

## **COMPREHENSIVE PERFORMANCE ASSESSMENT – LESSONS LEARNT AND A FRAMEWORK FOR DISTRICT COUNCILS FROM 2006**

### **1 SUMMARY**

- 1.1 The Audit Commission have now published their evaluation of the results of the 2003/04 Comprehensive Performance Assessment (CPA) of Districts Councils and are consulting on the approach to be taken for inspections from 2006.

### **2 INTRODUCTION**

- 2.1 The Audit Commission have analysed the CPAs of the 238 District Councils undertaken in 2003/04. They have identified key elements of the assessment that correlate with the overall score and common themes relating to each of the ratings.
- 2.2 In December 2004 the Audit Commission consulted on the framework for CPA for District Councils from 2005. Rochford DC responded to this consultation. Over 300 written responses were received, as a consequence of which the Commission have now issued a further consultation document for CPA from 2006.
- 2.3 Proposals are in place for the assessment of District Councils in the interim.

### **3 DETAILED CONSIDERATIONS**

#### **3.1 Learning from CPA 2003/04**

Appendix 1 summarises the key elements and common themes identified by the Audit Commission from CPA and the improvement breakthroughs that they believe will aid continuous improvement.

#### **Framework for District Council CPA 2006**

- 3.2 The guiding principles for assessment will be:-

- Focus on improvement
- Seen from the perspective of service users
- Provide value for money for taxpayers
- Targeted and risk based
- Delivered in partnership with others

3.3 The framework will:-

- Build on the previous round of CPA
- Enable comparisons with single tier and County Councils
- Be affordable
- Include involvement of other organisations including the use of peers

3.4 Generic features of CPA will be:-

- Annual use of resources assessment including a judgement on value for money
- A direction of travel judgement
- Continued use of 5 categories – excellent, good, fair, weak and poor
- Corporate assessment that enables a focus on key local issues

3.5 The following shared principles will be assessed by all inspectorates:-

- The extent to which the Council promotes equality, diversity and human rights
- Access to and impact of services on all sections of the community
- The views of users and particular communities, including the hard-to-reach
- The processes in place to understand service users/communities and to gather their views
- Use of information from existing consultations or, where insufficient information is available, efforts to gain those views
- The extent to which consultation and other feedback influences decision making

**Future CPA methodologies**

3.6 The Audit Commission is consulting on options for future CPA assessments. These are summarised in Appendix 2.

**Corporate assessment**

3.7 This is being strengthened to test how Councils understand their communities and provide community leadership, how this understanding of local people and places translates into the Council's ambitions and priorities, and what in practice Councils are achieving.

3.8 Options for District Councils:-

- Achievement measured in relation to local and national shared priorities
- Achievement measured in relation to service delivery
- Achievement measured in relation to cross-cutting policy objectives

**Direction of Travel**

3.9 The direction of travel statement being used for 2005/06 could continue or the approach used for single and county Councils of a scored judgement could be adapted for District Councils. This includes a self-assessment of :-

- the Council's track record in improving outcomes
- progress made in developing robust plans for improvement and delivering against them

**Options for consideration**

- 3.10 (a) Are there any additional guiding principles?
- (b) What is the Council's view on peer involvement in the assessment activity?
- (c) What weighting does RDC feel should be given to each of the following within the CPA assessment?:-
- Use of resources
  - Service assessments
  - Corporate assessment
  - Direction of travel statements or scored judgements
- (d) How should they be brought together?
- (e) Which of the two main approaches to assessment (group A or B in Appendix 2) is preferred?
- (f) Which of the five framework options (Appendix 2) is preferred?

- (g) How burdensome would each option be?
  - (h) Does the Council wish to propose an alternative framework?
  - (i) Which of the three bases for corporate assessment (3.9) is preferred?
  - (j) Which of the two bases for measuring direction of travel (3.10) is preferred?
- 3.11 Responses to this consultation paper must be submitted to the Audit Commission by 30 November 2005.
- 3.12 The Audit Commission's approach will be confirmed in March 2006, for implementation from April 2006.

#### **Interim activity**

- 3.13 This activity will not lead to any re-categorisation and will comprise:-
- A use of resources assessment (see link to Use of Resources)
  - A direction of travel statement, incorporating progress assessments for poor and weak Councils (further guidance awaited)
- 3.14 This will be reported in the Annual Audit and Inspection letter by 31 March 2006

## **4 OFFICER RESPONSE**

- 4.1 Whilst it is pleasing to get some feedback in connection with the 2003/2004 CPA process, it would have been useful if this had been issued earlier to feed into both the Improvement Planning process and the Progress Assessment. However, there are clear messages about what Districts need to do if they are to improve upon their CPA performance.
- 4.2 Community leadership and engagement with local people is seen as important, as is the development of priorities and non-priorities. The translation of priorities into action plans, with measurable outcomes, underpinned by good performance management systems, is seen as key. Building capacity through partnership working and other mechanisms is also highlighted.
- 4.3 In terms of the proposed options on the way forward for future assessment, it does appear that if anything, the process will become more complex and difficult to explain. In looking at paragraph 3.2.8, "Options for Consideration", and answering the question, are there any additional guiding principles, it does appear that principles around transparency and easily understandable by the general public would be useful principles to adopt. The options as outlined in the Appendix 2 certainly appear to be moving away from this. Also, the principle of relevance to the public – this needs to be included upfront in any explanation as to the basis and worth of any assessment process.

- 4.4 In response to the question around Peer involvement, this was certainly found to be useful last time around, although how that is managed and inputted into any process needs to be properly thought through.
- 4.5 As to the question of weighting, whilst it might be appropriate, to try and explain to the public why “x” is worth 2 times ‘y’ for example, causes confusion and clouds understanding. Also, the debate then centres on relative weightings and scores, rather than focusing on key areas for improvement.
- 4.6 Regarding which approach to assessment would we prefer, in simple terms it is a contrast between a planned comprehensive approach (Group A) as opposed to a selective approach (Group B). Given the resources involved, for both the Commission and the affected Council, the Group B targeted approach may be the best, although clarity is needed around exactly what triggers the reassessment and how that assessment is to be carried out on the ground. In contrast, the Group A approach would see all District Councils covered over the period 2006-2009. It has to be questioned whether continuing with the comprehensive approach represents value for money and in itself secures maximum improvement for the inputs required.
- 4.7 If the Group B approach is selected, it is considered option 4, which includes service assessment, would be the most appropriate.
- 4.8 On the basis of the framework options now coming forward, it is felt that the Audit Commission must take stock to reflect on what it is really trying to achieve, together with further reflection on where do the public, who after all are our customers, fit into this, in terms of both understanding and inputting into the process.
- 4.9 Finally, in relation to preferences around the bases for corporate assessment and direction of travel assessment, achievement in relation to local and national shared priorities would seem appropriate at the corporate level while the Council's track record in improving outcomes would appear more suitable than measuring delivery against improvement plans as such.

## **5 RISK IMPLICATIONS**

- 5.1 The Authority's failure to fully consider the implications of this consultation could result in an inspection regime that the Council does not consider appropriate.
- 5.2 Failure to develop partnership working will impact on cross-cutting inspections

## **6 LEGAL IMPLICATIONS**

- 6.1 Changes proposed to the inspection regime will be statutory.

**7 PARISH IMPLICATIONS**

- 7.1 The emphasis on partnership working will impact on delivery of services at parish level.

**8 RECOMMENDATION**

- 8.1 It is proposed that the Committee **RESOLVES**
- (1) To consider the lessons from the CPA 2003/04 and identify the means for addressing issues at Rochford District Council.
  - (2) To consider the implications of proposals for the new CPA inspection regime and develop a response, for submission to the Audit Commission by 30 November 2005

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**Background Papers:-** None

Copies in Members' Room

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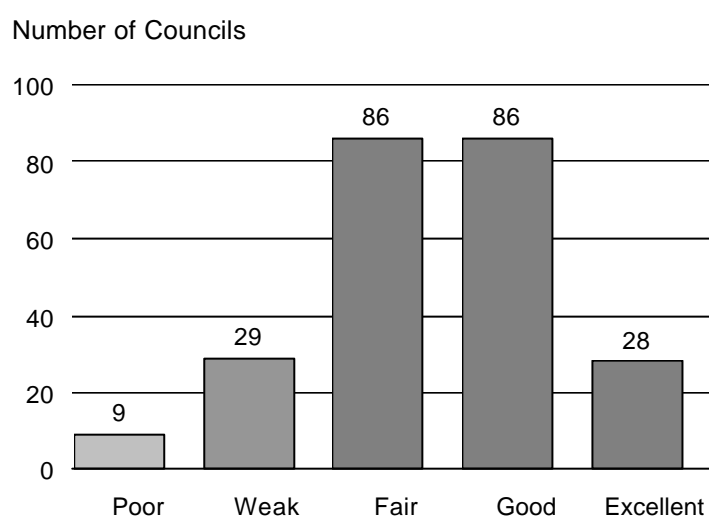
## APPENDIX 1

**Key lessons from CPA 2003/04**

The following are excerpts from the Audit Commission publication Comprehensive Performance Assessment – scores and analysis of performance for District Councils in England 2003/04

**Overall performance of District Councils in CPA**

Three times as many District Councils are rated Good or Excellent than Poor or Weak.

**Characteristics of District Councils in different CPA categories**

What are the problems that constrain achievement?	CPA category	What's working well to support achievement?
	<b>Excellent</b>	<ul style="list-style-type: none"> <li>Effective community, political and managerial leadership</li> <li>Clear priorities and outcome targets</li> <li>Effective systems that people use</li> <li>Partnerships that help to delivery priorities</li> </ul>
<ul style="list-style-type: none"> <li>Systems, including performance management, not fully embedded</li> </ul>	<b>Good</b>	<ul style="list-style-type: none"> <li>Positive relationships and good-quality people</li> <li>Self-aware and outward-looking culture</li> </ul>
<ul style="list-style-type: none"> <li>Ambitions and priorities for the future are unclear</li> <li>Systems have flaws and are not always used</li> </ul>	<b>Fair</b>	<ul style="list-style-type: none"> <li>Leading and managing on well-established priorities</li> </ul>
<ul style="list-style-type: none"> <li>Complacency and some reluctance to change</li> <li>Lack of skilled staff and members</li> <li>Systems and finances fragile</li> </ul>	<b>Weak</b>	<ul style="list-style-type: none"> <li>Recently agreed direction and renewed relationships</li> </ul>

What are the problems that constrain achievement?	CPA category	What's working well to support achievement?
<ul style="list-style-type: none"> <li>• Weak community, political and managerial leadership</li> <li>• Poor and distrustful relationships and partnerships</li> <li>• No plans for change</li> </ul>	Poor	

### Common area for improvement among Councils in each category

- **To move on from Poor and Weak:** Councils need to work at arresting decline and securing the foundations to build from – leadership, positive relationships, financial, performance and people management, community engagement and making the most of partnership opportunities.
- **To move on from Fair:** Councils need to work at addressing any leadership and relationship issues, including tackling any remaining complacency and insularity, clarifying medium- and long-term direction, priorities and targets, strengthening systems and making partnerships more productive.
- **To move on from Good:** Councils need to work at making sure that the direction and priorities are crystal clear, ensuring that all communities are engaged, embedding systems and satisfying themselves that partnerships are giving the full benefit.
- **To move on from Excellent:** though performing strongly in most areas, Councils can still do more work on embedding their performance management, making clear the long-term vision and the areas that are not priorities, refining and bolstering scrutiny and risk management and building learning into the way things are done.

### Key differences between best and worst performers

Housing – the diagnostic assessment related either to the achievement of a better balance between housing availability and the demand for housing or progress towards meeting the decent homes standard (the assessment for RDC related to decent homes).



Councils with higher overall CPA ratings performed better in their housing assessments

### Common characteristics of best- and worst-performing District Councils in BHM assessments

BHM sub-question	Common strengths of District Councils with very low need for improvement	Common weaknesses of District Councils with high or very high need for improvement
1. Does the Council understand its housing market and has it developed the right proposals?	<ul style="list-style-type: none"> <li>Housing a corporate priority of the Council.</li> <li>Good understanding of the housing market, stock condition and housing needs.</li> <li>Good housing-related strategies and a strong local development plan that has clear expectations with regard to affordable housing delivery, where necessary.</li> <li>Strategies and plans link well to other Council and partner strategies and plans; and backed up by SMART action plans.</li> </ul>	<ul style="list-style-type: none"> <li>No up-to-date private stock condition data.</li> <li>Strategic housing programme not prioritised in order of importance and impact.</li> <li>An absence of SMART targets in action plans.</li> </ul>
2. What actions have been taken and what has been achieved?	<ul style="list-style-type: none"> <li>Good partnership working and relationships with all the necessary partners and stakeholders, with regular meetings and liaison.</li> <li>Joint working with other Councils.</li> <li>A positive approach and track record of funding and resourcing activity in relevant areas, such as new affordable housing or private sector renewal activity.</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient or unsecured resources to deliver proposals within strategies and plans.</li> <li>Insufficient staff capacity.</li> <li>No, or ineffective, working with neighbouring Councils.</li> <li>A predominantly reactive approach to tackling issues linked to private sector renewal.</li> </ul>
3. How does progress monitoring inform future plans?	<ul style="list-style-type: none"> <li>Good monitoring and strong performance management frameworks for assessing progress and impact of the work, with ongoing reviews of strategies and plans leading to revised proposals and actions.</li> </ul>	<ul style="list-style-type: none"> <li>Limited learning from own performance or that of others, from consultation exercises with partners and stakeholders and accessing and implementing good practice.</li> </ul>

### Common characteristics of best- and worst-performing District Councils in DHS assessments

DHS sub-question	Common strengths of District Councils with very low need for improvement	Common weaknesses of District Councils with high or very high need for improvement
1. Does the Council know what is needed and what it is trying to achieve?	<ul style="list-style-type: none"> <li>Good stock condition knowledge (with mechanisms for updating) and understanding of action required.</li> <li>Business plan and housing strategy with SMART targets and plans for preventing homes already decent from becoming non-decent.</li> <li>Stock option appraisal completed or well advanced, (although this was not as common a strength as all the other items, showing room for improvement).</li> </ul>	<ul style="list-style-type: none"> <li>No local DHS targets or lack of clear ambitions in relation to meeting the DHS.</li> <li>Weak or old housing revenue account business plan, which fails to show how the DHS will be achieved, or plans that are not realistically resourced.</li> <li>Weak tenant participation and resident involvement with little or no involvement in decisions about decent homes, including option appraisals work, contractor selection and monitoring</li> </ul>

DHS sub-question	Common strengths of District Councils with very low need for improvement	Common weaknesses of District Councils with high or very high need for improvement
2. What is the Council doing to meet the DHS	<ul style="list-style-type: none"> <li>On target or good progress towards meeting the DHS.</li> <li>Current and future financial resources maximised to meet the DHS with plans clear on achieving this, often with the right level of additional investment sourced or being sought through option appraisal work already secured.</li> <li>Good work with other Council departments, partners and other agencies.</li> <li>Egan and partnering arrangements in place through modern procurement and contract management.</li> </ul>	<ul style="list-style-type: none"> <li>Little assessment of the Council's financial capacity to meet the DHS.</li> <li>Resources not properly targeted and capital programme not managed effectively.</li> <li>Poor policy and practices for repairs and maintenance working against meeting the DHS.</li> </ul>
3. How does progress monitoring inform future plans?	<ul style="list-style-type: none"> <li>Effective learning from other Councils and partners through networks, benchmarking and sharing good practice.</li> </ul>	<ul style="list-style-type: none"> <li>Poor or no performance management systems in place to monitor progress and performance.</li> <li>No risk analysis undertaken.</li> </ul>

Public space – Councils typically received lower scores if:-

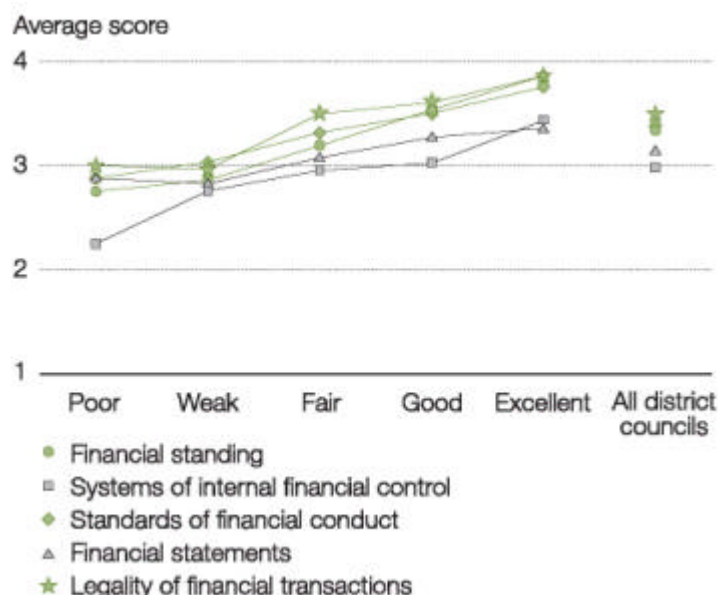
- they were not training all front-line staff and managers in child protection
- they did not have a child protection policy agreed and implemented
- Criminal Records Bureau/checks were not satisfactorily undertaken on staff likely to be in contact with children and young people
- they were unlikely to meet their 2005/06 statutory performance standard for recycling and composting
- they had not carried out an audit of how its activities contribute to the reduction of crime and disorder

Benefits – Councils that perform better in CPA overall tended to score more highly in the benefits assessment. District Councils that currently perform least well on benefits also have the lowest capacity to improve.

### Financial Management

How financial management scores relate to overall CPA category

Councils that have better financial management are more likely to perform well in CPA overall.



Local factors provide very little indication of how well a Council performs overall or within individual elements of the assessment. Two factors, size and deprivation, show a weak relationship.

### **Improvements in Councils since CPA**

The AC has undertaken progress assessment of 24 District Councils categorised as poor or weak under CPA. Most have made some progress in key areas but the rate of change varies.

Leadership remains fragile and lacks a strategic approach in some Councils which is inhibiting progress in embedding the systems and structures to drive improvement. Strengthening community leadership and engagement with local people remains an area for improvement. While many have made progress in developing priorities for improvement, few have yet to identify what is not a priority. In most Councils, priorities have yet to be translated into clear action plans and outcome measures that can be used to monitor achievement.

Developing the capacity for improvement has been a focus for all poor and weak Councils. This has led to changes in staffing structures and policies and greater partnership working to facilitate learning, maximise resources, and improve service delivery. Many have developed their approaches to procurement, financial and risk management, but those making better progress have begun to embed these approaches as tools for improvement. Performance management remains a cause for concern in most of these Councils.

**CPA of District Councils: improvement breakthroughs**

The following eight key breakthrough areas have been identified as fundamental to continuous improvement:-

- lead and manage effectively
- pull together
- take a long-term view
- embed performance management and other systems
- stick with change and improvement
- prepare for the future and reach for new heights

## APPENDIX 2

**Options for District Council CPA**

The following summarises the options for future inspection for which the Audit Commission is inviting feedback (for full details see link to The Framework for Comprehensive Performance Assessment for District Councils from 2006). The resource requirement for each option is detailed in the framework document.

**Group A**

**Those that allow the Commission to re-categorise all Councils through a programme to be delivered over a number of years**

Option 1

This option takes the first round assessment framework as its starting point.

The framework under this option would include:

- service delivery diagnostics (for example, public space and housing as in the first round);
- benefits assessment;
- use of resources assessment;
- a periodic corporate assessment; and
- it could include regular statements of direction of travel that sit alongside CPA categorisation

It does not include separate regular service assessments.

Corporate assessment would be in-depth and comprehensive for all Councils by way of a phased programme over the period 2006-09.

Option2

This option takes the adopted single tier and county Council CPA framework as its starting point (see link to CPA – The Harder Test)

The framework under this option would include:

- use of resources assessment
- service assessment(s)
- a periodic corporate assessment

- possible direction of travel scored judgements published annually when CPA categories were updated

A rules set would bring together scores from each component part to produce an overall CPA category.

#### Option 3

This option takes existing performance information as its starting point.

The framework under this option would bring together the following components:

- use of resources assessment
- service assessment
- direction of travel statement
- result of the 2003/04 corporate assessment

A rules set would be devised to produce a CPA category and assessments would need to be enhanced to cover key aspects of corporate performance, including performance management, as these are not assessed separately.

#### **Group B**

**Those that allow the Commission to identify that a Council may be ready to be considered for re-categorisation**

#### Option 4

In this option the framework would bring together annual:

- use of resources assessments
- service assessments
- direction of travel statements

to provide the basis for a Commission decision as to whether or not to undertake further assessment activity and an opportunity for re-categorisation. The further assessment activity would be a proportionate corporate assessment.

This new corporate assessment activity would only be carried out at those Councils where:

- there was sufficient evidence of sustained performance that was significantly better than that indicated in the original corporate assessment, and the Council wished to be considered for re-categorisation

or

- there was evidence of significant weakening of performance.

The corporate assessment activity would provide an opportunity to probe areas highlighted by the use of resources, service and direction of travel assessments and, on the basis of risk, could consider:

- ambition and prioritisation
- capacity and performance management
- achievement

#### Option 5

Similar to option 4 but without service assessments.

Annual use of resources and direction of travel statements would be used together to provide the basis for deciding whether or not to undertake further activity.

Again any additional activity would only be carried out at those Councils where and when sufficient evidence of progress or regression was found.

Corporate assessment activity would be periodic on a rolling programme covering all Councils in the period 2006-09.