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## **Appendix A**

### **Proposals for comprehensive performance assessment from 2005 – a consultation document**

The proposals for CPA from 2005 include an emphasis on outcomes for local people and value for money. The intention is to merge the weak and poor assessments to give excellent, good, fair, and a fourth category. The overall assessment will be updated annually and will take account of:

- a corporate assessment (1)
- use of resources (2)
- individual service blocks, with some weighting (3)

In order to determine the overall rating for an authority, a score is given for the corporate assessment and a rules-based assessment of the individual service blocks and use of resources is made, from which the final score derives.

- 1** The key part is the **corporate assessment** which will look at how the Council's (and partners') ambitions, priorities, capacity and performance management lead to the achievement of outcomes from shared priorities. The ratings are

- 4 performing strongly
- 3 performing well
- 2 adequate performance
- 1 inadequate performance

The scoring for each of the 4 themes, plus an overall scoring for achievement on sustainable communities and transport, safer and strong communities, healthier communities, older people, and children and young people, will be allocated on a scale of 1 to 4 and a rules-based system used to determine the overall corporate assessment score. The scoring system is:

Scores on 5 themes (the 4 corporate themes and an overall score for achievement)	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

The intention is to make the corporate assessment more challenging by looking at:

- the impact of the council's efforts to promote user focus and diversity
- the council's contribution to shared priorities
- the management of resources
- the council's lead and influence in the community

For district councils, the corporate assessment activity will be targeted where it is likely to have most impact and, when it is carried out, it will be in a significantly reduced form. The trigger for deciding to carry out a corporate assessment will be the likelihood, based on the previous year's assessments, of an improved rating.

- 2** The assessment of **use of resources** will be more rigorous than previously and will be based on annual external-audit work. It will look at financial planning and management, financial standing, internal control, and value for money. It will:

- include an explicit judgement on value for money (drawing on a self-assessment template, currently being piloted)
- enable councils to show they are delivering efficiency gains

The overall rating of 'use of resources' will be on a rule base similar to that for the corporate assessment, using a rating of 1-4 for each theme.

This assessment will carry more weight than some of the other elements in determining the overall CPA category and is designated a 'level 1' element.

- 3** The **individual service blocks** will be developed:

- by bringing services for children and young people into a single service block (it appears that this will not be a measure for district councils)
- removing dependence on inspections of individual services
- identifying appropriate performance data and information to evaluate service delivery (currently at an early stage of development)

This assessment will take account of relevant national service delivery requirements.

Housing, Environment, Culture and Benefits are defined as 'level 2' elements whereas those for children and young people, and social care (adults) are rated at the higher 'level 1'. Ofsted and CSCI will deliver judgements on children and young people, and CSCI and BFI will

make the judgement on older people and benefits respectively. The Audit Commission will assess the other elements.

It is also proposed that, for district councils, there will be an annual performance assessment of community safety but it is not known whether this will be a level 1 or 2 element.

Whether a single rating should be applied to all the service blocks or individual ratings given for each of them, is a matter for this consultation.

The proposed key lines of enquiry for assessing individual service areas (those assessed by the Audit Commission) is:

Service block	Sub-block	Key assessment issues
Environment	Creating a better environment	Achieving environmental improvements
	Maintaining the environment well	Managing public space and assets
	Sustaining a quality environment for future generations	Efficient use of resources and consideration of the natural environment
Housing	Balancing housing markets	Affordable housing, market renewal, sustainability
	Community housing	Homelessness, housing advice, private sector housing, supporting people
	Managing council homes	Decent homes, repairs and maintenance, resident involvement, housing management
Culture	Libraries	Use, service standards, spending, satisfaction, stakeholder commentaries
	Arts, museums and heritage	Accreditation, visits, satisfaction, stakeholder commentaries
	Sport, play and recreation	Quality and performance, participation, satisfaction, stakeholder commentaries

- 4** The **overall categorisation** of an authority will depend on the mix of scores for the various elements, using a rule-based approach. A score of 1-4 will be given for each of the corporate assessment and use of resources themes plus either a similar scoring for each of housing, benefits, environment, culture, and possibly community safety, or a single scoring for all these elements.

The final categorisation is determined from the initial corporate assessment and then the number of ratings at each level for the other elements. From the table below you will see that an authority with a 'good' rating (3) on corporate assessment will only be categorised as 'good' if all the other elements are given at least a rating of 2. However a 'good' corporate assessment can move up to an 'excellent' one if all the other elements are rated at least 3.

Corporate assessment	Level 1 services (including use of resources)	Level 2 services	Category
4	None less than 3	None less than 2	Excellent
4	None less than 2	No more than one less than 2	Good
4	No more than one less than 2	No more than one less than 2	Fair
4	Any other combination		Weak
3	None less than 3	None less than 3	Excellent
3	None less than 2	None less than 2	Good
3	None less than 2	No more than one less than 2	Fair
3	Any other combination		Weak
2	None less than 3	None less than 2	Good
2	None less than 2	No more than one less than 2	Fair
2	No more than one less than 2	No more than one less than 2	Weak
2	Any other combination		Poor
1	None less than 3	None less than 2	Fair
1	None less than 2	None less than 2	Weak
1	Any other combination		Poor

- 5** The way that **performance information** is used in CPA is thought to need revision. Currently scores are based on relative rankings of PIs and this PI data is frequently out-of-date, not necessarily reflecting current performance. Also it does not look at improvement in absolute terms.

The proposal is to

- Stop using quartile scores for most PIs used for CPA purposes;
- Set minimum and exceptional performance levels for defined indicators, or group of indicators in each service block;
- Apply simple pass/fail tests around each of these indicators or group of indicators;
- Determine the number of pass/fails needed to reach a score of 1-4; and
- Identify some indicators that either on their own or in a group would limit the overall score if they were failing to meet minimum performance levels.

It is acknowledged that this approach relies on identifying relevant performance information and the removal of information that serves no purpose.

The proposal for assessing performance (as part of the corporate assessment) is:

Score	Descriptor for annual service block assessments	Descriptor for service inspection
4	A service that delivers well above minimum requirements for users	A service that delivers well above minimum requirements for users, is highly cost-effective and fully contributes to the achievement of wider outcomes for the community.
3	A service that consistently delivers above minimum requirements for users	A service that consistently delivers above minimum requirements for users, is cost-effective and makes contributions to wider outcomes for the community.
2	A service that delivers only minimum requirements for users	A service that delivers only minimum requirements for users and is not especially cost-effective, nor contributes significantly to wider outcomes for the community.
1	A service that does not deliver minimum requirements for users	A service that does not deliver minimum requirements for users, is not cost-effective and makes little or no contribution to wider outcomes for the community.

**6** It is intended that there will be a '**direction of travel**' rating based on the corporate assessment with ratings of

- Progressing strongly
- Progressing well
- Making only limited progress
- Falling behind

This direction of travel will be determined by the Commission's relationship manager in consultation with others, including external audit. The assessment will be included in the annual audit and inspection letters.

**7** The CPA assessment will be made in December of each year.

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The full consultation document can be found at <http://www.audit-commission.gov.uk/reports/NATIONAL-REPORT.asp?CategoryID=ENGLISH^573^SUBJECT^17^REPORTS-AND-DATA^AC-REPORTS&ProdID=801B5290-48D3-11d9-A881-0010B5E78136&SectionID=sect6#target10>

Details of the key lines of enquiry for corporate assessment, use of resources, and service block assessments can be found at

<http://www.audit-commission.gov.uk/cpa/furtherconsultcpa2005.asp>