

Final score

The impact of the Comprehensive
Performance Assessment of
local government 2002-08



Local government

Summary

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Summary

The Comprehensive Performance Assessment 2002-08

A new approach to local government inspection

- 1 When Comprehensive Performance Assessment (CPA) was introduced in 2002, it heralded an entirely new approach to judging English councils' performance and helping them improve. The government was committed to investing in public services and improving delivery at a time of economic growth, but it also wanted to identify and tackle poor performance. Local government was also keen to improve performance, and to earn greater freedoms and flexibilities.
- 2 CPA was developed against a backdrop of widespread support for a change in the council inspection regime. Best value had led to a massive rise in the volume and cost of inspection. In its first year, there was an ambitious programme of 4,500 best value reviews (BVRs) across councils in England. While councils generally agreed that inspection was effective in challenging attitudes and performance, there were concerns over both its volume and how well it related to local people (Ref. 1). And there were important questions about the value for money of both best value inspections and a variety of other, mostly service, inspections.
- 3 Councils had freedom to choose the scope and focus of their BVRs. Some were too comprehensive and lost focus; others failed to ask fundamental questions, for example, about why the council should provide a particular service and whether someone else could do it better. The Audit Commission found:

'More ambitious councils aim for more significant improvement by asking strategic, user-focused questions of their reviews.' (Ref. 1)

Summary

‘Authorities that already have sound performance management systems and effective business planning systems are able to shift resources to support priorities and monitor delivery.’ (Ref. 1)

- 4 Many councils had limited capacity to implement the recommendations from reviews:

‘Successful strategies for change combine committed and visible leadership with the maximum degree of engagement and involvement by staff. Around a third of councils report finding this difficult.’ (Ref. 2)

- 5 Similar views about the need for effective arrangements for managing and implementing the outcomes of reviews came from the service inspectorates. What was needed was a differentiated approach to inspection, which focused on building capacity within councils to undertake effective performance review and manage change.

Building capacity for improvement

- 6 In its 2001 report, *Change Here!* (Ref. 2), the Audit Commission drew on leading thinking about how to manage change within organisations. This report highlighted the importance of key factors, namely:
- having an effective leadership team – developing a shared vision; prioritising and directing; mobilising support;
 - creating local ownership for change – building support; using good practice; communication;
 - sustaining focus on the key priorities – clear direction; doing a few things well, with determination;

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- focusing on service users – understanding the customer perspective; aligning performance measures to reflect it;
 - managing change – project management; performance management;
 - using external help – including external scrutiny and consultancy; and
 - building capacity for continuous improvement – becoming change-friendly; modernising the infrastructure; developing future leaders.
- 7** If scrutiny of the corporate centre focused on these issues, it could shine a spotlight on a council’s ability to ask the right questions, to implement changes, and so to improve services. Taken together with assessments of the performance of services drawn from inspections, and the auditor’s judgement of use of resources, this assessment of the corporate centre, through corporate assessment, provided a broader picture that was a Comprehensive Performance Assessment.
- 8** In 2002, CPA was introduced for the first time. The corporate assessment asked questions about a council’s capacity for improvement. With an emphasis on future direction as well as current and past performance, CPA helped to develop a shared focus between the political and managerial leadership within councils.
- 9** But it was important for councils to deliver continuous improvement from the investments being made in them. So, in 2005, CPA – The Harder Test was introduced, raising the bar of inspection, introducing more self-assessment, placing greater emphasis on key cross-cutting services and introducing minimum standards.

Summary

One element in a wider system of improvement

- 10** Improving services is a key task for councils, and CPA was only one element in a wider system that encouraged and enabled them to do so. Many different parties were involved, in addition to local government and the Audit Commission, each of which could bring a different form of influence to bear.
- 11** The local government sector itself played the key role in raising performance, through both national support from an improvement programme and individual councils' own self-assessment, improvement planning and scrutiny. But it played a role in CPA too, through its responses to consultations on its design, and councillor involvement in corporate assessments and peer review. CPA was therefore part of a wider system, which provided a number of incentives to improve, ranging from freedoms and flexibilities and a national capacity building programme funded by central government, through to media pressure from the publication of star ratings. Significantly for poor performers, there were also sanctions, including the threat of intervention.
- 12** One of CPA's strengths was that it simplified the complex, doing so in a way that aligned many of the other activities and motivated councils to take action. For the first time it made credible, explicit comparisons of performance between whole councils, and not just individual services. Councils that performed less well were often shocked to see how they compared with their peers. Although it was sometimes a hard message to hear, this helped challenge inertia in some councils.
- 13** CPA was not static, and there was a programme of regular consultation on how it should evolve.

The success and limitations of CPA

- 14** CPA played an important role in increasing accountability and promoting capacity for improvement within the local government sector. Over the seven years of its existence:
- excellence increased, with 42 per cent of councils judged to be in the highest category of performance by 2008; an increase from 15 per cent in the first year; and
 - weak performance became rare, with no council receiving a 0 star rating in 2008 and only four at the next level, compared with 34 councils rated as weak or poor in 2002.
- 15** The improvement in category ratings understates the improvement in actual performance: the bar was raised considerably with the introduction of CPA – The Harder Test in 2005.
- 16** Key performance indicators for services over the same period demonstrate a range of improvements. For example, recycling rates improved significantly during the period, with the average council rate rising from 8 per cent in 2002 to 21 per cent in 2008. At the same time, average rates of household waste going to landfill fell from 77 per cent to 54 per cent. In core service areas, such as adult social care, there was steady improvement; 18 per cent achieved the highest level of performance in 2008, compared with only 1 per cent in 2002 (Ref. 3).
- 17** The complex nature of local authorities and the services they provide, and their reliance on many different professionals sometimes operating in very challenging circumstances, often leads to a mixed picture of performance across organisations. There are areas where improvement has been less marked. For example, since the introduction of CPA – The Harder Test in 2005, the performance of services for children and young people has remained relatively static.

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- 18** Despite the improved performance in many service areas, public satisfaction with councils has fallen. Across England, the overall proportion of people who were satisfied with their council fell from 64 per cent in 2000/01 to 55 per cent in 2003/04 and further still to 53 per cent in 2006/07. While there are many possible explanations for this fall, it remains a concern that objective assessments of performance and overall satisfaction with councils have moved in opposite directions.
- 19** Inevitably CPA had weaknesses, so it had its critics too. Many questioned what they perceived as the rudimentary nature of the performance labels; the risks of over-simplifying a complex organisation and its services; the dangers of a compliance or gaming approach within councils; and the scope for ill-formed judgements on the part of the public or media.

From CPA to GAA

- 20** In its last years, there grew a sense that CPA had run its course. Councils had clearly improved. A new level of challenge was needed that asked more fundamental questions about performance from the citizen's perspective (Ref. 4). Increasingly key services which had a significant impact on the quality of life in an area were being delivered through partnerships, such as crime and disorder reduction partnerships and children's trusts. Councils were increasingly viewed as community leaders operating through an overarching mechanism, the local strategic partnership (LSP) bringing together the public, private and voluntary sectors.
- 21** In 2008, local area agreements (LAA) were signed between local authorities, on behalf of LSPs, and their regional government

offices. A new, focused set of national indicators, including a local place survey has been introduced to track delivery of the agreed outcomes.

- 22** Any review of performance therefore needs to reach beyond council boundaries to look across areas, and focus on outcomes for the people who live and work there, using services from a variety of providers. All of the inspection effort, from different inspectorates, needs to be coordinated so it can hold councils and other local public bodies to account and provide an integrated view which is meaningful to local people – in a comprehensive area assessment (CAA). The Local Government and Public Involvement in Health Act 2008 introduced this CAA, which will focus on how well LSPs are meeting needs and delivering outcomes for their communities.
- 23** Just as the introduction of LAAs represents a fundamental change in the performance framework, so CAA represents a fundamental change in the approach to inspecting local public services. The new system will integrate the inspection activity, and will take account of local priorities and the needs of local people. When it is introduced in April 2009, CAA will achieve a 30 per cent reduction in the costs of inspection and assessment compared with 2003/04.
- 24** CPA responded to the challenges of the day: a government committed to building capacity in public services at a time of buoyant economic growth. The challenges faced as CPA comes to an end are very different. Turbulent times have changed the economic environment for local public services, re-emphasising the need for value for money and efficiency. The government is looking to councils as local leaders to take a proactive role in engaging with public, private and voluntary organisations to mitigate the impact of recession.

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- 25** Adaptability is a strength of CAA. It will respond to changes in an area, rather than judging all areas on a single set of criteria. And it is well placed to identify how well local public bodies respond to changes in the external environment, and identify and spread good practice.

More information

- 26** There have been many changes in public sector regulation in the last 15 years, and it is likely there will be more to come, so it is important to learn from both the successes and the weaknesses of CPA. The full report is available on the Audit Commission's website at www.audit-commission.gov.uk/finalscore and tells the story of CPA in more detail. You can also find more information about CAA at www.audit-commission.gov.uk/caa

References

- 1** Audit Commission, *Changing Gear: Best Value Statement 2001*, Audit Commission, 2001.
- 2** Audit Commission, *Change Here!: Managing Change to Review Local Services*, Audit Commission, 2001.
- 3** Commission for Social Care Inspection, *Performance Ratings for Adult Social Services (England) 2008*, Commission for Social Care Inspection, 2008.
- 4** Audit Commission, *The Future of Regulation in the Public Sector*,

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