meeting this priority, the Council took a decision to change the basic structure of its schools. Previously, the city's schools had operated on a primary, middle and upper school arrangement. The Council believed that the transfer between schools was occurring at a time that adversely affected children's' attainment. They believed that changing to the primary, junior and senior schools structure with earlier transfer would address this. This decision required significant investment and dialogue with schools which has had to be combined with a substantial school building programme to keep pace with population growth. The Council is now successfully delivering this programme.

What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?

Capacity

- 55 The Council is performing adequately in this area. While the Council has a strong, positive attitude towards the achievement of its priorities, it is often stretched by the detailed processes of delivering them. However, its strong network of community and voluntary organisations and a strong LSP offset its own lack of capacity to some extent. The Council has an unusual task in that it not only has to manage the full range of local government services but has to do so for a rapidly growing population. It also has to take a full and active role in shaping the continued rapid expansion of the city. This places additional demands on the corporate capacity of the organisation and results in progress on some issues being slower than the Council would like.
- 56 The Council has a strong cabinet, with good relationships between leading councillors and senior officers. Both groups are increasingly thinking beyond service management and in a more strategic way. This provides a way of addressing issues such as health that fall outside service portfolios.
- 57 Accountability for cabinet decisions is clear. For example, the Council's constitution allows parish councils or twenty members of the public to call in decisions. This has occurred on five occasions now and has resulted in changed decisions twice. This supports transparent decision-making.
- 58 The Council has sound arrangements for ethical governance. It has an active standards committee that oversees the programme of induction and refresher training for councillors on the code of conduct. The committee's recent workload has been concerned mainly with parish councils and the Council has launched a detailed toolkit, available on CD, for parish councillors. There are no current outstanding concerns about standards of conduct within the Council itself.
- 59 The Council does not get the full value from its processes for debate and challenge such as scrutiny. For example, the opposition frequently uses the press to debate issues rather than by the effective examination of the Council's performance and the impact of its policies in the scrutiny and overview role. While it is legitimate to use publicity as a means of political opposition, the weak use of scrutiny and reliance on press coverage results in defensive attitudes by the administration on some issues and does not always provide enough constructive challenge to the cabinet.

- 60 The Council's embedded practice of working in partnership is a considerable strength. The LSP has mature relationships and the key partners have a history of working together in areas such as health or community safety and delivering good outcomes. However partnership working sometimes results in complex or potentially unclear processes for important decisions. For example, the decisions about how and where the city will expand are taken by either the Council or the MKP as the two planning authorities. While the council, as community leader, is active in both partnerships, some local people and partners are not entirely clear where major decisions are taken.
- 61 The Council has obtained mixed capacity benefits from the partnership contract with HBS but overall the position is improving. For example, problems with elements of the contract have meant that the Council and HBS have had to focus on getting right a number of basic requirements such as financial reporting. On the other hand the HBS contract has enabled the Council to access a set of skills that it has used to improve the Revenues and Benefits service from a very low point to a highly performing service that is continuing to improve. The HBS contract has also enabled the Council to acquire stronger IT provision and to support and improve project management.
- 62 The organisation as a whole is not yet meeting its ambition to be strongly user focused. However, some areas in which there has been significant intervention are now demonstrating high levels of customer care. For example, the Council has invested successfully in a customer contact centre for personal visits and telephone calls called 'MK Direct' which has improved customer experience in areas such as parking and environment. But not all front line services work through MK Direct. This means that not all customers have the same experience when dealing with the Council.
- 63 The Council is improving but not yet making best use of its councillors and employees. For example, it has invested in development and training of councillors and staff and is demonstrating an improving approach to strategic management of its people. This is evidenced by reduced staff turnover and sickness absence. Surveys show that while the Council is engaging with staff well, there are significant concerns amongst the staff about areas such as the HBS contract and the sharing of new initiatives. There is a risk that the workforce is not fully committed to the direction the Council is taking and that the Council is not yet shaping staff skills to the needs of the organisation and community.
- 64 Workforce planning is at an early stage and the Council's workforce is not yet representative of the local population in terms of ethnicity or disability. In some instances the Council's own services do not have the capacity to deliver the Council's priorities fast enough. The Joint Area Review of Children's Services concludes that the service has only adequate capacity to meet the needs of children and young people in the context of a developing city and that while good progress is apparent in some areas, in others there is still much to do. In other service areas, such as transport, staff resources are also stretched to meet the city's growth agenda. Effective workforce planning will be important for the Council to ensure it has the necessary capacity to deliver services effectively in the future.

20 Corporate Assessment | What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?

- 65 The Council has, after several years of low reserves, now reached a satisfactory financial standing. Given the additional government funding to compensate for growth, it also has adequate revenue resources. The Council, with MKP, has established a new approach to the capital funding of the infrastructure needed to support the growth of the city. Using existing planning powers they intend to operate a simple consistent contribution of £18,500 on each new dwelling in the city and a parallel scale of charges for commercial premises. This replaces the usual individually-negotiated planning agreements with developers and means that the requirements are clear and the processes considerably simplified. The Council estimates that this will provide around 75 per cent of the funding for the roads, schools and many other necessary infrastructure items in advance of the development going in. It anticipates that the remainder will come from a variety of existing funding sources.
- 66 The Council secures value for money through a number of mechanisms. These include its medium term financial planning process and the general approach to early intervention in situations that would be more expensive to resolve if left. It has also reconfigured services to significantly improve efficiency, such as revenues and benefits. Additionally there are many examples of where the Council has pooled budgets and joined up service management with partners such as the PCT to gain improvement. On the whole, through working effectively with its partners, the Council secures sufficient financial resources to deliver its priorities.
- 67 The Council's corporate approach to the management of its physical assets is under developed. They have a good understanding of condition and a consequent programme of works in some areas such as housing and schools while there is only initial work to begin to understand the condition of other assets. This results in a risk that resources will not be used as efficiently as possible to maintain the assets in optimum condition.

Performance management

- 68 The Council is performing adequately in this area. It has an established performance management framework that is starting to become embedded across the Council. But there is not yet a rigorous and consistent performance management culture. The Council and its partners have established a set of baseline measures for the Community Strategy, have established a set of mechanisms for reporting progress against agreed actions and are continuing to develop the performance management framework for the LSP. The Council is learning from its successes and is improving its competence as a result.
- 69 The Council has an established and conventional corporate performance management framework whereby service plans are derived from the corporate priorities and objectives are cascaded through to individual staff targets through the appraisal system. The system is consistently applied and results are regularly monitored at cabinet and senior management levels. Nearly all members of staff receive annual appraisals. Targets are set for service performance and, where appropriate, partnership work.

The Council compares itself to other councils in many areas of its activity. However, not all service plans set out clear actions, accountabilities, targets or timescales for the achievement of objectives.

- 70 This system has not always delivered the degree or pace of improvement sought. For example in 2004/05, 55 per cent of the Council's statutory performance indicators were below the national median and 46 per cent of the indicators had not improved. Of those that had not improved, 13 of the 21 indicators were in the worst 25 per cent. This overview reflects the lack of a consistent performance management culture.
- 71 The partnership with HBS is giving access and exposure to stronger project and performance management skills and cultures. The Council is learning from this exposure but not yet applying that learning consistently. For example, the Revenues and Benefits service, which is part of the HBS contract, was poorly performing. It has undertaken a full scale service review using 'system thinking' principles, supported by specialist consultants engaged by HBS. Early results show significant improvements in service performance, efficiency and customer satisfaction. This powerful approach is not one that can quickly transform the whole Council, but it is being extended to a few priority service areas.
- 72 The Council is beginning to learn how it might improve by learning from information such as complaints and other service statistics. For example, an analysis of telephone calls to the Revenue and Benefits service showed that between 25 and 50 per cent of contacts by the public are to chase up progress or otherwise deal with actions that were not finished at the first contact. This represents considerable inefficiency that is being addressed through the reconfiguration of services.
- 73 Financial management across the Council is adequate but financial reporting has been inadequate. For example the Council has improved its financial standing as evidenced by creating adequate levels of financial reserves and an improved position on the housing revenue account. However, the Council has had difficulties in closing its accounts for the last two financial years 2003/04 and 2004/05. The Council and HBS have invested considerable effort into resolving these problems and are confident that the problems will not reoccur for the 2005/06 year end. They are also investing in a SAP resource accounting system to support stronger financial management and reporting.
- 74 The Council has an adequate corporate system for dealing with risk that is being used effectively. For example, it has identified the earlier issue of difficulty of closure of accounts as a major risk. In response, it has actively monitored and managed the situation. This close monitoring will continue until the accounts have been closed and, as a result, such problems are less likely to arise in future.
- 75 Scrutiny is not used consistently either to improve understanding of current performance or to drive improvement. The Council has had mixed results from its scrutiny work. Topics are chosen based on perception rather than a systematic and rigorous scrutiny of the Council's performance against its priorities. Thus, work by councillors to develop policy is not focusing on delivery of priorities, nor does it establish a performance culture for the rest of the organisation.

22 Corporate Assessment | What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?

- 76** The Council and its partners in the LSP have established the foundations of how they will assess the impact of the growth of the city and are developing the performance management framework for monitoring progress. The Community Strategy sets out two baseline frameworks. One is based on quality of life indicators and the second is based on the concept of an 'ecological footprint' of the city - that is, an assessment of the extent to which the city consumes natural resources. Taken together, these two frameworks represent an innovative and powerful approach, provided that the developing performance management framework for the LSP is consistently applied and acted upon. The LSP executive now considers regular reports on progress against the actions plans underlying the Community Strategy and is developing its approach further. The first annual public performance report of the LSP's progress against outcomes was published in January 2006.

What has been achieved?

- 77 The Council is performing well in this area, consistently above minimum requirements and can show significant achievement across the shared priority areas. This progress must be set against a background of continuous population growth and a population that is increasingly diverse.
- 78 The local ambitions and achievements have reflected the national agenda well. The Council's and its partners' commitment to continued growth of the city, to achieving higher educational standards, and a healthier population capable of living independently are all good examples that match well with the national picture.
- 79 The Council's approach to working with partners, combined with strong voluntary and community sectors, means that achievements are frequently jointly owned. The achievements that are detailed below are often as much about how the Council works with partners as about how well it delivers things itself. Partners are using their collective capacity to deliver the outcomes that the area needs. It has not always been an easy task and often involves controversy or lengthy efforts before reaching a successful conclusion. For example, delivery of the LSP's ambition to continue developing a prosperous city depends on the facilitation of private sector development as well as a significant public sector contribution.

Sustainable communities and transport

- 80 The Council has, with its partners, succeeded in meeting its long term objectives of a sustainable and diverse local economy. The city is home to a variety of types of business across a number of sectors. Businesses have continued to grow and arrive in the city. For example, vehicle manufacturing companies have national headquarters in the city. There are technology and distribution industries and a strong retailing sector. As a result, unemployment is low at 2 per cent and the local economy has been resilient through changing national economic conditions in recent years.
- 81 While employment opportunities are numerous, the LSP knows that it must have a better skilled workforce if the economy is to remain sustainable. It also wants to minimise economic inequalities within the city. This understanding of the local economic context has come about through active engagement with the business sector and local people. Awareness of these key local issues is reflected in LSP ambitions for higher attainment by younger people and the need for a local university.
- 82 The Council has not achieved the ambitious growth of public transport usage that it set itself in its Local Transport Plan. However, it has seen public transport usage grow in recent years which is contrary to the trend experienced nationally outside London. The growth has been most marked - up to 30 per cent - where the Council has worked with the local bus operator on 'quality partnership' routes.

On these routes, the Council has improved the infrastructure, such as bus stops and shelters, and the operator has introduced more frequent and better quality buses onto the route. The most successful route has linked some of the most deprived areas of the city to the city centre and hospital, with a high frequency service providing better access to key facilities and employment opportunities.

- 83 Key to successful growth of the city is the local housing market. It has remained buoyant in recent years reflecting both new arrivals and a strong element of local people upgrading their homes by moving within the city. The Council has succeeded in bringing forward a choice of housing types and locations that has supported the growing economic base. For example, the layout of the city is such that jobs and homes are often closely located. Easy access without a car is also enabled via the Redway system of combined foot and cycle ways that are segregated from the vehicular traffic. While the Council has not, in the past, met its very high Local Plan targets for overall housing numbers, it is currently close to its annual target of 2,000 houses per year, with 1,800 projected for 2005/06.
- 84 The buoyancy of the housing market has meant that, for a significant number of local people, the availability of affordable housing is a problem. The Council has begun to address this through a range of tenures that ensures a high proportion of new housing completions are affordable. It has secured 30 per cent affordable housing on all new completions in the last two years. This achievement means that there is better choice of locations, types of home and tenures available to those on low incomes.
- 85 The Council, with its partners, has a strong vision of an environmentally sustainable city and this has been delivered in some respects. For example, some recent developments have incorporated features designed to minimise energy and other resources. The Council itself has made some significant cost savings through energy efficiency measures and uses green energy sources for 85 per cent of its needs. The Council recycled or composted 27 per cent of the household waste in 2004/05 which is close to its 2005/06 target of 30 per cent. However, the area produces rather more waste per head of population than the national median, but this level is relatively stable and not increasing as elsewhere. The Council and its partners do not always achieve high standards of maintenance for its streets and many landscaped and open areas. While many areas of the city are well maintained, some others suffer from persistent levels of litter, graffiti and vandalism. This means that not everyone is able to enjoy the high standards aspired to and valued by local people.

Safer and stronger communities

- 86 The Council and its partners have had some success in addressing local crime. Overall, the crime rate for the area is close to the national median and is falling at about the national rate. But fear of crime is a concern for many local people.

The Council has successfully encouraged local people to report crimes and other incidents. Although this has produced an increase in some types of reported crime there are indications of confidence that reported incidents will be followed up. The Council and its partners take a broad view of anti-social behaviour and feel that it is at the root of local fear of crime. Their definition includes littering, vandalism and graffiti. While there has not been a comprehensive solution to the problems, there have been some notably successful projects at a very local level. For example, a project in one relatively deprived area that suffered from problems of vandalism and anti-social behaviour saw reported incidents fall by one third in the first six months. The effectiveness of the partnerships between local agencies such as the Council, police and parish councils has been demonstrated by the reduction in the fear of crime in such areas.

- 87 The Council and its partners have successfully delivered several approaches to dealing with the impact of drugs. Their principle has been to target drug users who commit crime to support their habit. Again this is a multi-agency approach with police, probation and treatment services. Good results have been achieved for those drug users who enter the support programme with 75 per cent completion of the course. In line with the Council's approach to early interventions, good work is done in local schools to highlight the problems caused by drugs. The impact is such that the rate of admission to hospital for young people with substance misuse is lower than the national average.
- 88 The Council with its partners has succeeded in supporting a community in which there are very high levels of participation in community and voluntary activity. This has been a long term ambition that has firm roots in the Development Corporation's original ambitions for the city. The whole of the area administered by the Council is covered by a network of parish and town councils. The Council is also proactive about engaging with local groups, although often the contact will be via partner organisations. This means that even the most deprived wards and isolated groups have good local capacity in place with which to engage and shape the growth of the city and to speak for their particular problems.
- 89 Effective inter-agency arrangements are in place for monitoring racial tension and highlighting potential hot-spots. Some specific initiatives are also in place to improve engagement with particular groups. For example, the Drugs Action Team has developed good links with the BME communities in order to understand and better address drugs problems in those growing sections of the community. Despite generally good engagement by the Council, some BME communities, are not confident yet that the Council is taking full account of their needs.
- 90 Council capacity in emergency planning has been stretched, but the Council is now investing in this service with the help of government funding. It is updating plans in order to meet the Civil Contingencies Act and is strengthening training arrangements. Agencies have worked together on a programme of joint exercises but not all the potential learning has been extracted from them yet. Work is ongoing to improve links with the voluntary sector to provide emergency social care support.

The Council has successfully reduced the incidence of injuries among the population. Road accident casualties have been reduced to below the Council's target for 2010. A falls prevention programme, jointly managed by the Council and PCT, has reduced the number of falls experienced by older people. These improvements mean both a healthier population and a reduced burden on local care services.

Healthier communities

- 91 The Council with its partners is making good progress in improving the health of local people. This work is supported by a good understanding of local public health issues. The jointly funded post of Director of Public Health, who sits on both the Council and PCT management teams, ensures that health issues are considered as part of the day to day management of both organisations.
- 92 The Council has invested in improving its understanding of the nature, extent and causes of health inequalities in Milton Keynes. For example, its Social Atlas and MKi Observatory has been commended nationally for the quality of data it provides. As a result, the Council and its partners are better informed about health issues and can use this data as a basis for prioritising and planning.
- 93 The Council's and its partners' priorities for a healthy community are reflected in the latest Local Public Service Agreement (LPSA2) targets that link to health and quality of life outcomes. Good progress has already been made. For example, teenage pregnancy has been reduced through work targeted at young people living in the areas of greatest incidence. As a result, the level of teenage pregnancy that was close to the worst 25 per cent of Councils in 1999 has been improved so that is better than the median in 2003.
- 94 The Council is working effectively with partners to tackle health inequalities and promote healthier lifestyles. This work is supported by a policy framework produced by the Social Inclusion and Health Inequalities Team that is staffed by the PCT and Council, and is supported by a multi-agency steering group. A range of programmes have been introduced, such as new services for families and children in deprived areas and co-location of existing NHS provision with Council and voluntary sector services. New appointments have been made such as a health visitor based in a traveller unit and a community sports coach specifically to work with obese children. All these initiatives are helping to tackle health issues in different sections of the community.
- 95 Joint working is achieving success in reducing health inequalities. For example, while Milton Keynes is generally prosperous, there is a significant life expectancy difference between some wards with the differences often due to higher rates of death from cancer, coronary heart disease and stroke. Accordingly, there has been a strong emphasis on working in the more deprived areas to support and encourage people to give up smoking, exercise more and eat healthily. As a result of this work, high rates of smoking cessation have been achieved in the most deprived wards; 34 per cent of Milton Keynes residents quitting smoking through the cessation service came from the 20 most deprived estates in the city.

Differences in life expectancy between the best and worst wards, decreased from 12.79 years in 1997-2001 to 9.05 years in 2000-2004.

- 96 As well as the jointly funded Director of Public Health post, the Council has other strong links with local health providers and commissioners. Senior members of the NHS public health team are attached to each directorate management team to help raise awareness of health issues and encourage all Council services to contribute to the health agenda. Pooled budget arrangements work effectively in areas such as adult mental health and learning disability services. Several joint service frameworks are in place including voluntary sector organisations. An example is the joint provision of intermediate care for those leaving hospital, which means that people are supported effectively to live at home while recovering from illness. Through such joint initiatives, the Council and its partners are achieving their health ambitions in a more effective and efficient way.

Older people

- 97 The Council has made good progress with the achievement of its ambitions for older people. With the growing numbers of older people within the local population, the Council's ambition is to help people to live independently. The Council is developing its strategic approach. An Older Persons' Housing Strategy is already in place and the Council recently agreed a cross-cutting Quality of Life Strategy for Older People. This strategy goes beyond the traditional areas of health and social care and covers issues important to older people such as housing, transport, fear of crime, culture and leisure.
- 98 The Council, with its partners, is undertaking meaningful engagement with older people and their representative groups. A range of consultation processes are in place, such as the Older People's Voice, a group supported by the Council and run by Age Concern. Engagement is also being developed with older people from minority communities, such as through the BME Elders' Forum. Developments are following on from this consultation, such as plans for housing for Sikh and Hindu elders and an expansion of the lunch club provision. All these initiatives help increase understanding of the differing perspectives of older people in Milton Keynes and help ensure that different needs are met.
- 99 With its partners, the Council is delivering an increasingly co-ordinated and comprehensive range of services to older people. For example, an 'Extracare' retirement village is being developed that will provide affordable housing and independent living for more than 300 older local people. There are also various partnership initiatives in place to maximise older people's take-up of available support services. For example, a scheme is being run in conjunction with GP surgeries to increase the take-up of benefits. Another scheme is aimed at helping older people to use direct payments to choose and pay for the variety of available care packages.

Public services and the local voluntary sector work well together to provide a joined-up service in a number of areas. For example, the Council has worked with the emergency services and Age Concern to counteract older people's fear of crime by identifying those in need of home security measures or advice. This service is combined with the single assessment process for social care, thus offering broad and seamless support to vulnerable older people. All these initiatives show a strong focus by the Council and its partners on the needs of older people, sensitivity to their individual circumstances and commitment to maintaining their quality of life.

- 100** Different Council departments are contributing to service improvements for older people. For example, alongside its priority for improving public transport in general, the Council is changing and promoting the local community transport scheme to better meet the local travel needs of older people. The next step for the Council will be the implementation of its new corporate approach, as set out in its Quality of Life Strategy for Older People.

Children and young people

- 101** The Council and its partners have made good progress in developing collaborative provision for children and young people in Milton Keynes. The council made an early start with the integration of children's social care and education with other community services when the area became a unitary authority in 1997. The Council's Directorate of Learning and Development covers all the Council's children's services, and includes several posts jointly funded with the Primary Care Trust (PCT).
- 102** The Council's approach to prioritising services for children and young people is good. Joint planning has been in place since 1999 between the Council and its main partner agencies, including the voluntary sector. The final draft of the Children and Young People's Plan translates the area's ambitions into clear priorities which address needs and gaps or weaknesses in services. Priorities target children and young people in most need by strengthening early intervention.
- 103** The management of the council's children's and young people's services are good overall. The Council is making difficult decisions and taking robust action to deliver priorities, such as the reorganisation of school provision to change the age of pupil transfer between primary and secondary school. Its strategy to increase preventative services and family support in social care is being carried through successfully. Performance management within council services is adequate. The Council has effectively used performance information to inform its strategy to address the overspending in out of area placements for children, and has been developing its approach to the performance management of joint activities with partners.

- 104** The Council's capacity to improve its children's and young people's services is adequate. It has proven capacity to date to deliver significant strategic changes, such as the first phase of a major school capital programme. The pressure on demand-led budgets is growing. Staff recruitment is not keeping pace to meet the necessary growth in services, or to implement changes, such as strategic commissioning to support early intervention. Some strategic work has been delayed due to capacity constraints. Work to improve the quality of some outcomes for children and young people is only now underway.
- 105** The Council collaborates well with health partners to promote children's health. The Council's early years services link effectively with those of health visitors and others to provide a good service for early years children, while for older children, schools work in partnership with health professionals. The Healthy Schools initiative has been well adopted across the locality. The council contributes significantly to multi-agency initiatives which are effectively targeting particular problems such as teenage pregnancy.
- 106** Milton Keynes is generally a safe place for children and young people. The Council's care services have been effectively refocused to support families in keeping children safe and minimising abuse and neglect. This has led to a significant reduction in the numbers on the child protection register. Children at immediate risk of harm are promptly identified and protected, but some significant areas of unmet need remain. Services to provide looked after children with suitable homes are generally satisfactory, although there is a significant shortage of local placement provision.
- 107** Schools and childcare settings provide almost all pupils with at least a satisfactory education, while many are good or better. Standards are broadly rising, except at Key Stage 2 where they fell in 2005. The re-organisation of schools in order to improve pupils' attainment, and the building of new schools for a rapidly expanding population, are proceeding very well. The Council has increased support for recently arrived young people and those of minority ethnic heritage, leading to some improvements in achievement. Collaboration between agencies has helped to improve school attendance and reduce exclusions from primary schools, but some secondary schools have high exclusion rates. Provision for pupils who have been excluded is inadequate. The Council has made significant improvements in provision for young people with learning difficulties and/or disabilities. Many looked after children make at least sound progress.
- 108** The Council provides good support for children and young people to develop socially and emotionally, and contribute constructively to society, through schools, the youth service and partnerships with other agencies. Young people are frequently consulted on issues that affect them. Disadvantaged families, and vulnerable young people at risk of social exclusion, are well supported by collaborative arrangements between the Council and its partners. The Council contributes effectively to multi-agency initiatives such as those which are tackling anti-social behaviour.

- 109 Children and young people are receiving adequate help overall in developing their future economic well-being. The Council supports parents who want to work or study through expanding childcare provision and family learning opportunities. Progress is being made to increase the amount of affordable housing. Young people receive help in schools to prepare for working life, and good progress has been made in increasing the availability of vocational options for 14-16 year olds. While more vocational provision is now available in sixth forms, the curriculum is not yet effectively meeting the needs of all learners. The proportion of young people remaining in education at 16 has improved to about average, but a significant number of young people leave education at 17 for work in mainly low-skilled occupations.

Appendix 1 - Framework for Corporate Assessment

- 1 This corporate assessment was carried out under section 10 of the Local Government Act 1999, under which the Audit Commission has power to inspect local authorities' arrangements for securing continuous improvement. The results of the corporate assessment contribute to the determination of the overall CPA category for an authority, which the Audit Commission is required to assess and report on under Section 99 of the Local Government Act 2003.
- 2 The Council's self assessment provided a key resource in focusing the assessment activity which included consideration of:
 - key documentation, including the Council's improvement plan;
 - updated performance indicators and performance data; and
 - interviews and meetings attended.
- 3 The assessment for Milton Keynes Council was undertaken by a team from the Audit Commission and the on-site work took place over the period from 7-17 March 2006.
- 4 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.