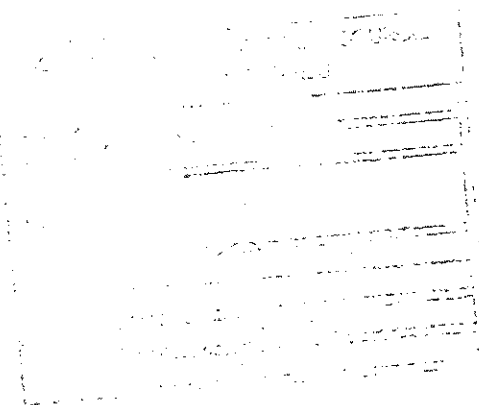




GOVERNMENT OFFICE
FOR THE EAST MIDLANDS

Mr F McArdle
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20 January 2003

Dear Frank

SINGLE CAPITAL POT – CORPORATE FEEDBACK MEETING

I refer to my letter of 10 December informing you of our assessment of your Council's performance under the Single Capital Pot. Full written feedback is enclosed.

We are planning to visit all local authorities between the end of January and the end of March. We have arranged to meet you at 10am on Friday 21 March and I attach a suggested agenda for that meeting. Following on from the meetings we held last year, we see this meeting as being "high level" with a focus on the strategic issues facing your Council. We will therefore be interested in discussing how your authority works corporately and how it works in partnership with others. Within this context we will give feedback and discuss your performance under the Single Capital Pot. However, we would want to meet separately with those involved in the preparation of the particular strategies and plans at a later date in order to give more detailed feedback.

We are keen to sustain a dialogue between your authority and ourselves so that we can work together as you develop your various plans and strategies. I hope that this meeting will help us to set out the framework for that ongoing work.

Please let me know if you wish to add anything to the agenda. I will be accompanied by Maria Hallam (Lead Officer for your authority). It would be helpful to know who will be attending the meeting from your authority. I would be grateful if you would arrange for a car parking space.

I look forward to seeing you on 21 March.

Yours sincerely

David Wilson
Derbyshire & Leicestershire Team Leader



INVESTOR IN PEOPLE

AGENDA FOR SINGLE CAPITAL FEEDBACK MEETING
WITH SOUTH DERBYSHIRE DISTRICT COUNCIL
AT THE CIVIC OFFICES
AT 10.00 AM ON FRIDAY 21 MARCH 2003

Attendees:

GOEM

David Wilson
Maria Hallam

Derbyshire & Leicestershire Local Government Team Leader
Lead Officer for South Derbyshire District Council

LA

1. CPA
2. Communities Plan and Regional Housing Body
3. LSP – Including Community Strategy and involvement of the Voluntary Sector
4. Update on Political Structures and Corporate Management
5. Feedback
6. Decent Homes

Local Authority Name: South Derbyshire District Council

Recent HIP assessments:

2000 – Below Average 2001 – Below Average 2002 - Average

Commentary on 2002 HIP Submission:

General Comments (*Brief overview of overall performance*)

- Overall a more focused and creditable attempt to address many of the areas requiring development since last year's assessment. Some key issues have been addressed such as stock condition and housing needs analysis but there remains significant scope for improving performance in terms of achieving fit for purpose.

Housing Strategy (*Comments and action required to meet FFP*)

Corporate Context:

- The authority has demonstrated a collaborative approach to housing, both internally between individual service departments and with its external partners. We note the housing links made within other key strategies and look forward to seeing how housing priorities are approached by the emerging Local Strategic Partnership and Community Strategy. A summary of the links between the Housing Strategy and Business Plan objectives and priorities would be useful. We note that some linkages have been achieved as indicated on page 6 of the Strategy.

Wider Priorities:

- Links to national, regional and sub-regional housing priorities are outlined by the authority's referral to its involvement, for example as a member of the 3 Cities Group for the Regional Housing Statement/Strategy (RHS). It is considered that more could be said about the impact of the authority's work on this Group both in terms of development of the RHS and the Housing Strategy.
- There are good examples of links with neighbouring authorities, for example with East Staffs BC and NW Leics. DC, on Housing Strategy development. Future strategies should continue to develop these and other cross boundary linkages. It is considered that the Strategy could place greater emphasis on meeting the Decent Homes Standard.

Partnership Working:

- More evidence of *structured* consultation with partners is required linked to evidence of outcomes. The Strategy suggests on page 6 that consultation is undertaken at strategic level i.e. covering the overall objectives, but not at a lower operational/monitoring level throughout the year. It would therefore be advantageous to refer in more detail to consultation and monitoring system(s) and list the composition, scope and regularity of meetings within and between partners and stakeholders. For example, tenants groups, citizen's panel, forthcoming HA liaison group. It should be clearly demonstrated that consultation is a means to an end not an end in itself.
- The authority has worked successfully with partners (e.g. SRB projects) and we recognise the priority the authority will place henceforth on enhancing its enabling role, for example following the June 2002 Housing & Strategy Group meeting and in future consultations with housing associations, developers etc.

- The Housing Market and Needs study (May 2002) indicates that the authority faces a formidable challenge in securing an adequate affordable element in new housing despite a number of recent Section 106 successes.

Needs Analysis:

- We note that the authority has produced with consultants a detailed market and needs analysis, which has highlighted disparities in house prices between the north and south of the district and the general issues of affordability and supply. Coupled with this is information on public sector stock condition gathered in a report published in July 2002. The result is that the authority should now have a clear and up-to-date understanding of where much of its financial and other resources need to be deployed.
- However, there is a clear need to strengthen the authority's enabling role and update the private sector stock condition data from 1999 together with the private sector renewal strategy. Also, whilst the needs report provides a reasonably clear picture for many aspects of need (e.g. homelessness) it is less clear that other special needs categories (elderly, disabled, BMEs and young people for example) have been or are being adequately addressed. This should feature within the further work on housing need earmarked for next year in the Action Plan.

Resources:

- The Strategy sets out a clear picture of recent, current and future capital and revenue expenditure and it is encouraging to see that Housing features in the authority's Capital Strategy - as its key "capital focus". The protocol for "responsible bidding" for capital expenditure is also outlined, suggesting that other council service heads and external stakeholders are involved in the debate on housing expenditure.
- Option appraisal is directly linked to identified housing priorities. Each of the priorities under option appraisal (p.35) appears to correspond to a priority area in the action plan (p.29) but it would be advantageous to use precisely the same layout to maintain a clear and logical sense of continuity.
- In terms of the assumptions made on future spending, the lack of any estimate for credit approvals should be urgently addressed (p.27). An indication of where funds are likely to be defrayed across the action plan is necessary to complete the picture.

Priorities:

- Given that Ax 1 (p.33) lists 15 priorities between the 5 strategic housing objectives, it might be advantageous to rank the priorities in order to give an indication of where the resources need to be targeted most urgently. The Strategy needs to make it clear how key priorities are ranked and extricably linked to resource availability. The tabling system nonetheless demonstrates that the authority has made considerable progress towards rationalising its overall programme of activity in order to meet identified needs.

Options:

- Ax 2 (p.35) gives a clear overview of the range of options, which the authority has considered towards tackling its strategic housing objectives. It is not clear, however, how the options were identified, why certain stakeholders were or will be involved and what decisions/conclusions were made in light of the options tabled, that is which options the authority and its partners are running with and why.

Action Plan:

- The Action Plan (p.29) contains the key elements required such as links to the original objectives, specific activities, timescales, outputs and key partners. This is a significant development in terms of the authority demonstrating its clarity of thought as well as its commitment to improvement. Corporate links can be assumed by comparing the Action Plan against the annexes although a number-based cross-referencing system would be helpful.
- Many of the actions are costed; however, it is not possible to gauge overall how much of the action plan will be delivered against anticipated resources.

Progress to Date:

- The Action Plan could usefully identify which service head is to be responsible for delivering and monitoring of each action, as would normally be set out in the individual service plans and presumably developed under the auspices of the Housing Strategy & Planning Group.
- The process of meaningful monitoring is not fully covered - although it is stated (p.31) that the council uses a range of tools to monitor service quality and user satisfaction, also that progress is reported to appropriate committees. Ax 3 could usefully develop examples under "Progress" to illustrate the impact of these monitoring procedures on future activity.
- The Spend, Outputs and Outcomes table on page 32 of the Strategy appears to omit outcomes, i.e. what has been the effect of the stated levels of investment. Although the table shows actual versus planned spend, this does not in itself measure the success (or otherwise) of the spend. Some baseline data comparing the years spend against the overall requirement to meet backlog, for example, would give some illustration of the extent of impact.
- There should also be links to specific objectives set at the start of the year in order that the outputs can be evaluated in terms of outcomes. It can otherwise appear to be action without necessarily tackling or solving the root problem.

Accessibility:

- The Strategy essentially meets the Fit for Purpose criteria in this respect, although it is not clear how much of the Strategy, if any, is accessible through the internet.

- It is noted that in Ax 6 that the authority acknowledges the need for a new, integrated system of performance monitoring to be introduced (with training and staffing implications recognised) and that performance targets across all key service areas need to be set. We also note that the authority is investigating options for improving its benchmarking techniques and we would expect a sound system of performance management to be in place next year.
- There are some references to tenant/leaseholder involvement in performance monitoring under sections 3.4, 3.6 and 3.10 and it is reasonable to judge that the input of the Tenant Participation Officer, the work with the 94-household strong residents panel, the work of the BP Working Group and the Best Value Review process have each had or will have some impact on keeping end-users informed about how their council is performing. Again, however, there is a lack of detail to illustrate this.

Resources:

- The Plan does not contain a summary of recent capital and revenue expenditure. This should include a breakdown of the key elements, identify sources of funding and make explicit links to the Housing Strategy. There is also no reference to any use of capital funds in the HRA (linked to the Capital Strategy).
- However, section 6 of the Plan provides a reasonable account of the assumptions for future expenditure used in the financial model, including rent-convergence. There is a stated concern over the impact of Right to Buy sales on the authority's ability to fund property expenditure. This could make the assumptions on RtB units sold annually a critical factor to monitor and the need for regular sensitivity analysis of the Plan model to determine potential/real impact on the Operating Account.

Priorities:

- Table 5.1 of the Plan gives a concise listing of the authority's priorities, with a brief justification of their relative rankings. It would be advantageous to explain the priorities in terms of the higher-level objectives set for the housing service so that it is entirely clear why particular priorities have been chosen.
- While it is reasonable to assume that tenant involvement in the BP Working Group will have fed into the setting of the priorities, it remains unclear how much influence they achieved.

Options:

- The section covering options analysis (5.3) is generalised and does not cover any specific key issues such as Decent Homes and improving performance on housing repairs and management.
- Ax 4 points to the work apparently undertaken by the BP Working Group to look at the options for future management of the housing stock. Again, there is no detail and we are left to assume that this will emerge in the report to Council late 2002/early 2003.

Action Plan:

- The Action Plan (Table 5.2) sets out all the key components for activity over 2003/04 although there is no timescale or milestone information to record in-year achievements. The reference to Decent Homes contained under the first objective in the table might sit more comfortably under the second objective.
- Although the Action Plan includes a resources entry against each action, it is not clear whether there is any degree of difficulty ahead in securing these resources. If milestones had been included, it would be more easy to see what could be delivered should anticipated resources not be available.
- The Action Plan should also cover arrangements to keep the Business Plan up-to-date.

Business Plan (Comments and action required to meet FFP)

Strategic Context:

- The Plan provides good linkages to the authority's wider corporate objectives and there is recognition of the key problems facing the council, given its current stock level and composition. However, there needs to follow from this a more clearly defined link between the Plan and corporate planning processes. More detail on the strategic reasons why the corporate management team act (ed) in support of the housing service would be useful (sec 2.1).

Effective Consultation:

- It is very encouraging to note how the authority is building up its processes for consulting tenants, residents and other key stakeholders such as other officials and Members. The key driving body appears to be the Business Plan Working Group which meets monthly and which is appraising options for the council's stock against the agreed housing service objectives listed in Ax 3.
- There is useful evidence of a number of previous and current consultation mechanisms (within the Working Group at Ax 4 and outside the Working Group in sec 3.10, sec 4.1.5). It still however remains unclear what impact on the option appraisal process is achieved through the consultation process. We would look to see evidence of stakeholder influence in the Working Group's report to Council, which was due this autumn 2002.

Stock Condition:

- We note that although a sample stock condition survey reported in Spring 2002, there is still some work to be undertaken before the survey covers all key aspects for the entire stock but is nevertheless considered sufficient for the requirements of the Business Plan. It is noted that the authority intended to complete a full internal survey, beginning in September 2002; nevertheless, current investment projections are likely to require cautious interpretation.
- There is no reference to where more detailed survey information can be found and the Business Plan assumptions tables at the end of the Plan do not provide any clarity on the authority's ability to meet the Decent Homes standard. The Plan's contents page refers to a table covering "Stock details" but no such table can be found.
- Given the key priority status given nationally to Decent Homes, it is surprising that this important initiative features relatively lightly within the Plan and this needs to be addressed. In addition to the assertions that the DH standard will be met (e.g. sections 3.7, 6.11, 7.3), there needs to be more explanation as to what actions are being taken to ensure compliance by 2010.
- The Resources table (4.1) gives an overview but no detail of what is available to address stock issues (and appears to include nothing from the Single Capital Pot). It should also be noted that the Table of Priorities (5.1) states a timescale for achieving the standard of 2012, which is not acceptable.

Current Performance:

- The Plan lacks a narrative covering the authority's performance over the last year. There is a very brief reference to operational achievements (sec 3.11) and a table (4.2) covering comparative performance under selected indicators. From the detail shown, the authority has made year-on-year gains in some areas (SAP ratings, relet and non-urgent repair times) but also lost ground in others (rent lost in voids, rent arrears and homelessness decisions). Since the picture is mixed and the indicators are often more positive when benchmarked against neighbouring authorities, it would have been advantageous to have discussed the factors affecting performance on each key measure.

Progress to Date:

- Sec 5.4 builds slightly upon the monitoring element of the Action Plan and includes mention of the monitoring of key dates, spend profiles and outcomes as reported bi-monthly by the appropriate lead officer. Although it is brief it at least points to a structured monitoring framework agreed throughout the Housing Service team.
- However, there is very little evidence to suggest that there has been any proper recording of progress against last year's (or previous years') action plans. Only sec 3.11 and sec 4.1.6/table 4.2 serve to detail past performance and this is not allied to any starting position i.e. start-of-year targets.
- Monitoring arrangements should include the role played by tenants and leaseholders in the process, not just the scrutiny role of Council. It is suggested for example, that an extract from an individual Service Plan or Team Plan might be included in the appendices to show what monitoring material is available to the relevant Improvement Task Team.

Accessibility:

- At around 40 pages plus appendices, the Business Plan is rather long. Many of the tables at the end are currently blank or lack sufficient detail. More signposting for non-professional readers to the key tabular information would be very helpful.
- The Plan's summary should cover core issues such as need analysis, service performance and key actions. There is much duplication of material (although it is appreciated that some repetition is necessary for clarity) and little cross-referencing to other documents other than the Housing Strategy.

Delivery

General Comment:

- We have looked at a number of indicators of performance for your authority and have identified the following area of concern, where performance is low compared with other local authorities or where it has fallen from last year. We are aware of some of the circumstances, but we should like to discuss these areas of performance in more depth before you draft your submission for next year.
- We should also like to discuss, as part of the agenda, the measures your authority is taking to deal with problems of housing affordability/low demand, and your progress towards meeting the Government's decent homes targets and in eliminating fuel poverty.
- We would like to discuss all these issues in meetings subsequent to the corporate feedback meetings we are organising.

Indicator	Performance score	Comment
Vacancy rate	2.08%	worse than last year

Capital Strategy

Assessment: Good

General

- All primary criterions have been met.
- Robust Capital Strategy providing a very sound basis for continued development. Several areas where the Strategy might be usefully strengthened are included in the following comments.

Strengths and areas to develop:

Primary Requirements

- Clearly defined process for linking corporate and capital aims together and for monitoring progress through the Capital Programme Working Group.
- The Strategy would benefit from more evidence of community *influence* rather than just involvement, for example the quarterly area meetings referred to in paragraphs 2.13 and 4.6. Influence in the corporate and capital decision-making process would be advantageous even where such influence has necessary limitations placed upon it as likely to be evident within the forthcoming Community Plan.
- It is encouraging however to note that the authority is seeking to improve community and partner understanding of funding mechanisms and project eligibility.
- We note that prioritisation processes for major capital projects may be revised, as acknowledged by the authority at paragraphs 2.14 -2.15.
- It would be advantageous to see specific examples of where outcomes from the authority's Best Value Review of asset management have facilitated development of the Capital Strategy, in addition to evidence of the influence of other reviews (paragraph 7.10).
- There is good evidence of partnership working and resultant investment gains made.

Secondary Requirements

General Content:

- Overall, there is strong evidence of corporate ownership of the Strategy, of successful partnership working and of some progress in establishing satisfactory performance monitoring systems for larger projects.
- Although the authority's relative size is likely to limit the scope for initiatives such as PPP/PFI, nevertheless there should be demonstration of how these and other funding options have been fully explored.

Partnership Working:

- Partnership working is frequently demonstrated and well explained, with good examples of capital co-operation with other councils and various organisations.

Performance Measurement and Monitoring:

- The Strategy might include performance indicators, which demonstrate more clearly how procurement issues - such as value for money and response times - are being addressed.
- Evidence of benchmarking is rather weak and needs to be reflected in the Strategy as well as the Asset Management Plan. The performance indicators (Ax E) need to focus more on outputs/outcomes rather than the amounts of investment generated and defrayed. It needs to be made clear how routinely a completed project is appraised against the original objectives for the project and how monitoring outcomes are used to improve subsequent delivery.

Cross Cutting Activity:

- It is considered that the Strategy contains sufficient information to demonstrate that capital deployment is seen as a corporate activity and that capital is being utilised to achieve wider objectives. Future strategies should continue to evidence crosscutting activity illustrated by appropriate examples.

Asset Management Plan

Assessment: Satisfactory

General

- All primary criterions have been met with no significant areas for development.
- Robust Asset Management Plan providing a very sound basis for continued development of asset management planning. There are several areas where it is suggested that Strategy might be usefully strengthened.

Strengths and areas to develop:

Primary Requirements

Organisational Arrangements for Corporate Asset Management:

- All organisational elements are in place with a cross-service corporate wide involvement of the AMG (The Forum) clearly demonstrated. Terms of reference of the forum are clearly stated including the strategic management of the council's assets.
- Members are regularly involved and there is evidence that the Plan is clearly linked to the authority's corporate objectives.

Data Management:

- All basic requirements for data collection of core data, coverage and use are met. The Plan demonstrates a clear understanding of the data required to manage performance of the authority's property portfolio.

Performance Management, Monitoring and Information:

- Regular reports on property performance are circulated to Chief Officers and Members including performance in relation to the national pPis.

Programme and Plan Development and Implementation:

- There is a clear action programme for the year ahead and all capital projects have been processed through the prioritisation system. There is five-year capital programme including a forecast of planned capital receipts.

Secondary Requirements

Organisational Arrangements for Corporate Asset Management:

- There is no evidence to show that one, single committee member has overall responsibility for the authority's property resources. A response to the authority's challenge has been covered in the letter from the Government Office dated 29 November 2002. [Criterion 3].

Consultation:

- This is well covered in Section 2 and elsewhere in the Plan and good illustrative examples are provided.

Data Management:

- Data requirements have been clearly explored although we await the results of the exercise to identify an appropriate solution to the issue of a non-centralised data management system. The rationale for waiting until the Council Estates Officer post is filled in December 2002 before the software is acquired is not clear (para 3.3).
- It is noted that development of the BS7666 UPRN system is being undertaken and that an implementation plan has been submitted to IDeA for assessment. [Criterion 12]
- There is no clear indication that the CPO has developed an approach for the centralised co-ordination of property management information. A response to the authority's challenge has been covered in the letter from the Government Office dated 29 November 2002. [Criterion 13].

Performance Management, Monitoring and Information:

- We note the authority's efforts to benchmark their proposed local performance indicators with neighbouring authorities and the mixed response received (para 4.5 refers). We will be interested to learn how this work is developing and whether new indicators, common to other authorities, are being explored (paras 4.8-4.10).
- There is no clear evidence that performance measurement feeds into a process of continuous improvement. This is covered in the letter already referred to above. [Criterion 18]
- It is noted that space utilisation has not been monitored in recent years but that this will resume (para 4.4). Although a performance indicator for space utilisation is included at Ax C (page 2), it is not clear that baseline data is available. [Criterion 19] Again, we note that the whole issue of performance indicators and their measurability is to be addressed in time for next year's submission (paras 4.8, 6.2).

Programme and Plan Development and Implementation:

- There is no evidence, for example a corporate or individual service report, to suggest that the authority have a thorough understanding of future asset requirements against the current situation. A robust and tangible protocol for monitoring current and future asset needs should be in place (i.e. a 3-5 year strategy). [Criteria 24-26]

