
COMPREHENSIVE PERFORMANCE ASSESSMENT FOR DISTRICT COUNCILS

1 SUMMARY

- 1.1 This report introduces the third consultation document produced by the Audit Commission on Comprehensive Performance Assessment, this time in connection with how it will apply to District Councils. The report outlines the main contents of the consultation document for Members information and comment. It sets out a suggested response as drafted by Officers for Members to consider. Responses to the consultation are requested by 15 November.

2 INTRODUCTION

- 2.1 This consultation document has been prepared by the Audit Commission to explain the Commission's approach to Comprehensive Performance Assessment (CPA) as it will apply to District Councils. The Consultation has been drafted following discussion and consideration by a reference group of District Councils to provide advice and guidance on the approach that should be taken. At this point in time, the Audit Commission is also working with ten District pathfinder Authorities (3 are in the Eastern Region – Cambridge City, Ipswich and St Edmundsbury). It is likely that the experience gained from these will have an impact on the eventual approach to CPA in District Councils that is rolled out nationally. The work on these pilots should conclude in November/December.
- 2.2 CPA for most District Councils will start in earnest from 2003, with the results for all Authorities available by December 2004; hence a two-year timetable to cover all Districts is envisaged.

3 DETAILED CONSIDERATIONS

Content

- 3.1 The Consultation Paper advises that Comprehensive Performance Assessment in District Councils will be done by:-
- Assessing a Council's capacity to deliver services and improvements to meet the ambitions and priorities it has set for local people.
 - Assessing current performance in housing, the environment, benefits, as well as the management of resources using inspection judgements, performance indicators, plan assessments and auditor judgements.

3.2 The CPA assessment will be made using the following elements:

3.3 Council capacity

- The Audit Commission propose to use self-assessment, strengthened by an external peer challenge review to understand and assess council capacity to deliver against key priorities.
- It will use two new, cross cutting inspections to assess council capacity to deliver in two key areas of district responsibilities – strategic housing and planning delivery (Balancing Housing Markets) and management of the public space (Clean, Green and Safe Public Space).
- The Commission will also use auditor judgements on the financial aspects of corporate governance.

3.4 Service Assessment

- The Commission propose to use cross cutting inspections to assess current performance and impact for local people in direct housing and environmental services (although if there are recent inspections in housing management or homelessness and advice, these will be used for the performance assessment). The Commission propose to combine inspection judgements in these areas with plan assessment scores and Performance Indicators (PIs) to provide an overall evaluation.
- The Commission will use judgements from the Benefits Fraud Inspectorate (BFI) to evaluate benefits performance.
- The Commission will use inspection judgements, Performance Indicators (PIs) and plan assessment for the other local services.

3.5 Overall assessment

- The Commission intend to consult on how it will bring all these assessment ingredients together to form the final Comprehensive Performance Assessment of each Council in the late spring of 2003.

3.6 Self assessment is seen to be an integral part of the overall process adopted for CPA for District Councils. Councils will be asked to respond to four simple questions:

- What is the Council trying to achieve?
- How has the Council set about delivering its priorities for improvement?
- What has the Council achieved/not achieved to date?
- In the light of what the Council has learnt to date, what does it plan to do next?

3.7 In responding to these questions, Councils will need to consider nine key competencies as follows:-

- Ambition
- Focus
- Prioritisation
- Capacity
- Performance management
- Improvements achieved
- Investment
- Learning
- Future Plans

3.8 The Commission propose to invite Councils to score themselves against each of the nine competencies. The Commission believes a scored self-assessment for Districts will:

- Better illustrate success and achievement
- Encourage Councils to focus on strengths and weaknesses
- Prompt Councils to provide stronger evidence and supporting analysis
- Provide an opportunity for more incisive challenge and encouragement within Councils
- Offer the opportunity for more rigorous, supportive and engaging peer challenge
- Help shape the focus and detail of the cross cutting inspections

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- Provide a strong evidence base for the judgement on corporate capacity for improvement
 - Provide a platform to begin improvement planning.
- 3.9 The Commission propose that all Districts include peer challenge of their self-assessment as part of the process.
- 3.10 The Commission sees peer challenge as providing a strong, managed, external challenge to the self-assessment encouraging Councils to think about their strengths and weaknesses and the opportunities and barriers to delivering improvements. Peer challenge in this context will be about trying to raise awareness and understanding, offering the insight, encouragement and support to encourage a better analysis and understanding of how the Council works and what needs to be done to bring about change.
- 3.11 The Commission is looking at the following options to provide the peer challenge:
- The use of the IDeA's Local Government Improvement Programme to inform and challenge the self-assessment. This would be at the direct request of the Local Authority.
 - Where a Council has had a peer review since January 2002, the IDeA will adapt the follow-up process to provide the appropriate level of peer challenge using members of the original team.
 - Chief Executives and leaders joining together to provide peer review capacity for other Authorities.
 - Other organisations that may wish to offer this service to Authorities are being investigated by the Commission.
- 3.12 The Commission propose the following standards to be met by who ever carries out the peer challenge:
- There must be no local connection. However a team of Chief Executives and leaders could carry out a challenge at say, a District in another county providing there are no close partnerships.
 - The feedback from the peer challenge process must be made fully available to the Audit Commission and the Commission able to discuss the findings, if necessary, with a member of the challenge team.

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- The Local Authority may wish to invite a member of the peer review team to their workshop, which is held to reach agreement on key elements of the corporate assessment.
 - A report would need to be produced to ensure that all parties involved were clear about the outcomes of the challenge for the Authority and areas that the peer team felt should change in either direction within the self-assessment.
 - The Commission will need to ensure that anyone carrying out the challenge work is accredited to do so.
- 3.13 The Balancing Housing Markets cross-cutting inspection recognises the key strategic role that District Councils have in managing local housing markets. Housing markets can be in under-supply, for example in London and other 'hot spots' such as the South-East, or in over-supply. Local Authorities can make a positive impact on these issues by aligning the demand for and supply of local housing through strong and co-ordinated strategic housing and planning arrangements.
- 3.14 Where housing is in under-supply, as is the likely scenario for Rochford, the thematic inspection is likely acknowledge the adverse economic and social impact arising from the lack of housing, especially affordable housing. It will recognise the need for Councils to develop, in partnership, strategic approaches to tackle this issue. Internally, co-ordinated housing and planning activity will be essential to the delivery of new housing. Externally, working with partner agencies, such as Housing Associations and the construction industry, will be equally crucial to this delivery.
- 3.15 The Commission advise that resourceful and imaginative use of land, especially brown-field land and rural exception sites, and of 'planning gain', whether from housing or other capital projects (e.g. schools, supermarkets), can achieve significant increases in housing supply. Similarly, demand for housing can be redirected, for example through choice-based lettings schemes, working with private sector landlords, and building partnerships with other Local Authorities who have empty stock which can be offered to those in housing need.
- 3.16 Where there is a housing shortage, the inspection will also take a special interest in the approach that the Council has taken in trying to understand and address the housing needs of different sections of the community, both in the private and public sectors.
- 3.17 For District Councils where there is an over-supply of housing, the inspection will test the Council's approach to understanding and addressing these issues.

3.18 The inspection will measure the achievement of an Authority in delivering its key objectives, as set out in its housing strategy and local plan, over a three year period.

3.19 Specifically, the inspection will test:

- How the Council had developed and agreed its strategy and Local Plan with local people and other stakeholders;
- How well the Council has delivered against its agreed priorities, and
- The extent to which the Council has adapted its approach in the current housing strategy and plan to learn from its experience and meet changing local circumstances.

3.20 The cross cutting inspection on Clean, Green and Safe Public Space will evaluate how good the Council is at identifying the priorities for its public space and the impact the Council has in terms of service outcomes and experiences for local people.

3.21 It will focus on 4 areas:

(i) Management of the physical environment

The quality of design, maintenance and management of the local environment impacts directly on perceptions of safety and use of public space. Examples include the design and maintenance of buildings, streets, parks and play areas together with noise and pollution control. As with many aspects of the physical environment, the inspection will assess the Council's ability to work with others and deliver improvements on local priorities whilst meeting national objectives.

(ii) Keeping the locality clean

Surveys show that keeping the streets and public space clean is a high priority for local people. The inspection will assess the Council's ability to deliver on local priorities and national targets for waste management. This will also test the Council's commitment to effective partnership working; for example, with local shopkeepers, businesses and the County Council.

(iii) Working with partners to improve community safety

People need to feel safe as they use public space. Councils can create safer and stronger communities by joint working with the Police, County Council and other relevant agencies, to reduce crime and anti-social behaviour, strengthen community cohesion and tackle drug

abuse. The inspection will assess the improvements during the period of the Council's first community safety plan, effective delivery on the ground, and realistic plans for the future.

(iv) Promoting an active life

Local and national priorities indicate the need to provide activities for teenagers and a healthy lifestyle for everyone, often expressed in a Council's cultural strategy. Attention will be given to delivering improvements by working with others; including encouraging and enabling community activities, and involving sports clubs and arts organisations to improve the use of public space.

3.22 The inspection will address a number of common issues in these areas, including:

- Ensuring accessibility of public space to all sections of the community
- Managing quality services to the satisfaction of local people
- Responding to local needs
- Effective partnership working with others
- Integrating the various services of the Council with other agencies
- Achieving efficiency and effectiveness via performance management.

3.23 The Audit Commission recognises that although all District Councils have a strategic housing responsibility and many a direct landlord role, the balancing housing markets assessment may not provide the preferred opportunity to illustrate success in the Council's own priority areas. The same may also be true for public space management. Thus the Commission will encourage Councils to use the self-assessment process to illustrate any additional priorities and demonstrate the delivery of improvements against them.

3.24 The Council's self-assessment should address the issues of balancing housing markets and public space management. This will provide a framework for scoping and tailoring these inspections around the Council's key issues, priorities and successes in these themes. The inspectors will then take into account these priorities in planning and delivering their work.

- 3.25 While the inspections will report on performance delivery, they will also look at the key features that support the delivery of good services to local people such as community leadership.
- 3.26 The housing cross cutting inspection will provide evidence and a score for the corporate capacity judgement alone. Current performance in the delivery of direct services to local people will be evaluated alongside this work. The public space inspection, because it has a strong and direct user focus, as well as a strategic consideration, will provide both corporate capacity evidence and scores plus a current service performance evaluation.
- 3.27 The Commission advise that the cross cutting inspections will be undertaken by teams of specialist staff together with those with previous corporate assessment experience. The Housing Inspectorate will lead the balancing housing markets inspection, with specialist planning inspectors joining the teams. The public space assessment will be delivered by specially trained staff from within the Commission. Where possible the inspections will be undertaken at the same time. This will help ensure that common themes can be considered together and the demands on the Council minimised.
- 3.28 Given the links between many Districts and County Councils, the Commission is keen to programme the work on a County basis giving, at this stage, an outline month in which it anticipates starting work in each County.
- 3.29 The Commission propose to use its relationship managers to report on the overall findings and lead a discussion with each Council to consider the strengths and weaknesses that have been identified as part of the assessment process. This will be key to informing the final judgement about the Council's capacity to deliver improvements. It will also be the starting point for detailed discussions about the Council's priorities for improvement. A draft performance assessment report will be issued to the Authority. There will then be an opportunity to comment on the final draft. Comments will be considered by the relationship manager and a final report issued.
- 3.30 The Commission propose to make an overall judgement about each Authority in the following way:
- Cross cutting inspections will provide a score on corporate capacity to deliver improved services;

- This will be combined with corporate capacity evidence from auditor judgements, performance indicators, other service inspections and benefits assessments to form an overall view about the Council's proven capacity to deliver;
- Evidence from the self-assessment and peer challenge will help to make this evaluation.
- Service performance scores will be generated as part of this exercise too.
- All this information will combine to make the overall comprehensive performance assessment for each Council.

3.31 The Commission advise that they will consult about the detail of how all this information is brought together in early 2003.

3.32 Where disputes do occur, the Audit Commission says that it is now trialling a quality assurance and disputes process that seeks to resolve particular issues where there is disagreement. This will be adapted for use with Districts.

4 OFFICER COMMENT

4.1 It is with some relief that the draft guidance on the CPA for Districts has finally been published, although it would certainly have been helpful if it had been published earlier, given the programme is to be launched in earnest in 2003. With this in mind, it is also of concern that the feedback from the pilots will probably not have been fully disseminated prior to the roll out to Districts, nor will details of the methodology for the overall assessment have been produced.

4.2 Nonetheless, the increased emphasis on self assessment and peer challenge is welcomed, as it will hopefully allow authorities to take greater ownership of the process.

4.3 In the consultation, the Audit Commission asks whether the approach as now set out sufficiently reflects the needs of District Councils. It is certainly better than that first envisaged, although it is important that an emphasis continues to develop in respect of 'improvement' rather than 'punishment'. The absence of detail on improvement planning however, remains a real concern, as do capacity and resource issues.

4.4 The Audit Commission also asks whether the approach to self assessment as set out will help an Authority provide a balanced view of its corporate performance.

- 4.5 In this context, the four key questions and nine key competencies represent a useful framework, although further guidance on interpretation and definitions and examples of perceived good/bad practice would be welcome.
- 4.6 There is concern over the peer challenge element, both in terms of the existing/potential capacity which exists to provide that element plus, the need for consistency and quality control. The Audit Commission will need to ensure that the peer review options outlined for challenging the self assessment are equally rigorous and of the same quality. There must also be some question over the costs and resource implications associated with each of the proposed options for peer challenge.
- 4.7 The choice of housing as one of the two subjects for the thematic service assessments is worrying. Certainly in this District, greater emphasis is placed on Planning. This would probably give better evidence and linkages into any corporate assessment. The Audit Commission asks how it can best understand a District's key priorities in the two thematic areas selected. Here, the wealth of strategic documentation available produced by Districts plus an evaluation of the Council's budget over a period should provide a good insight into the Council's priorities in both. Also, the work and information obtained by the External Auditor (or District Audit) should not be underestimated.
- 4.8 Within the consultation paper, the Commission seeks views as to how it should bring together all the performance information, as well as service judgements, to form an overall view of the Council. Again, given the growing and extended remit of a Council's External Auditor (or District Audit), it is felt that these bodies should play a key role in the process. As outlined above, it is considered that they already know much about a Council and have much of the information on which to give a view on many of the issues covered. There may be resource implications attached to this but it would clearly be preferable to creating new systems and networks.
- 4.9 The Audit Commission is requesting specific views on how the CPA for Districts should be programmed and reported. The view represented in the consultation document is for Districts to be assessed on a County-wide basis. Whilst that may be suitable for some Counties, there must be a question mark as to whether Essex, with its diversity and large number of Districts, can best be done in that way. A sub-regional approach may be preferable, or one which groups Districts by their size and characteristics.

4.10 In terms of reporting all District Council's assessments, officers are of the view that there should be a rolling programme of reporting, at regular intervals, over the period until December 2004, rather than wait and publish all at the end. The latter course would raise capacity, resourcing and planning issues, and could well raise further questions over the 'currency' of the assessments, which in many cases would be 12+ months old.

4.11 Finally, it is clear that the guidance now coming forward for Districts will require a considerable degree of understanding by both Members and staff. It is therefore intended to initiate specific training for both on the CPA and its application in Districts over the coming months.

5 CRIME AND DISORDER IMPLICATIONS

5.1 The consultation draft indicates that Community Safety will be covered within a District Council's CPA.

6 ENVIRONMENTAL IMPLICATIONS

6.1 The consultation draft indicates that environmental issues will be covered within a District Council's CPA.

7 RESOURCE IMPLICATIONS

7.1 It is anticipated that considerable Member and officer input will be required as the CPA regime is introduced and developed. In addition, funding will be required to support the Peer Review process, Member and officer training and the production of all the documentation generated by the CPA. It is therefore suggested that a sum of £30,000 be considered in the context of the 2003/2004 budget making process.

8 LEGAL IMPLICATIONS

8.1 The CPA is a key part of the Government White Paper on Local Government and is an extension of the Best Value regime as outlined in the Local Government Act 1999.

10 RECOMMENDATION

It is proposed that the Committee **RESOLVES**

- (1) To agree that the officer comments as outlined above should be forwarded to the Audit Commission and copied to the Local Government Association, subject to any further comments raised by Members in their consideration of this report.

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- (2) To agree that a Member and staff training programme be put in place on CPA and its implications for Rochford District Council.
 - (3) To agree that budget provision of £30,000 for CPA work be considered as part of the 2003/2004 budget making process.

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Background Papers:

None

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