

## **SCRUTINY COMMISSION – 3<sup>RD</sup> FEBRUARY 2003**

### **REPORT OF THE CHIEF EXECUTIVE**

### **COMPREHENSIVE PERFORMANCE ASSESSMENT**

#### **Purpose of the report**

1. The purpose of this report is to inform members of the outcome of the Corporate Performance Assessment (CPA) carried out by the Audit Commission on all upper tier authorities during 2002.

#### **Background**

2. During 2002 the Audit Commission developed a new performance management framework called the Corporate Performance Assessment (CPA) and applied it to all upper tier authorities in England. The CPA brought together a variety of existing information on council performance already held by councils, government departments, auditors and inspectors. It supplemented this with additional service inspections and with a new “corporate assessment”.
3. The stated intention of this process was to identify the strengths and weaknesses of councils across all their major functions and assess their ability to make continuous improvement in their services. For each council service and for the corporate centre a series of weighted scores were derived from Inspections, Performance Indicators and Government Plan assessments. These fed into two overall judgements of “current service performance” and “how the council is run” and were then used to produce an overall assessment of the council in one of five categories: Excellent / Good / Fair / Weak / Poor.

#### **Results for Leicestershire**

4. A copy of the final summary “scorecard” for Leicestershire is attached as Appendix A. This has previously been circulated to all Council members. The Council’s overall assessment placed it in the “Good” category. The overall results for the councils assessed were as follows:-

<u>CPA Category</u>	<u>No. of councils</u>	<u>% of total</u>
Excellent	22	14.7
Good	54	36.0
Fair	39	26.0
Weak	22	14.7
Poor	13	8.6
	150	100%

5. The scorecard shows that the overall result was arrived at as a combination of scores of 2 out of 4 against the assessment of how the council is run and 4 out of 4 against the assessment of how services perform.
  
6. The assessment of how the Council is run was based on an initial self assessment, which was submitted by the Council in June 2002, followed by a corporate assessment team (CAT) visit. The CAT subsequently produced a draft report evaluating the Council against a range of criteria. This was the subject of protracted discussions and the submission of further evidence before it was released as a final report in December 2002. The full report is attached and is also available on the Council's website. Due to the way the various elements of this part of the assessment were scored the Council was only one point away from receiving an overall score of three for this part of the assessment. At a late stage in the process the Council was ranked sufficient to score three, but the weightings between elements of the overall score were changed by the Audit Commission and the Council had its points reduced; the Council's appeal against the outcome was unsuccessful. A score of three would have placed Leicestershire in the Excellent category overall.
  
7. The assessment of how main services perform produced relatively high scores across all services resulting in an overall score of 4 out of 4. The Council benefited particularly from having good service inspections of Social Services, Education, Highways and Libraries. Even so, questionable scoring methodologies were again applied by the Audit Commission resulting, for example, in an averaging of ratings that did not allow the County Council's three star Social Services rating to be awarded the highest point score.

8. The corporate assessment scores reflected a managerially – focussed approach adopted by the Audit Commission and arguably one that concentrated on process at the expense of outcomes. Given the political history of the County Council and the emphasis over a long period of time on individual services, this sort of assessment was found to produce a relatively lower score than for the service performance block. Nevertheless, the final corporate assessment score was as close to ‘excellent’ as possible and, had the process allowed a “refreshment” on corporate issues, as it did for the service block, a recognition of progress made by the County Council on, say, its lead role in the Leicestershire Local Strategic Partnership (LLSP) and the development of the Community Strategy would have brought a higher score. Indeed, the words used in the body of the report, which were amended at a late stage, do not really match the identification in the summary of the Countywide LSP as a weakness.

### **Freedoms and Flexibilities**

9. From the outset the Government promised that high performing councils would receive additional “freedoms and flexibilities”. In December the ODPM announced that a range of measures would be taken to give councils, particularly the higher performing ones, more freedom. In the case of councils assessed as “Good” these include –
  - minimum 25% reduction in inspection activity and lighter touch inspections. The Audit Commission has recently advised that the County Council’s “Good” rating involves a 50% decrease in risk-based value for money work and up to 50% decrease in inspection work.
  - reduction in revenue ring fencing to under 10% of total government grant
  - removal of all capital ring fencing (excluding grants passed to schools)
  - 75% reduction in number of plans required by the Government
  - exemption from reserve council tax capping powers

The advice from the Audit Commission is welcome but it remains to be seen how ‘freedoms and flexibilities’ are interpreted in practice by individual government departments and how much real benefit results to the Council.

### **Next Steps**

10. The intention of the Audit Commission is that councils should use the results of the CPA to develop an Improvement Plan aimed at addressing those areas of their corporate and front line services which have been identified as priorities for further improvement. This Plan will also form the basis of the Audit Commission’s own audit and inspection work. Work is currently taking place to develop this Plan and members will be informed of the outcome. An initial meeting has been held with the Audit Commission and a further meeting with the other Inspectorates and the Government Regional Office is being arranged by the Commission.

11. The Council agreed a draft Action Plan as part of the initial self assessment submitted to the Audit Commission at the beginning of the CPA process in June 2002. This identified areas where the Council intended to make further service or corporate improvements. The results of the CPA exercise have not greatly altered this Plan. It is important however, that in turning it into an Improvement Plan for the future takes account of the priorities expressed in the Council's Medium Term Corporate Strategy, the service improvements included in the recent bid for a Public Service Agreement, and also reflects the development of medium term financial planning in the Council.

### **Resource Implications**

12. It will be necessary to ensure that any resource implications arising from the issues likely to be covered by the Improvement Plan are adequately reflected in the revenue and capital budgets for 2003/04 and beyond.

### **Equal Opportunities Implications**

13. The Improvement Plan will address issues relating to service access and improvements for all the residents of the County and issues relating to employees.

### **Recommendations**

14. The Commission is asked to note:-
  - a) the contents of this report.
  - b) that meetings are being held with representatives of the Audit Commission and various other Inspectorates to discuss the Council's Improvement Plan and the future areas of audit and inspection work.
  - c) that members will be informed of the content of the Improvement Plan in due course.

### **Circulation Under Sensitive Issues Procedure**

None

### **Officers to Contact**

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