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

Local government
National report
March 2009
The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.
Contents

**Chapter 1: Introduction** 3
- The Comprehensive Performance Assessment 2002-08 3
- A new approach to local government inspection 3
- Building capacity for improvement 4
- One element in a wider system of improvement 4
- The success and limitations of CPA 6
- From CPA to CAA 7
- About this report 8

**Chapter 2: The CPA framework and the process** 9
- Moving from best value to CPA 9
- The CPA framework 2002-04 13
- CPA from 2005-08 15

**Chapter 3: Local government performance 2002-08** 19
- Introduction 19
- Key messages 19
- CPA scores 20
- Changes in CPA scores 2002-08 20
- Public perception of performance 27
- Service assessments 27
- Use of resources 47
- Corporate assessment 50
- Direction of travel 59
- District councils 60

**Chapter 4: CPA as a stimulus for change** 62
- The broad view of CPA 63
- Simplified, published performance measurement 63
- Poor performers exposed and supported 64
- More explicit benchmarking 66
- Clear template for improvement 67
- Strengthened the corporate centre 67
- Enhanced focus on leadership 68
<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved accountability</td>
<td>69</td>
</tr>
<tr>
<td>Reinforced focus on citizen engagement</td>
<td>69</td>
</tr>
<tr>
<td>Improved transfer of good practice</td>
<td>70</td>
</tr>
<tr>
<td>Weaknesses of CPA</td>
<td>72</td>
</tr>
<tr>
<td>Chapter 5: From CPA to CAA</td>
<td>74</td>
</tr>
<tr>
<td>Focusing on outcomes</td>
<td>74</td>
</tr>
<tr>
<td>Moving to the new performance framework</td>
<td>75</td>
</tr>
<tr>
<td>Building on the learning from CPA</td>
<td>76</td>
</tr>
<tr>
<td>Appendix A: Explaining the CPA Framework</td>
<td>78</td>
</tr>
<tr>
<td>CPA 2002-04</td>
<td>79</td>
</tr>
<tr>
<td>CPA – The Harder Test, 2005-08</td>
<td>81</td>
</tr>
<tr>
<td>District councils</td>
<td>86</td>
</tr>
<tr>
<td>Fire and rescue authorities</td>
<td>88</td>
</tr>
<tr>
<td>Greater London Authority</td>
<td>91</td>
</tr>
<tr>
<td>Appendix B: CPA score changes</td>
<td>92</td>
</tr>
<tr>
<td>References</td>
<td>93</td>
</tr>
</tbody>
</table>
The Comprehensive Performance Assessment 2002-08

A new approach to local government inspection

1.1 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.

1.2 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.

1.3 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)

‘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)

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)

1.5 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.
Introduction

Building capacity for improvement

1.6 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;
- 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.

1.7 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.

1.8 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.

1.9 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.

One element in a wider system of improvement

1.10 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 (Figure 1).
### Figure 1
The wider system of change and improvement

<table>
<thead>
<tr>
<th>Player</th>
<th>Role</th>
<th>Change levers</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Central government</strong></td>
<td>CPA sponsor and resource allocator</td>
<td>• Freedoms and flexibilities</td>
<td>• Power of wellbeing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Priorities and minimum standards</td>
<td>• National floor targets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Funding</td>
<td>• 36 per cent real terms increase in funding 2001/02 to 2007/08</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Intervention in failure</td>
<td>• Capacity building fund</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Best value performance indicators and public service agreements</td>
</tr>
<tr>
<td><strong>Local authorities</strong></td>
<td>Lead player</td>
<td>• Ownership</td>
<td>• Improvement in leadership</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Self assessment</td>
<td>• Improvement in capacity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Improvement planning</td>
<td>• Improvement in service performance</td>
</tr>
<tr>
<td><strong>Local government sector</strong></td>
<td>Collective action</td>
<td>• Ownership</td>
<td>• Innovation Forum</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Improvement from within</td>
<td>• Improvement and Development Agency, Local Government Improvement Programme, Beacons, Leadership Centre for Local Government</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Peer review</td>
<td>• Centres of excellence</td>
</tr>
<tr>
<td><strong>Media</strong></td>
<td>Public reporting</td>
<td>• Published assessments</td>
<td>• National and local newspapers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Commentary</td>
<td></td>
</tr>
<tr>
<td><strong>Audit Commission</strong></td>
<td>CPA design and external scrutiny</td>
<td>• Performance measurement and benchmarking</td>
<td>• Ratings and stars</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Raising the bar</td>
<td>• CPA – The Harder Test</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Follow up improvement plans</td>
<td>• National summaries: lessons from audit and inspection</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reduced inspection for better performers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Corporate governance inspection</td>
<td></td>
</tr>
<tr>
<td><strong>Auditors</strong></td>
<td>External scrutiny</td>
<td>• Use of resources assessments</td>
<td>• Ratings</td>
</tr>
<tr>
<td><strong>Inspectorates</strong></td>
<td>External scrutiny</td>
<td>• Published assessments</td>
<td>• Joint area reviews</td>
</tr>
<tr>
<td><strong>Elected councillors and MPs</strong></td>
<td>Democratic pressure</td>
<td>• Questions</td>
<td>• Annual performance assessments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Challenge</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Criticism</td>
<td>• Scrutiny process</td>
</tr>
<tr>
<td><strong>Users</strong></td>
<td>Customer perspective</td>
<td>• Pressure to improve services</td>
<td>• User surveys</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Different levels of involvement, from consultation through to direct involvement</td>
<td>• Local involvement and consultation</td>
</tr>
<tr>
<td><strong>Voters and taxpayers</strong></td>
<td>Democratic pressure Funders</td>
<td>• Pressure on funding</td>
<td>• National and local lobbying</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Insistence on value for money</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Local elections</td>
</tr>
</tbody>
</table>
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.

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.

CPA was not static, and there was a programme of regular consultation on how it should evolve. The process by which CPA developed is explored in Chapter 2 of this report.

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.

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. A fuller discussion of how performance changed over the course of CPA is given in Chapter 3.

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).

1.17 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.

1.18 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.

1.19 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. Chapter 4 explores the weaknesses and the validity of the criticisms.

From CPA to CAA

1.20 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.

1.21 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.

1.22 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.

1.23 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. Chapter 5 details the plans for CAA.

1.24 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.

1.25 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.

About this report

1.26 This report tells the story of CPA. 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.

1.27 Chapter 2 provides the detail of the CPA approach and how it changed over time; Chapter 3 analyses council performance through statistics on CPA ratings and services; Chapter 4 discusses what worked in CPA and what worked less well; and finally Chapter 5 describes the future of local public service inspection and the role of CAA within this.
2 The CPA framework and the process

Moving from best value to CPA

2.1 The best value performance framework introduced by the government in 1999 required councils to deliver services to clear standards by the most economic, efficient and effective means available. All best value authorities were expected to achieve continuous improvement in all their services. Councils were required to carry out best value performance planning and to undertake fundamental BVRs of all services, to identify what needed to be improved and how they intended to go about it.

2.2 The Audit Commission report Changing Gear (Ref. 1) found that many council services were judged as good or excellent and there were encouraging signs that best value was helping drive improvement. Progress against many best value performance indicators had been strong and inspection showed that at least half of councils were well set to improve services further. There were, however, still too many services judged as poor or fair.

2.3 Best value councils were free to decide which services to look at, when to look at them and how to look at them, within a broad framework of the four Cs – challenge, compare, consult and compete. However, Changing Gear found that, while the best value model was based on self-review by councils, followed by external challenge and verification by inspectors, it was a one-size-fits-all approach. Furthermore, a key unresolved issue was how to build sustainable capacity for continuous improvement, particularly in the lowest performing authorities.

2.4 In 2000/01, councils undertook almost 4,500 BVRs. However, one of the key problems was that councils chose to review relatively small service areas, which meant that was often no strategic overview of performance in important service areas. In 2001/02, following advice to focus on more cross-cutting areas, the number of BVRs was reduced to around 2,400, but a significant effort was still being deployed in inspecting these reviews. Some 639 best value inspections took place in 2001/02 across single-tier and county councils alone. If best value was to work better, and address concerns raised by councils and stakeholders, there needed to be fewer, more strategically targeted inspections, and better coordination between the different regulators.

2.5 In Changing Gear, the Audit Commission announced its intention to produce a new framework to address these concerns by:

- developing a stronger service-specific approach to dealing with the different issues in key services and to ensure a national consistency of approach;
- increasing the focus on the corporate centre as a driver of improvement, as captured in the Audit Commission’s report on managing change, Change Here (Ref. 2), the Improvement and Development Agency’s (IDeA) Local Government Improvement Programme ‘benchmark of the ideal authority’, and the Commission’s corporate
The CPA framework and the process

governance inspections;
• exercising more discretion over what to inspect, with fewer, targeted inspections that tackled the right issues at the right time;
• introducing a differentiated regime for inspection and audit based on the performance and prospects for improvement of individual councils; and
• integrating inspection and audit work to reduce costs and increase impact.

2.6 The government introduced CPA in the December 2001 Local Government White Paper Strong Local Leadership – Quality Public Services (Ref. 5). It emphasised the role of councils as community leaders, and announced a new performance framework to develop community leadership and prudent decision making. The framework comprised:
• clearly defined priorities and exacting performance standards, developed with local government through the Central Local Partnership;
• regular CPAs for all councils, identifying how they were performing against these standards; and
• coordinated incentives, rewards and tools which addressed the results of the comprehensive assessments and drove service improvement including:
  - clear and concise public information about councils’ performance;
  - integrated inspection programmes tailored to councils’ strengths, weaknesses and needs;
- additional freedoms, powers and flexibility over resources for councils with the track-record and capacity to use them;
- tough action to tackle failing councils and services;
- stretching targets and rewards for service improvement, through local public service agreements; and
- a streamlined, proportionate and integrated best value regime.

2.7 The initial approach and subsequent revisions were subject to extensive consultations with government, local government and other key national and local stakeholders. CPA was implemented in all single-tier and county councils in England in April 2002.

2.8 CPA aimed to improve councils’ capacity for review and improvement by:
• focusing on key services and their outcomes;
• focusing on drivers of improvement, with an additional focus on corporate capacity and managing resources;
• helping councils to identify the actions they needed to take to bring about improvement;
• ensuring that audit and inspection of councils were coordinated and proportionate to performance; and, crucially,
• providing a basis for public
accountability, allocating freedoms and flexibilities and intervening in poor performance, by means of a single summary score.

2.9 In 2002, the Audit Commission consulted on its proposals for CPA. For the first time, it intended to produce a single measure of overall performance for single-tier and county councils in England. The outcome of a CPA assessment was an overall rating of excellent, good, fair, weak or poor.

2.10 The proposals for CPA set out not only the way in which the Audit Commission, in partnership with the other relevant inspectorates, planned to assess and report the performance of councils, but also a differentiated approach to regulation. Councils that were performing well under CPA would enjoy reduced audit and inspection regimes, and their associated fees, and be granted greater flexibilities and borrowing freedoms by central government.

2.11 At the other end of the performance spectrum, a combination of audit, inspection and other improvement work was to be commissioned as an outcome of the CPA process, with the aim of transforming failing or poorly performing authorities. CPA also aimed to identify councils where intervention was required to protect local communities. The government would also give all authorities targeted support and funding for capacity building.
The CPA framework and the process

Figure 2
The CPA assessment framework 2002 - 04

- **Education judgements:** inspection, performance indicators (PIs) and plan assessment
- **Social care judgements:** inspection, PIs and plan assessment
- **Environment judgements:** inspection, PIs and plan assessment
- **Housing judgements:** inspection, PIs and plan assessment
- **Library and leisure:** inspection, PIs and plan assessment
- **Benefits judgements:** inspection, PIs and plan assessment
- **Resources:** auditor judgements, inspection, PIs and plan judgement
- **Corporate assessment**
  - Self-assessment, inspection
- **Making the judgement**
- **Categorisations**
- **Public reporting**
  - Improvement planning

Source: Audit Commission
The CPA framework 2002-04

2.12 The CPA 2002 framework, for single-tier and county councils, comprised a number of different components (see Figure 2 and Appendix A for a detailed explanation of how it worked):

- core service performance in education, social services, housing, environment, libraries and leisure, and benefits;
- auditor-scored judgements concerning use of resources; and
- council ability, measured through a corporate assessment.

2.13 Scores in each of these areas, drawn from a mixture of self-assessment, review of performance indicators and onsite inspection by the relevant service inspectorates, were then combined to form a single scored judgment for each council.

2.14 The corporate assessment was new. It measured the overall ability of the council, since this was seen as a key driver of improvement. The assessment examined a council as a whole and assessed its effectiveness as a community leader and how well-run it was as an organisation. It drew from the Audit Commission’s experience of corporate governance inspection and the benchmark successfully used for peer review in the IDeA’s Local Government Improvement Programme. It assessed the way in which councils managed their own corporate performance and responded to service failure, and gave assurance about the capacity of a council to improve without the need for external scrutiny.

2.15 The use of resources assessment was also new. Judgements were made by auditors, drawing on work carried out to fulfil their duties under the Code of Audit Practice. These covered:

- financial standing;
- internal financial control;
- standards of financial conduct;
- financial statements and legality of significant financial transactions; and
- performance management.

2.16 In CPA 2003, a qualitative assessment of continuous improvement statement was introduced and reported alongside the CPA category and scores for all single-tier and county councils. This was a short narrative noting the progress the council had made since the previous inspection. This was subsequently developed and called direction of travel in the 2005 Harder Test after being widely supported by local government consultees on the grounds that it gave an up-to-date perspective and provided a further incentive to improve (Ref. 6).

2.17 CPA was introduced for district councils in 2003/04. A tailored approach was developed that was proportionate to their size and scope, and reflected the cost of assessing 238 English district councils. It was also rolled out over a longer period than CPA for single-tier and county councils.
The CPA framework and the process

2.18 The approach for districts placed greater emphasis on self-assessment and peer challenge. There was also a diagnostic assessment of housing and public space and the benefits service, and assessments of performance and resource data. The overall CPA score for districts was determined by the corporate assessment score, which took account of service performance.

2.19 In the 2003 White Paper Our Fire and Rescue Service (Ref. 7), the government invited the Audit Commission to develop CPA for fire and rescue authorities, building on the framework for local authorities but adapted as appropriate. This was further developed in 2006 into the fire and rescue service performance framework.

Case study 1
Commitment to improvement

The first assessment of Bolsover District Council under CPA, in 2004, found that while the authority was implementing a wide range of important initiatives, projects, improvements and reviews, there were also a number of serious weaknesses that came about because the council’s emphasis on practical delivery ran ahead of its ability to put in place fully effective support systems.

The newly appointed chief executive and new council leader, were both keen to address the issues raised. Actions taken included:

- the appointment of a number of new senior officers to address capacity and performance management issues and ensure services were more customer-focused;
- the CPA framework being used as the basis for planning improvement which led to production of the authority’s first Improvement Plan, which later became the Corporate Plan;
- the introduction of new performance management systems;
- a CPA development fund was established to deliver one-off improvements to skills and capacity that were then embedded in the management process; and
- making relevant technological improvements.

The improvements achieved can largely be attributed to the positive relationship and close cooperation between officers and members and the help and support received from the LSP.

The council’s chief executive noted that ‘CPA was the thread that joined everything together. It provided the focus for improvements within the council.’

In 2007, the authority applied for CPA re-categorisation and was assessed as an excellent authority that was improving strongly.
As best value authorities, the Greater London Authority (GLA) and the four functional bodies of the GLA group were also covered by CPA. In 2004/05, the Audit Commission published initial performance assessment reports on the different bodies within GLA group. Details of the variations for districts, fire and rescue authorities and the GLA are set out in Appendix A.

**CPA from 2005-08**

Following the publication of the CPA categories for all single-tier and county councils in 2002, 2003 and 2004, the Commission changed the framework for CPA for these councils in 2005. It followed consultation on the principle of strategic regulation, which stated that the Commission would:

- help drive improvement in public services, while still providing assurance that minimum standards were being met and resources were being properly used;
- champion the interests of service users, by assessing performance from the public’s perspective;
- increase the value for money that public services provide, by sharing best practice, exposing waste and poor practice, and challenging inefficiency;
- provide better value for money from regulation itself, by targeting audit and inspection more effectively to where it was most needed and could have most impact; and
- work closely in partnership with those that the Commission audited and inspected, with other organisations supporting improvement, and with other regulators.

Response, in 2004, to the Commission’s consultation found overwhelming support for strategic regulation, as it was:

- pragmatic, providing a balance between improvement and continuity with CPA 2002;
- user focused;
- reflective of local priorities, partnership working and councils’ community leadership role; and
- flexible enough to accommodate local government restructuring.

There was also broad support for strengthening the use of resources assessment within CPA – The Harder Test. Value for money was recognised by respondents as being of fundamental importance to a rounded judgement of the effectiveness of councils, especially in light of debates about council tax increases. There was also strong support for this to remain annually delivered through the work of the local auditor, and therefore linked to the revisions to the Code of Audit Practice.
The CPA framework and the process

2.24 There was also support to move away from the then current, mostly mathematical assessment framework, towards a system built around rules. Under CPA 2002, the overall score was derived by scoring each of nine themes, assigning weightings, and then calculating the result. The majority of respondents believed that the rule-based approach was preferable, because it was seen as more transparent, and required authorities to provide a more consistent level of performance across services.

2.25 CPA – The Harder Test therefore built further on the principle of strategic regulation. Where possible, performance was assessed from the public’s perspective to champion the interests of service users. The CPA framework (Figure 3) comprised the:

- annual use of resources assessments by the Commission;
- annual service assessments by the Commission (environment, housing, culture, fire), Ofsted (children and young people), the Commission for Social Care Inspection (CSCI (adult social care)) and the Benefit Fraud Inspectorate (BFI (benefits));
- periodic (once every three years) corporate assessments by the Commission; and
- scored direction of travel assessments, reported by the Commission.

2.26 Councils had already demonstrated

---

1 The Audit Commission assumed responsibility for benefits inspection and assessment in 2008.
improvement in their CPA scores since the start of CPA. Therefore, in the spirit of continuous improvement, this was indeed a harder test. The category labels were changed. The five categories were 4 star (the highest category), 3 star, 2 star, 1 star and 0 star. A set of rules was applied to determine categorisation (requiring, for example, that no service score was below 3 in order to achieve an overall 4 star rating).

2.27 The key differences between the CPA
The CPA framework and the process

– The Harder Test and the first round of CPA were:
  
  • a strengthened methodology for assessing user focus;
  
  • a new explicit judgement on value for money within the use of resources assessment;
  
  • a stronger focus on self assessment prior to corporate assessment inspection;
  
  • a focus on achievement in areas where service outcomes are influenced by more than one organisation;
  
  • annual assessment of services for children and young people based on the annual performance assessment or, where relevant, joint area review, by Ofsted and CSCI;
  
  • a revised approach to service assessments by the Audit Commission;
  
  • clear labels within direction of travel to indicate the progress made in achieving improvement; and
  
  • categorisation based on rules which emphasised, for example, performance in key level 1 services – children and young people and adult social care.

2.28 A new CPA framework was introduced for districts in 2006 following the principles of strategic regulation. From that point, the Commission only undertook re-categorisation in district councils when a council requested it, based on significant evidence of improvement, or when the Commission identified evidence of significant deterioration in performance.

2.29 From 2006, the approach for districts included a council peer in the assessment process. Unlike the previous corporate assessment, it did not include a diagnostic assessment of relevant service areas.

2.30 In 2007, the Commission set out proposals for the CPA re-categorisation of fire and rescue authorities, to take place from August 2007 to March 2009. In line with the commitment to strategic regulation, as for districts, re-categorisation only took place in response to significant changes in performance. Corporate assessments would be undertaken by a combination of Commission staff, an accredited peer fire and rescue authority member and a peer officer. The key lines of enquiry (KLOE) were streamlined and refined to reflect changing legislation.

2.31 The last inspections for single-tier and county councils based on the CPA – The Harder Test assessment framework took place in 2008/09. The final CPA assessments were published in February 2009 for fire and rescue authorities and in March 2009 for single-tier and county councils; they will be published by June 2009 for district councils.

2.32 The next chapter provides an analysis of what the results show about the performance of local government over the period 2002-08.
3 Local government performance 2002-08

Introduction

3.1 A key objective of CPA was to act as a stimulus for improving public services. This chapter describes how the performance of English councils changed between 2002 and 2008. It focuses largely on single-tier and county councils, as CPA scores are reported consistently on an annual basis for these councils. It looks at the overall CPA scores, and scores for the individual elements including service assessments, corporate assessment and use of resources. Performance and improvements in district councils, where it has been possible to make comparisons, are covered in the final section of this chapter.

3.2 At the time of publication, relevant 2008 service assessment scores were subject to review for a small number of councils. If any of these reviews are upheld they could result in an increase to the star rating for the relevant council for 2008. The scores, as at the time of publication, have been included in the analysis in this report. The Audit Commission will publish any changes to these scores on its website following the conclusion of individual reviews.

Key messages

3.3 The performance of councils, as measured by the CPA framework, improved from 2002 to 2008:

- Seventy-two per cent of councils not already in the top category in 2002 received a relatively higher CPA score in 2008 (92 out of 127).
- Top performance was much more common in 2008, when 42 per cent of councils were in the highest CPA category compared to 15 per cent in 2002.
- Councils responded to CPA and very poor performance was tackled. By 2006, there were no councils in the lowest CPA category compared to 9 per cent in 2002.

3.4 The scores for most services improved between 2002 and 2008, contributing to higher CPA scores. In 2008, no councils scored 1 (below minimum requirements) for housing, environment, social care (adults), culture, benefits or use of resources.

3.5 The exception to the general pattern of improvement was in services for children and young people. This was the only service area where more councils were delivering a service below minimum requirements (scoring 1) in 2008 than in 2005. Within the children and young people’s service assessment, eight councils were judged to be inadequate for the ‘staying safe’ outcome area in 2008.

3.6 Improvements in the services that local people received and the outcomes achieved were widespread across the different service areas. For example, the proportion of household waste that was recycled and the percentage of households with kerbside recycling facilities rose significantly over the period of CPA. There was an improvement in the percentage of planning applications
Local government performance 2002-08

that were dealt with within the target period, and the speed at which councils processed new benefits claims greatly improved.

3.7 Councils also improved the way they managed themselves. Corporate assessments showed that councils improved their performance management arrangements, leadership, capacity and the way that they worked in partnership with other organisations.

3.8 Individual councils often followed very different paths to improved services for local people and consequently better CPA scores. Services improved at different rates and from different starting points, but almost all got better. Some councils showed that with the right leadership and focus on outcomes, it was possible to improve from being among the worst in 2002 to achieving the top CPA category (4 star) by 2008.

3.9 Despite these improvements in local government performance, public satisfaction with councils overall fell. However, citizens were generally more satisfied with the individual services they used.

CPA scores

3.10 The CPA score was made up of a number of different elements, each scored separately. It incorporated assessments of a range of services, of how resources were managed and of how well the council was run. Good and improving CPA scores therefore reflected how councils managed themselves and the standards of the services they delivered to their citizens.

3.11 In comparing CPA scores between 2002 and 2008, it should be noted that the methodology for assessing performance changed in 2005, when CPA – The Harder Test was introduced (see Chapter 2 and Appendix A for details). A comparison of scores in each category gives an indication of how performance changed over the course of the whole period. To the credit of local authorities, overall CPA scores did not fall as a result of the bar being raised in 2005.1

3.12 The following sections set out how overall scores, and performance in the elements that made up those scores, changed over the CPA period. At the time of publication, relevant 2008 service assessment scores were subject to review for a small number of councils. If any of these reviews are upheld they could result in an increase to the star rating for the relevant council for 2008. The scores, as at the time of publication, have been included in the analysis in this report.1

Changes in CPA scores 2002-08

3.13 There was widespread improvement in CPA scores for single-tier and county councils between 2002 and 2008 (Figures 4 and 5 and Appendix B).

• Of the 127 councils that could improve (those that were not already in the top

I Between 2004 and 2005 (when CPA – The Harder Test was introduced) 100 councils stayed in the same (relative) CPA category, 25 councils improved their score and 25 had a relatively lower score in 2005 compared to 2004.
category in 2002), 92 councils (72 per cent) achieved a higher CPA category in 2008 than they did in 2002.

• Some councils made substantial improvements. Twenty-seven councils improved by two or three CPA categories overall between 2002 and 2008.

• The number of top performers increased significantly over the CPA period. In 2008 42 per cent of councils were awarded 4 stars, compared to 15 per cent rated as excellent in 2002.

• Four councils, Coventry, Islington, Wakefield and Waltham Forest, improved from poor in 2002 (the lowest CPA category) to 4 star in 2008 (the highest CPA category).
Local government performance 2002-08

Figure 5
Overall CPA category 2002-08

Source: Audit Commission
Case study 2
Strong leadership

Waltham Forest was rated poor in 2002.

Following its poor rating the Office of the Deputy Prime Minister engaged the council in its improvement process targeted at the poorest-performing authorities. The lead official and government monitoring board associated with this engagement introduced greater discipline to the council and focused efforts on the post-corporate assessment recovery plan.

However, the council itself was slow to embrace the need for change. Things improved with the arrival of a new council leader in 2003, who enabled the council to tackle the improvement plan in earnest. The cross-party administration began to unravel the previous problems and rebuild relationships with key people. This was a turning point for Waltham Forest Council as it marked the beginning of a much more functional member-officer relationship.

A new chief executive also came into post. The new leadership appointed other chief officers from outside the council to drive improvement. A performance and service improvement team was created to strengthen performance management, which had been identified as a weakness in the corporate assessment. Since then there has been a relentless focus on performance, both corporate and by council members, with the leader and deputy leader taking an active lead.

The 2008 corporate assessment highlighted Waltham Forest Council’s notable success in providing clear and ambitious community leadership; in establishing strong relationships with partners and between officers and council members; in managing performance effectively; and in delivering safer and more coherent communities. Staff are now proud to work at the council, which in turn is in a stronger position to attract able staff.

By 2008, Waltham Forest was a 4-star council and improving well.
3.14 Very few councils (10 per cent of those that were not in the lowest CPA category in 2002) received a lower CPA category in 2008 than in 2002. Some of these made progress but then fell back.

3.15 Poor performance was addressed in most councils over the CPA period. In 2002 there were 13 councils (9 per cent) in the lowest CPA category (labelled as poor). By 2006, there were no councils in the lowest CPA category (0 star), and this continued to be the case in 2007 and 2008 (Figures 6 and 7).

### Figure 6
**CPA scores for single-tier and county councils – numbers in each category**

<table>
<thead>
<tr>
<th>Number</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent/4 star</td>
<td>22</td>
<td>29</td>
<td>44</td>
<td>38</td>
<td>47</td>
<td>55</td>
<td>62</td>
</tr>
<tr>
<td>Good/3 star</td>
<td>54</td>
<td>54</td>
<td>58</td>
<td>66</td>
<td>72</td>
<td>69</td>
<td>57</td>
</tr>
<tr>
<td>Fair/2 star</td>
<td>40</td>
<td>40</td>
<td>33</td>
<td>36</td>
<td>25</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>Weak/1 star</td>
<td>21</td>
<td>19</td>
<td>14</td>
<td>9</td>
<td>5</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Poor/0 star</td>
<td>13</td>
<td>8</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>149</td>
<td>149</td>
<td>149</td>
</tr>
</tbody>
</table>

### Figure 7
**CPA scores for single-tier and county councils – percent in each category**

<table>
<thead>
<tr>
<th>Per cent</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent/4 star</td>
<td>15</td>
<td>19</td>
<td>29</td>
<td>25</td>
<td>32</td>
<td>37</td>
<td>42</td>
</tr>
<tr>
<td>Good/3 star</td>
<td>36</td>
<td>36</td>
<td>39</td>
<td>44</td>
<td>48</td>
<td>46</td>
<td>38</td>
</tr>
<tr>
<td>Fair/2 star</td>
<td>27</td>
<td>27</td>
<td>22</td>
<td>24</td>
<td>17</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Weak/1 star</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>6</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Poor/0 star</td>
<td>9</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

The Isles of Scilly were exempt from a star rating from 2006 to 2008.
3.16 However, four councils (Doncaster, Haringey, Milton Keynes and Surrey) received 1 star in 2008, an increase from two councils in 2007. These all fell by two categories in 2008 (from 3 star to 1 star). All achieved 1 (the lowest score – below minimum requirements) for their children and young people’s score in 2008, which contributed to the deterioration in their overall CPA score.

3.17 Thirteen councils achieved the highest rating in every year of CPA (either excellent or 4 star). These were; Bexley, Blackburn with Darwen, Camden, Corporation of London, Derbyshire, Hampshire, Hartlepool, Kensington and Chelsea, Kent, Sunderland, Wandsworth, Westminster and Wigan. This achievement showed a considerable commitment to improvement given that a new, more challenging regime, CPA – The Harder Test, was introduced in 2005.

3.18 While most councils improved their CPA score, there were 15 councils that scored 2 star in 2005 that received the same, or in some cases, a lower score in 2008. However, some of these councils made improvements within the boundaries of a star category.

---

1 At the time of publication, the children and young people score for Surrey County Council was subject to the outcome of a judicial review which, if upheld, could increase the council’s CPA star rating.
Case study 3
Progress within a CPA category

The 2003 corporate assessment report identified Plymouth as one of the worst councils in the country. This provided the jolt that was needed to address its failings, including low staff morale and customer satisfaction.

With the CPA framework acting as the key driver, the council started a programme of fundamentally reviewing how it operated and what it wanted to achieve.

A new chief executive, with the support of a permanent senior management team and central government, employed more middle managers. With this increased capacity, the council planned a wholesale review of all of its services, together with the introduction of a new performance management system combining service and financial monitoring. Integral to this was greater self awareness, benchmarking and learning from inspection reports, from good practice in Audit Commission national reports, and from visiting 4 star councils.

Positive outcomes of this new approach included:

- the opening of six new schools;
- improved educational attainment and child protection;
- the regeneration of Devonport;
- more affordable housing; and
- improvements in waste recycling.

During this period, the council’s political leadership changed, but because of the cross-party consensus in place on key improvement areas, the focus on improvement was not diverted. The sustained focus on improvement, together with stable managerial leadership, were the key factors in maintaining progress.

While the council found CPA to be a useful improvement tool during its lifetime, it was frustrated by the scoring rules. Despite improving a number of its services the council’s overall CPA rating stayed at 2 star for the remainder of CPA.
3.19 There was a considerable change in individual councils’ CPA scores between 2007 and 2008. Over a third of councils’ scores changed. Slightly more councils improved than deteriorated. Twenty-six councils received a lower score in 2008 compared to 2007, but 29 councils improved their score over the same period. More councils achieved 4 stars in 2008 than in 2007, but also more councils scored 1 star than in the previous year.

Public perception of performance

3.20 Alongside CPA scores, public perception was an important barometer of local authority performance. Public perception was measured through a triennial user satisfaction survey of local people. The changes in the public’s views of local authorities over the lifetime of CPA presented a complex picture.

3.21 Despite the improvements seen in CPA scores and the underlying service assessment scores, public satisfaction with local government as a whole declined. Average overall satisfaction with councils (including figures for districts) 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. However, in the same period, public satisfaction with most council services increased.¹

Service assessments

3.22 This section examines how councils have performed and improved in the CPA service assessments. The services covered are:

- children and young people;
- social care (adults);
- environment;
- culture;
- benefits; and
- housing.

3.23 From CPA 2005 onwards, a set of rules was used to combine the scores for the individual elements, including service assessments, to determine the overall CPA categories (see Appendix A). Greater weight was given to the level 1 services (use of resources, children and young people and social care (adults)), with the corporate assessment score as the key driver of the final category. The rules meant that a council could not achieve the highest category (4 star) without strong performance across the board.

¹ User satisfaction results for specific service area informed the relevant service assessment scores. For further information on the results from the most recent user satisfaction surveys see www.audit-commission.gov.uk/performance/
## Figure 8
Percentage of councils that improved over the CPA period

<table>
<thead>
<tr>
<th>Service area</th>
<th>Assessment period</th>
<th>Percentage that improved over the period that were not already in the top category</th>
<th>Councils that could improve (i.e. that did not achieve the highest score in year 1)</th>
<th>Councils that did improve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>2002-08</td>
<td>75</td>
<td>106</td>
<td>80</td>
</tr>
<tr>
<td>Benefits</td>
<td>2002-08</td>
<td>75</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>Environment</td>
<td>2002-08</td>
<td>73</td>
<td>135</td>
<td>98</td>
</tr>
<tr>
<td>Social care (adults)</td>
<td>2002-08</td>
<td>65</td>
<td>147</td>
<td>96</td>
</tr>
<tr>
<td>Culture</td>
<td>2002-08</td>
<td>58</td>
<td>142</td>
<td>83</td>
</tr>
<tr>
<td>Social care (children)</td>
<td>2002-04</td>
<td>33</td>
<td>145</td>
<td>48</td>
</tr>
<tr>
<td>Education</td>
<td>2002-04</td>
<td>32</td>
<td>117</td>
<td>38</td>
</tr>
<tr>
<td>Children and young people</td>
<td>2005-08</td>
<td>14</td>
<td>139</td>
<td>20</td>
</tr>
</tbody>
</table>

### 3.24
There was significant variation in the level of progress made over the CPA period in the different service areas, as set out in Figure 8.

### 3.25
Housing, benefits and environment showed the strongest improvements with around three-quarters of councils increasing their service scores between 2002 and 2008. Progress was much more limited in children and young people, where there was only a small (14 per cent) net improvement in scores between 2005 and 2008.
Children and young people

3.26 Between 2002 and 2004, separate scores were awarded for social care (children) and education. The social care (children) scores were the responsibility of CSCI and the education scores were the responsibility of Ofsted. A joint children and young people assessment was introduced in 2005, bringing together judgements on education and social care for children. This section considers the performance for the separate elements prior to 2005, and the combined children and young people score from 2005 to 2008.

Social care (children) 2002-04

3.27 Performance in this service area was at a fairly low base when CPA was introduced, with 98 councils (65 per cent) scoring 1 or 2 in 2002. From 2002 to 2004 there was only steady improvement and no dramatic success stories (Figure 9). No council was able to improve its score by more than one category:

- A third of councils that could improve (that is, that were not already achieving the top score) achieved a better score for social care (children) services in 2004 than in 2002. Of all councils, the number scoring 3 increased from 47 (32 per cent) to 68 (45 per cent).
- Top performance was rare and remained so. Only four councils scored 4 in 2002, rising to just seven (5 per cent) performing at the highest level in the final year of the assessment.
- Three councils maintained the highest score of 4 from 2002-04 (Kensington and Chelsea, Kingston upon Thames and Westminster).
Local government performance 2002-08

Figure 9
Social care (children) 2002-04

Source: Audit Commission
Education 2002-04

3.28 Performance in education was better at the start of CPA than in social care (children). In 2002 only 14 councils (9 per cent) scored 1 or 2, and 32 (21 per cent) scored 4 (Figure 10). Progress was still made from this higher starting point:

- Top performance became more prevalent. The numbers scoring 4 increased from 32 (21 per cent) in 2002 to 55 councils (37 per cent) by 2004.
- Most councils either maintained their strong starting position or improved between 2002 and 2004. Twenty-six councils scored 4 throughout the period 2002-04.
- Not all councils progressed. Eight councils received a lower education score in 2004 compared to 2002, with one falling two categories from a 4 to a 2.

Figure 10
Education 2002-04

Source: Audit Commission
Local government performance 2002-08

Children and young people 2005-08

3.29 The children and young people service assessment was introduced in 2005, bringing together elements of social care for children and education. At this time the assessment regime was redesigned around the structure of Every Child Matters. The Every Child Matters framework was designed around five outcome areas, each of which was scored separately. These were staying safe, being healthy, enjoying and achieving, making a positive contribution and achieving economic well-being.

3.30 This service assessment saw the least improvement of all the areas covered by CPA, with overall performance in 2008 only marginally different from the starting point in 2005 (Figure 11). This is further evidenced by the fact that 47 per cent (41 councils) of those that could improve in 2008 (that is, were not already 4 star), were held back by their children and young people score, at least in part, from achieving a higher CPA score.

Further information on Every Child Matters can be found at www.everychildmatters.gov.uk
3.31 Scores for the two areas previously assessed separately, education and social care (children), were a good indicator of performance at the start of the new children and young people assessment. Of the 11 councils (7 per cent) that scored 4 for children and young people in 2005, 10 scored at least 3 for both education and social care (children) in 2004. Three of these councils scored 4 for both.

3.32 Overall, councils performed slightly worse in children and young people in 2008 than in 2005:

- Twenty councils improved their score between 2005 and 2008, but 26 councils dropped by at least one category.
- In 2005, only two councils scored 1 for children and young people. By 2007 there were none. However, in
2008, four councils scored 1 (Surrey, Haringey, Doncaster and Milton Keynes). For three of these councils (Doncaster, Haringey and Surrey), this was due at least in part, to their receiving a score of 1 for the ‘staying safe’ outcome area.

- There were another five councils that were assessed as inadequate (with a score of 1) for the ‘staying safe’ outcome area. These councils were Birmingham, Essex, Reading, West Sussex and Wokingham.

3.33 Despite this overall picture of slight deterioration, some councils performed consistently well. Five councils maintained a score of 4 from 2005 to 2008 (Kensington and Chelsea, Kingston upon Thames, Tower Hamlets, Wandsworth and York). One council, North East Lincolnshire, improved its score by two categories from 1 in 2005 to 3 in 2008.

3.34 The children and young people score reflected a wide range of factors and an increasing focus over time by Ofsted on children in greatest need. The lack of progress in overall children and young people scores should not be taken to mean that there was no improvement in any aspect of this service area.

3.35 In 2008, Ofsted, through the annual performance assessment of children and young people’s services, identified the following strengths:

- The proportion of young people nationally achieving five or more GCSE grades A* to C or the equivalent continued to rise.
- The number of first-time entrants to the youth justice system was lower than in 2007.
- There was a dramatic rise in the number of children with complex needs benefitting from a core assessment (leading to plans designed to ensure that they received all the services they needed to live safely and successfully).
- More looked-after children were now fostered or adopted in families rather than placed in a children’s home.
- The number of young people completing apprenticeships since the previous year increased by 10 per cent.

3.36 Ofsted also identified some specific areas for improvement including:

- increasing the number of looked-after children allocated to a named social worker;
- improving placement stability for children in care;

I At the time of publication, the children and young people score for Surrey County Council was subject to judicial review.

II Taken from the press release ‘Ofsted publishes 2008 annual performance assessments’ published on 17 December 2008 and available at www.ofsted.gov.uk
• reducing the number of repeat referrals to children’s services;
• working to reduce the incidence of teenage pregnancy; and
• improving the proportion of young offenders in education, employment and training.

Social care (adults)

3.37 The score for social care (adults) was the responsibility of CSCI. There were two separate scores that made up the overall social care (adults) star rating – a current delivery of outcomes score, and a capacity to improve score. The social care (adults) score that was used in the CPA framework came from the current delivery of outcomes score. The 2008 performance assessment framework for social care (adults) was built around the good outcomes that the White Paper on health and social care, Our Health, Our Care, Our Say (Ref. 8), seeks for people who use services.

3.38 There were big improvements in performance in this service area (Figure 12):

• The 65 per cent of councils that were able to improve on their 2002 service score did so.

• Scores improved steadily across the years, with more councils improving their score than deteriorating every year between 2002 and 2008.

• Top performance was much more prevalent in 2008 than in previous years with 18 per cent (27 councils) achieving a score of 4 compared to just two councils in 2002. Eight councils scored 4 every year from 2005 (Barnsley, Bolton, Camden, Corporation of London, Redbridge, Salford, Somerset and Tower Hamlets).

• The biggest change was seen in councils that improved from a 2 to a 3. Over 70 per cent of councils that scored a 2 in 2002 had improved their score to 3 by 2008 (70 out of 98 councils).
Case study 4
Small steps to glory

From its first CPA, Somerset County Council made steady progress from a score of fair in 2002. This trend of improvement was reflected in most of the individual CPA service assessments, particularly in social care for adults, which started at a relatively low score of 2.

In 2002 the council did not really know how well its operational services were contributing to corporate goals and did not have a robust performance management framework. The newly appointed management team responsible for adult social care introduced a balanced scorecard approach, systematically improving the use of performance information and identifying the key areas that needed improvement.

The service benefited from clear political leadership and consistent cross-party support for its ambitions and plans, which gave the service the stability and time it needed to assess and address its challenges over the five years in question.

The adult social care department recognised that services had to get better all the time just to maintain their current score, which prevented the service from resting on its laurels and led to the creation of a good learning culture. Through ongoing review and audit, the service challenged and learned from its previous experiences and used the Audit Commission and its own networks to seek out good practice elsewhere.

The community director responsible for adult social care found that parallel improvements in star rating gave a strong impetus to individual services in their efforts to improve. The council recognised the importance of a positive CPA label for operational staff as it let them know how well they were doing.

By 2008 Somerset had increased its adult social care score to 4 and its overall rating to 4 star.

3.39 In 2008 CSCI (Ref. 3) highlighted that ‘social care services for adults, where councils have arranged their care, have improved for the sixth successive year. In 2008, the star ratings improved for 28 councils (19 per cent) and deteriorated for 11 councils (7 per cent), indicating an increase in the rate of improvement over the previous two years.’
Alongside the publication of the overall social care (adults) star ratings for 2008, CSCI reported that:

- just over two-thirds of councils no longer have people with learning disabilities inappropriately remaining in hospital; and
- support services for carers were identified as a strength in more than half of all councils (while improvements were needed in around a third of councils).
3.41 However, the picture was not so positive for some aspects of the assessment such as delivering increased choice and control for adults and maintaining their dignity and respect. For these areas, 25 per cent and 33 per cent respectively were only scored as adequate.

### Environment

3.42 The environment service assessment covered many different aspects of the key services that councils provide, such as planning, waste management and transport.

3.43 The period over which CPA operated coincided with increasing public concern about environmental issues. To councils’ credit, performance generally improved in line with increased expectations from the public and central government. In some cases, the government set statutory targets (for example, recycling and planning) and in other areas there was a more general expectation of improvement. In practice, some councils exceeded targets set by government, particularly where these areas were also a local priority for improvement. For example, several councils achieved recycling rates of around 50 per cent or more by 2007/08, despite a highest statutory target of 30 per cent during the period.

3.44 Environment services started from a low base in 2002 with over half of councils scoring 1 or 2. Almost one in seven councils (20 in total) scored 1 in 2002. Considerable progress was made from this poor starting point (Figure 13):

- The vast majority of councils (95 per cent) were rated at least a 3 in 2008 (delivering a service that was above or well above minimum requirements).
- Seventy-three per cent of councils that could improve their environment score did so between 2002 and 2008.
- There were some dramatic turnarounds in performance in this service area. Three councils (Bedfordshire, Southampton and West Berkshire) improved their environment score from 1 in 2002 to 4 in 2008.
- The poor performance seen in 2002 was addressed over time. By 2006 there were no councils scoring 1, which meant that there were no councils deemed to be delivering an environment service that was below minimum requirements.

3.45 However this picture of improvement was not universal. Ten councils received a relatively lower score in 2008 compared to 2002.
The overall environment score was determined by performance on a number of different elements of the environment service that councils provided. While it was not possible to identify any one aspect that led to the overall improvements in environment scores, some examples of improvements in waste, planning and transport are set out below.

**Waste**

While on average councils only succeeded in reducing the overall amount of waste collected per household by three per cent (from 493 kg to 479 kg) between 2001/02 and 2007/08, significant progress was made in the management of that waste:

- in 2001/02, councils recycled just 8 per cent of household waste.
on average. Performance on this indicator improved steadily and by 2007/08 the average percentage recycled had increased to 21 per cent. Some councils managed to recycle or compost around half of their household waste by 2008;

- by 2007/08, 35 per cent of councils offered kerbside collection of two recyclables to all households in their areas; and
- average rates of household waste going to landfill fell from 77 to 54 per cent.

3.48 Satisfaction with council services in this area was high in 2006/07, and generally improved from the previous survey in 2003/04. On average 70 per cent of residents were satisfied with the waste recycling provided by their local council (down two percentage points), and 79 per cent were satisfied with household waste collection (down five percentage points).

Planning

3.49 Councils improved the efficiency and speed with which they processed planning applications. The percentage of minor planning applications processed within 8 weeks, the target for this indicator, improved.

3.50 In 2002/03, on average councils determined 55 per cent of minor planning applications within 8 weeks, but by 2007/08 this figure had risen to 78 per cent.

Case study 5
Improving individual services from a low base

In 2002, West Berkshire Council’s planning service was one of the worst in the country and this was reflected in a CPA service assessment score of 1. The CPA score caused the council to reassess its priorities and allocate additional resources to the planning service. This led to the appointment of a new head of planning and a number of additional planners. The council also invested in new IT systems and procured professional consultancy advice.

The council used this opportunity to redesign its operations, for example by making its delegated decision-making processes more streamlined. The service was also able to generate a level of internal challenge that it continued to build on, by strengthening its performance management arrangements.

These investments contributed to an improved environment service score of 2 in 2004, 3 in 2007 and 4 in 2008. By 2008 West Berkshire planning department was comparable with those in the best-performing councils nationally, particularly in terms of the time taken to determine planning applications against targets.
Transport

3.51 The number of people killed and seriously injured on council roads continued to fall steadily. Performance in this area is measured against a baseline for each council, which is set as the average of number of people killed and seriously injured in that council’s area between 1994 and 1998. By 2007, on average, the number of people killed and seriously injured on council roads had reduced by 34 per cent compared to the baseline.

Culture

3.52 From 2002 to 2004, the culture assessment only covered libraries and leisure services. The assessment was expanded in 2005 to cover more aspects of councils’ culture provision, including information about public satisfaction with museums, and levels of participation and volunteering in sport. As a result, the scores from 2002 to 2004 are not directly comparable with scores from 2005 to 2008. However, a comparison of the scores still gives a good indication of changes in performance in this area in which there were a number of achievements (Figure 14):

- Eighty-three councils demonstrated a net improvement in their libraries and leisure/culture score from 2002 to 2008. This equates to 58 per cent of the councils that were not already scoring 4 in 2002.
- There were more top-performing councils. In 2008, 21 per cent of councils (32 in total) scored 4 for culture compared to only six that scored 4 for libraries and leisure in 2002.
- There were no poor performers in 2008 compared to nine councils that scored 1 for libraries and leisure in 2002.
- There were some notable success stories. Two councils (Bolton and Haringey) improved by three categories from 1 (in 2002) to 4 (in 2008). Nine councils performed consistently at the highest level from 2005 to 2008 (Cheshire, Devon, Dorset, Essex, Norfolk, Shropshire, South Tyneside, Southend and West Sussex).

3.53 The overall scores for culture services tended to fluctuate between the years and not all councils improved. Fifteen councils received a culture score in 2008 that was relatively lower than their libraries and leisure score in 2002, 11 per cent of those that could deteriorate because they scored more than 1 in 2002.
There were very few robust comparative measures of performance of culture services that were in place over the whole CPA period. It was therefore difficult to identify improvements in individual aspects of culture services from 2002 to 2008.

Average levels of satisfaction with several aspects of culture services improved between 2003/04 and 2006/07:

- Sport and leisure facilities – satisfaction improved from 54 to 58 per cent.
- Libraries – satisfaction improved from 67 to 73 per cent.
- Parks and open spaces – satisfaction improved from 72 to 73 per cent.
3.56 In contrast, satisfaction with theatres, concert halls, museums and galleries fell. Between 2003/04 and 2006/07, satisfaction with theatres and concert halls fell from 47 to 41 per cent, and satisfaction with museums and galleries fell from 42 to 41 per cent.

3.59 There were many high-performing councils, with 58 scoring 4 in 2008 (half of all 115 councils where the assessment applied). Six councils achieved 4 every year for benefits from 2002 to 2008 (Doncaster, Dudley, Kensington and Chelsea, Richmond, Sunderland and Tameside).

3.60 Poor performance was addressed over this period. In 2002, 16 councils (14 per cent) scored 1 for benefits. By 2007 there were none. Nine councils managed to improve their benefits score from 1 to 4 between 2002 and 2008. These councils were Brent, Enfield, Islington, Knowsley, North East Lincolnshire, Nottingham City, Portsmouth, Sandwell and Swindon.

Benefits

3.57 The responsibility for the benefits service assessment passed to the Audit Commission in April 2007. The assessment was delivered by the Benefit Fraud Inspectorate from 2002 to 2007.

3.58 There was considerable improvement in benefits scores over time (Figure 15):

- Seventy-five per cent of councils (60 out of 80) that were able to improve their scores, did so between 2002 and 2008.
- Just 18 councils (out of a total of 115) received a lower score in 2008 than in 2002.

3.59 There were many high-performing councils, with 58 scoring 4 in 2008 (half of all 115 councils where the assessment applied). Six councils achieved 4 every year for benefits from 2002 to 2008 (Doncaster, Dudley, Kensington and Chelsea, Richmond, Sunderland and Tameside).

This assessment only applies to single-tier councils as counties do not provide the benefits service.
3.61 A significant improvement over the CPA period was the speed at which councils processed new housing benefit and council tax benefit claims.
3.62 Since the introduction of CPA, on average, council performance on the time taken to process new claims improved from 47 to 25 days. In 2001/02, the slowest council took an average of 163 days to process new claims. The worst performing 10 per cent of councils took more than 80 days. By 2007/08 the performance of the poorest authorities had improved, and this figure had reduced to an average 32 days. The councils that were slowest at processing new claims made considerable improvements, which helped to raise performance levels across the board and reduced variation between the best and the worst.

### Housing

3.63 The housing service assessment looked at how well councils managed their own housing stock (where relevant) and how well they tackled wider challenges of housing their communities.

3.64 There was a significant improvement in housing service scores between 2002 and 2008 (Figure 16):

- Three-quarters of the councils that could improve (that did not score 4 in 2002), did so.
- In 2008, 91 per cent of councils were in the top two categories \( \text{II} \) (3 or 4) compared to just 43 per cent in 2002.

3.65 The number of top performers increased. There were 51 councils (44 per cent) that scored 4 in 2008 compared to just nine (8 per cent) in 2002. No councils consistently scored 4 for the whole CPA period, but three councils maintained a score of 4 from 2005 to 2008. These councils were Barnsley, East Riding and Redcar and Cleveland.

3.66 Poorly performing councils made improvements, with no councils scoring 1 in 2008 compared to 16 councils in 2002. There were some notable success stories. Seven councils improved their service score from 1 to 4 between 2002 and 2008. These councils were Bournemouth, Knowsley, Medway, North Lincolnshire, Rotherham, Salford and Torbay.

3.67 There were some exceptions to the general trend of improving performance. Ten councils had a lower score in 2008 than 2002. Of these, six dropped from having the highest service score of 4. All of the others dropped from a starting point of 3.

---

This assessment only applies to single-tier councils as counties do not provide a housing service.

Above minimum requirements or well above minimum requirements.
There were improvements in the areas of the standards and management of council homes, and also the housing of the community. Specific improvements in these areas include:

- On average, councils reduced the proportion of poor quality council housing (that does not meet the decent homes standard) from 40 per cent in 2002/03 to 22 per cent in 2007/08.

- The average length of stay in hostel accommodation (for households that were temporarily homeless) reduced from nearly eight weeks in 2002/03 to less than two weeks in 2007/08.
Use of resources

3.69 The use of resources score was part of the overall CPA framework. Use of resources scores from 2002 to 2004 were not directly comparable to scores from 2005 to 2008 due to changes in the methodology, when the use of resources assessment was revised under CPA – The Harder Test. Overall, councils made substantial improvements in their use of resources scores in both CPA periods; between 2002 and 2004 and between 2005 and 2008 (Figure 17).

2002 to 2004

• Between 2002 and 2004, 95 councils (77 per cent) that could improve (that were not already scoring 4), improved their score.

• Top performance became more common. In 2002, 26 councils achieved the top CPA category, compared to 105 in 2004 (70 per cent of councils).

2005 to 2008

• Between 2005 and 2008, 84 authorities improved their score (57 per cent of those that were not already performing at the top level for use of resources).

• By 2008, the number of councils scoring 4 improved to 33 councils (22 per cent) from 3 in 2005. Wandsworth and Corporation of London have maintained a score of 4 for use of resources every year from 2005 to 2008.
The use of resources score was derived from councils’ scores on five themes. Each of these themes showed improvement from 2005 to 2008 (Figure 18). Improvement was particularly strong in internal control, financial management and financial standing.

3.70
Figure 18
Use of resources theme scores in 2005 and 2008

Source: Audit Commission
Local government performance
2002-08

Case study 6
Providing value for money

Stockton Council developed a strong value for money culture over the lifetime of CPA that contributed to its top scores of 4 for both the use of resources assessment overall, and its value for money component in 2008.

The financial framework was successful in driving efficiency and supporting robust challenge and there was a clear link between spend and performance. A development fund enabled innovation and supported work with other LSP partners. For example, Stockton set up a partnership with Darlington to deliver support services and increase its capacity and skills generally. Savings of over £4 million were planned in the ten-year period from 2008.

Stockton believed its strong culture for delivering value for money was supported by the use of resources assessment which helped to raise the profile of value for money within the council and coordinate resources. Stockton also sought examples of good practice from its auditor to inform its value for money reviews.

Corporate assessment

3.71 Corporate assessments were an important part of CPA as they measured the overall ability of the council. Evidence shows that councils that were well run and managed tended to have high performing services and delivered better outcomes for their residents.

- Of the 26 councils that scored 4 for their corporate assessment by 2008, only four councils received a score of less than 3 for any service. The vast majority of councils that scored 4 for their corporate assessment were assessed as providing services that were at least above minimum requirements (with a score of 3) across the board.

- In contrast, of the 44 councils that scored 2 for their corporate assessment, 68 per cent (30 councils) had at least one service assessed as at or below minimum requirements (scored 1 or 2).

3.72 Changes were made to how corporate assessments were undertaken from 2005 (see Chapter 2 and Appendix A), including making the criteria for judgement harder and revising the questions that the assessment covered. However, a number of the broad themes remained and a comparison of performance on these themes over time gives a good indication of changes in the way that councils were run and managed across the period of CPA.
3.73 Corporate assessment scores improved over the course of CPA. In 2002, 12 councils received the lowest corporate assessment score of 1 (Figure 19). No councils scored 1 following the reassessments (all complete by 2008) under CPA – The Harder Test. Top performance became more common. The number of councils with corporate assessment scores at the highest level (scoring 4) rose from 19 in 2002 to 26 in 2008, meaning that overall not only were councils meeting the challenge of CPA – The Harder Test but were also able to improve scores despite the more challenging assessment.

3.74 Some councils made significant progress. Six councils improved their corporate assessment score by two categories between 2002 and 2008, despite the introduction of CPA – The Harder Test in 2005. Five of these councils improved their score from 1 to 3 (Bedfordshire, Coventry, Lambeth, Wakefield and Waltham Forest). South Tyneside improved its corporate assessment score from 2 to 4.
Figure 19
Corporate assessment in 2002 and 2008

Council ability
- 1
- 2
- 3
- 3

Corporate assessment
- 1
- 2
- 3
- 4

Source: Audit Commission
3.75 Analysis of the results of corporate assessments highlighted a number of qualities exhibited by many councils that played an important role in helping them to improve. These were:

- leadership and governance;
- prioritising for improvement;
- managing performance;
- partnership working; and
- innovation.

3.76 These are considered in more detail below. In addition, the theme of equality and diversity ran through all aspects of corporate assessment. Progress on equality and diversity is also considered in this section.

Leadership and governance

3.77 There was a steady improvement in how well councils led their communities. In 2002, many councils had a very limited understanding of their communities, and community, political and managerial leadership were variable. Staff were not always clear about strategic objectives, and the understanding of priorities varied between councillors and officers.

3.78 In 2002, there was little evidence of extensive engagement with minority groups making it more difficult to meet their needs. Better engagement with communities through outreach workers, forums and via the third sector became more widespread and effective in most areas by 2008. By then, arrangements for capturing the views of citizens and users were much better developed and had become a vital mechanism to help councils understand and respond to their communities.

Prioritising for improvement

3.79 The importance of effective prioritisation as a driver of improvement was identified at the outset of CPA, and was separately scored as part of the corporate assessment. There was some progress here:

- In 2002, ten councils achieved the lowest score of 1 for prioritisation and a further 46 only scored 2.\(^1\)
- Under the Harder Test, there was only one council that was below minimum requirements and the number of councils only adequately prioritising what needed to be achieved was 48.

3.80 However, top performance in this area remained relatively rare. The number of councils prioritising at the highest level (scoring 4) improved from 15 to 16 between 2002 and 2008.\(^2\)

---

\(^1\) This is based on corporate assessment scores for 148 councils as Oldham and Walsall did not have a corporate assessment in 2002. These councils received a council ability score of 1 in 2002 as a result of corporate governance inspections.

\(^2\) Scores for the prioritisation theme are not directly comparable between 2002 and 2008 due to the introduction of CPA – The Harder Test and the broader focus of this theme. However, the number of councils in each category gives an indication of improvements in this area.
Case study 7
Being ambitious

Gateshead had a strong track record of sustaining and strengthening its performance under CPA. It maintained its position in the top two categories of CPA between 2002 and 2008.

The council believed strongly in external assessment and evaluation, using feedback positively to help it improve. Its strong culture of self-evaluation meant that it welcomed feedback from regulators and inspectorates and had a track record of commissioning peer reviews to independently assess its performance. An IDEAS peer review in 2005, commissioned to support its preparations for the 2006 corporate assessment, helped the council to recognise an over-emphasis on improving processes rather than outcomes.

The council’s 2006 corporate assessment identified a range of strengths, including community leadership, notable partnership working arrangements and good outcomes linked to local priorities. The corporate assessment also highlighted the scope for improvement in a few key areas, including the need to strengthen the council’s service planning and performance management frameworks.

Gateshead acknowledged the key corporate assessment findings, recognising that a more robust approach to service planning would help it improve service performance.

One significant change was a fundamental overhaul of the community strategy, undertaken in collaboration with partners following extensive consultation and scenario planning. The new strategy had a clearer and longer-term vision for Gateshead, covering the period to 2030. It set out very challenging shared ambitions for the area – ambitions which the council included in its service planning, target setting and performance management arrangements. This helped council staff understand how their contribution supported the bigger picture and provided a useful way to track progress against long-term ambitions.

Managing performance

3.81 The Audit Commission published a range of national reports between 2002 and 2008 that highlighted the importance of good performance management in delivering better public services. Corporate assessments from 2002 showed many councils had only limited information on how well services were performing, which was often of poor quality. This meant that decisions on how to improve services were often not well informed or evidence based.

3.82 Under the Harder Test, corporate assessments were revealing a very different picture. Information was more timely and accurate and used much more effectively to improve the quality and delivery of services and to prioritise improvements where they were most needed;
In 2002, 17 councils scored 1 for performance management and a further 80 scored 2. By 2008, there were only four councils that scored 1, while 74 councils scored 2.

The number of councils that scored 4 for their performance management arrangements rose from ten in 2002 to 14 in 2008. This was achieved while the test was made harder.

**Partnership working**

**3.83** Partnerships, to tackle issues such as regeneration, existed in local government long before CPA was introduced. However LSPs were only widely promoted as good practice following the 2000 Local Government Act, after which they became more common across the country. In 2002, most LSPs were still developing and lacked effectiveness. They were also widely perceived to be dominated by the council. Data on performance were not widely shared between partners, making the achievement of priorities difficult to measure. Shared resources, such as joint posts or budgets, were rare, and activity to address priorities was not well coordinated between partners.

**3.84** In 2005, the revised approach to corporate assessment included a greater focus on partnership working, reflecting the changing landscape of public services.

**3.85** By 2008, councils were working better with their partners to develop community strategies that set challenging ambitions for their communities and reflected local issues and needs. In the majority of cases in 2002, these were emerging or underdeveloped. Partners increasingly recognised the leadership being shown by councils in jointly developing an overarching vision for areas and priorities, for example, in tackling crime and anti-social behaviour and developing cleaner and greener environments. However, in many partnerships there was still further progress to be made to identify new ways of creating capacity and increasing the efficiency and effectiveness of services.

**3.86** Councils showing the most improvement in this theme demonstrated a shared understanding of priorities with the voluntary sector and other partners, and those councils tended to work well with others through their LAA.
Equality and diversity

3.87 How councils addressed equality and diversity, both within their workforce and in relation to the services they deliver, was an integral part of CPA. Understanding the needs of citizens, addressing inequality and meeting the needs of diverse communities, was essential to delivering fair outcomes to all service users. Equality and diversity was a cross-cutting theme that ran throughout the corporate assessment methodology. While there was still room for improvement, significant progress was made in addressing equality and diversity issues over the lifetime of CPA.

3.88 The equality standard for local government in England aims to put equality into all aspects of councils’ services and employment practices.1 It allows councils to identify disadvantages associated with gender, disability and race, and to work towards eliminating the barriers that create disadvantage. It also provides a framework that can be easily adapted to include other areas of disadvantage and discrimination, such as age and sexuality.

3.89 Performance against the equality standard rose dramatically following the introduction of CPA. In 2003/04, 97 councils failed to achieve level 1 of the equality standard. By 2007/08 this had reduced to just two councils. Improvement continued, with 30 per cent of councils improving the level of the equality standard achieved between 2006/07 and 2007/08 (Figure 20).

3.90 Corporate assessment reports over the period of CPA demonstrated how equality and diversity had become, in most cases, a mainstream part of how councils delivered services to communities. This represented a substantial shift from the position identified in 2002. However, there was potential for significant further progress to be made, as the majority of councils only achieved level 2 (211 councils).

Figure 20
BV2a Equality standard for local government

Counts | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
---|---|---|---|---|---|---|
Level 5 | 0 | 0 | 3 | 4 | 4 | 3 |
Level 4 | 1 | 3 | 1 | 3 | 13 | 24 |
Level 3 | 7 | 9 | 28 | 60 | 76 | 96 |
Level 2 | 38 | 68 | 100 | 129 | 181 | 211 |
Level 1 | 178 | 204 | 199 | 162 | 105 | 52 |
Level 0 | 154 | 97 | 55 | 30 | 9 | 2 |
| 378 | 381 | 386 | 388 | 388 | 388 |

Source: Audit Commission
Case study 8
Engaging with diverse communities

Lewisham Council’s 2002 corporate assessment challenged its approach to consultation and citizen engagement, as well as diversity and equality. Though it had historically been a strong performer in this field, the assessment alerted the council to the need for a fresh approach. Rated good in CPA 2002, Lewisham Council developed ambitions for excellence, aiming to become a 4 star authority by the time of its next corporate assessment and to reach Level 5 of the equality standard for local government by 2005.

A range of activities were undertaken to ensure greater engagement with local communities and a stronger approach to diversity and equality. These included:

- The council used the Audit Commission’s Journey to Race Equality self-assessment tool with partners (for example, the primary care trust) to assess how well it was addressing this aspect of equality. This helped highlight achievements and enabled the council to assist partners with their development.
- The council set up local area assemblies at ward level to drive local engagement, for instance in trialling participatory budgeting.
- The council established a corporate equalities board which ensured that equality and diversity issues were taken into account in all levels of planning, including services and team plans. Other councils have visited Lewisham to learn from this innovative approach.

The 2007 corporate assessment recognised Lewisham Council as a national leader in its work to understand local people’s diverse needs and that its consultation, research and community engagement continued to improve. The council became a 4 star council and was accredited at equality standard level 5 in 2007.
Workforce diversity

Diversity in whole workforce

3.91 The rate of change in the diversity of councils’ workforces was slow. Most progress was made towards achieving equal opportunities in employment in terms of black and minority ethnic group representation in the workforce:

- The proportion of black and minority ethnic group staff improved in 81 per cent of councils between 2001/02 and 2007/08.
- One hundred and twenty-nine out of 388 councils had equal or greater proportions of black and minority ethnic people on the staff compared with the local community by 2008.

3.92 Though improvement was made in increasing the levels of staff with disabilities between 2002/03 and 2007/08, proportions were still below a number reflective of the general population:

- In 2002/03, the average proportion of staff with disabilities working in councils was 2.1 per cent. By 2007/08 this had increased to 3.2 per cent (compared to 13.1 per cent of the economically active population with disabilities).
- Seventy per cent of councils improved the proportion of staff with disabilities between 2002/03 and 2007/08. However, this was from a relatively low base.
- While a number of councils performed well, only six councils employed proportionately at least as many staff with disabilities as were economically active in the community.

Diversity among highest paid staff

3.93 More progress was made in improving the percentage of the top-paid 5 per cent of local authority staff who were women than those who were from an ethnic minority:

- Between 2002/03 and 2007/08, 82 per cent of councils improved their proportions of top earning women, while 70 per cent improved the proportions from ethnic minorities.
- In 2002/03, an average of 26 per cent of the top-earning 5 per cent of local authority staff were women. By 2007/08 this had risen to 36 per cent.
- In 2002/03 only 0.5 per cent of top earners were from minority communities. By 2007/08 this had increased to 1.8 per cent.

Direction of travel

3.94 A scored direction of travel was introduced in 2005, as part of CPA – The Harder Test. Direction of travel was not a predictor of future improvement or CPA scores, but looked at how a council improved and what it achieved over the previous year. Direction of travel scores were reported alongside the overall CPA category for each council, but did not contribute to it.
There were some notable improvements: in 2008, more councils were rated as improving strongly than in the three previous years. Thirty-five councils (23 per cent) were rated as improving strongly in 2008, compared to just 5 per cent (eight councils) in 2005.

District councils

The Audit Commission reviewed the performance of the 238 district councils in England using CPA, but the framework was different, to reflect the different services they provided and the size of these councils. In 2005, the Audit Commission published the full set of CPA assessments carried out between June 2003 and December 2004.

A new CPA framework was adopted from 2006 onwards although the CPA category labels remained the same. CPA scores were only reassessed when the council requested it and provided evidence of improvement, or when the Commission identified evidence of deterioration. Fifty-four councils were reassessed between 2006 and 2008, and 51 improved their CPA category. The CPA category for two councils stayed the same, but for one council, there was a drop.

Up to 2005, CPA ratings for district councils were similar to the 2002 performance of single-tier and county councils. Forty-eight per cent of district councils were rated good or excellent in 2005. By 2008, this had risen to 62 per cent of all district councils. Poorer performance became rarer too: by 2008 only 6 per cent were rated weak or poor (Figure 21).

Case study 9
Reducing costs to improve services

Pendle Borough Council’s main driver for improving value for money was the need to reduce its relatively high cost base while tackling areas of deprivation and improving services. The council was willing to take well-managed risks to support innovation and used partnership working to attract resources and increase its capacity and skills generally. Its well-established public-private partnership carried out most of its administrative functions and some key frontline services. This resulted in 12 per cent savings on controllable budgets, and improved performance. The partnership made significant investment in IT infrastructure and constructed a new business centre which was expected to generate 300 new jobs in the area and contribute towards the regeneration of the town centre.

The use of resources assessment focused the council’s attention on its cost base and led to some innovative solutions to address high costs. It used the Audit Commission’s web-based value for money profile tool to benchmark costs and performance against similar councils and helped provide focus for a programme of more detailed reviews.
Figure 21
District council overall CPA category

Source: Audit Commission
4 CPA as a stimulus for change

4.1 Over the CPA period, a range of measures were in place to drive and support the improvement in the delivery of public services described in the previous chapter. At the heart of these was government policy to improve services, exemplified by the setting of priorities and minimum standards, promising freedoms and flexibilities for councils which excelled, and the establishment of intervention mechanisms for those councils that were failing to deliver. Additionally, through the period, government and local taxpayers increased the resources available for public service – but with an expectation that services would improve.

4.2 A broad range of support was made available to councils seeking to improve their performance. The Local Government Association’s (LGA) Performance Partnership, primarily through IDeA and the Employers Organisation, delivered support programmes. IDeA regional associates performed a key role, working directly with local authorities to help them make contacts and secure support packages that met councils’ needs and supported capacity building to deliver self-improvement.

4.3 Government set up a capacity building fund in support of national programmes. Councils also used this fund to set up improvement partnerships to provide mutual challenge and support. Additionally, councils supported each other through formal programmes such as the Beacon Scheme and peer support, and the establishment of more informal networks.

4.4 CPA, itself, played a key role in stimulating this improvement. The remainder of this chapter describes the way in which CPA acted as a stimulus for change within local government. It draws on a literature review as well as a set of case studies carried out for this publication. The case studies describe, for a range of councils with very different histories, standards of performance and experience, how CPA was used to improve the services delivered by the case study councils.

I The literature review was commissioned by the Audit Commission and carried out by Dr Paul Davis, of Warwick University, autumn 2008 (unpublished).
CPA as a stimulus for change

The broad view of CPA

4.5 CPA has been widely recognised as a stimulus for improvement, both by practitioners within the sector and observers. For example, in a survey carried out by IPSOS Mori for the Commission in 2008, almost all the chief executives who responded believed that CPA had contributed in some way to improving local public services with 42 per cent stating that CPA had ‘a great deal of impact’.

4.6 Externally, in 2008, Sir Peter Gershon recognised that the Commission had achieved its objectives of stimulating service improvement and efficiency in local government.

‘There is no hiding place because of CPA ... CPA has shown you can improve services, even while making efficiencies.’ (Ref. 9)

4.7 In 2006, academic research reported that the process of capability reviews of central government departments was influenced by the perceived success of CPA. (Ref. 10)

4.8 Over its lifetime, CPA was not acting in isolation. The wider Local Government Modernisation Agenda, as outlined in the Local Government Act 2002 and the Local Government White Paper Strong Local Leadership, Quality Public Services (Ref. 5) in 2001, had many components of which CPA was one. And it was ultimately local councils whose efforts were responsible for the improvement in local services. However, CPA worked in different ways in different areas to stimulate and facilitate improvement. The rest of this chapter sets out some of the ways in which CPA has supported the improvement of local services.

Simplified, published performance measurement

4.9 CPA used straightforward performance ratings as a stimulus for improvement and then made these ratings public. The very fact that performance is being measured leads to efforts to improve it – and having a basis against which to compare one’s performance helps to identify where change is needed. Responses to the 2008 Ipsos MORI survey showed local authorities were quick to recognise this effect:

‘The CPA process has driven up the standards of services because of the scoring mechanism and having a baseline to improve from.’

District council

‘The CPA has been useful in setting a benchmark against which we can put our improvement programme.’

Unitary council
4.10 This suggests that the way CPA was constructed and presented, using simple labels and enabling comparison between councils, stimulated change. CPA worked through exposure; scrutiny was invited as all councils were being measured by a single framework.

4.11 The publication of the CPA results and the accompanying commentary rapidly assumed the status of a red-letter day in councils’ diaries. Such public examination was new to many council managers and could act as a local stimulant or a useful shock to the system particularly when results were not favourable or not as positive as expected. In 2005, the LGA noted:

‘It often takes a shock, such as a change in political control or a highly critical external assessment to prompt the council to embark on its improvement journey.’ (Ref. 11)

4.12 However, not all councils were able to improve their CPA scores. For some, there may have been little incentive to move to a higher level. In other cases, the improvement they were able to make was not enough to earn a higher level, especially following the higher expectations of CPA – The Harder Test, potentially leading to some frustration among councillors and officers and to poor publicity.

4.13 Tackling poor performance was a key aim of the Modernisation Agenda, with CPA the means of identifying poor performance. At the start of the CPA period, there was concern that a significant number of councils were failing to deliver adequate services to their residents. This impression was supported by the results from the first year of CPA, when 9 per cent of councils were rated as poor. These councils were likely to be failing in delivery of key services, in corporate management and in their use of resources. In some cases, individual services in these authorities had already been identified as weak and were either receiving external support to improve, or had been removed from the control of the council.

4.14 Although the reasons for poor performance are complex and often deeply rooted, they are often related to ineffective political or managerial arrangements or weaknesses in a council’s culture. Performance may not be weak across the board and, in 2002, some councils that had been delivering poor performance were already beginning to improve. However, some councils needed assistance to begin and continue the drive to improve.
4.15 Councils that were rated poor, or weak with a low score for capacity to improve, became subject to a wide-ranging engagement process led by the then Office of the Deputy Prime Minister. This involved the Office of the Deputy Prime Minister appointing a lead official, supported by a relationship manager from the Audit Commission, to help councils formulate a recovery plan in which external sources of support were identified. A government monitoring board then observed the improvement in the council’s performance, making recommendations where necessary to the minister, other government bodies and the council itself. Underpinning the engagement process was the ultimate possibility that ministers could use statutory powers to direct a council.

4.16 As well as going through the engagement process, poorer performing authorities often changed their senior staff. This change, in part, resulted from the transparency of performance under the CPA regime, which revealed the poor performance of existing senior teams. In an evaluation of the turnaround process, new leadership was identified as an important driver of improvement (Ref. 12). But it would only work where other senior managers were committed to recovery and the skill set for the post was matched to the problems of the council.

4.17 Some of the poorer performing councils took a strategic perspective on the use of external inspections, valuing the perspective they brought. This approach included commissioning reviews from IDeA and others to help review recovery strategies and identify opportunities for change. Some managers and local politicians found the inspection and assessment process empowered them to act in problem areas where previously they may have been constrained. In an evaluation of the Beacon Council Scheme, frontline staff reported that inspection and CPA scores were extremely influential in encouraging them to improve their service (Ref. 13).

4.18 Analysis of CPA results as part of a three-year evaluation of 15 turnaround councils shows that these councils were well on their way to recovery by 2004, with a faster rate of improvement than other councils (Ref. 12). At the end of the CPA period, four of the turnaround councils were 4 star, six were 3 star and five rated as 2 star. This demonstrates that each of the councils significantly improved the services that they provide.
CPA as a stimulus for change

More explicit benchmarking

4.19 The ability to benchmark based on the component scores within CPA has been identified as a feature of the CPA process that supported improvement. Benchmarking operates at a number of different levels. At the highest level, councils sought the kudos of the higher overall ratings and worked to improve their services. Councils sought to take the credit for their successes by referring to high star ratings in council communications and recruitment advertising.

4.20 At a more detailed level, councils made use of the components of the scorecards to identify services that were not operating at the required level. CPA assessment scores revealed service areas where poor performance had previously been hidden because of poor corporate systems. This enabled councils to focus on improving poorly

Case study 10
Responding to constructive criticism

Coventry City’s poor CPA rating in 2002 shocked the council but there was a strong sense that things could only improve from this point.

In addition to taking part in an Office of the Deputy Prime Minister led improvement process, the council introduced a series of initiatives to help it improve. It drew up a modernisation and improvement plan to provide a framework for recovery across the organisation. The council worked to ensure that there was cross-party agreement on the plan, demonstrating the commitment that existed across the political spectrum. It also invested in ICT and communications and strengthened training and development for councillors. Actions focused on the key service areas that had scored poorly under the CPA assessment. Measures were also taken to address the overall culture of the organisation.

The new chief executive provided the council with the direction and strong leadership that it required. The message from the top was clear: Coventry was one council, working and improving together. There would be no more working in silos.

The chief executive also focused on improving management skills and performance management. New management development programmes were introduced, with the aim of encouraging a common ethos across the organisation and bringing together new and old council officers. This commitment to staff became an integral part of the council’s culture and many of the initiatives set up during the early phase of its improvement are still in place.

In 2005, just three years after receiving a poor rating, Coventry City Council was awarded 3 stars, and in 2008 the council rose to the top 4 star category. Over this period, user and employee satisfaction rose and the council was awarded Beacon status for its work to reduce health inequalities and in providing effective environmental health services.
performing services. For example, councils sought to address problems in social care with greater urgency than they otherwise might have done because they were seen as the key to achieving a higher overall rating.

4.21 As with the scores for the whole councils, individual service areas with high ratings saw their scores as a mark of pride and worked hard to ensure that stars were not lost. This also provided a pressure to improve, as the required standards for each level rose during the period of CPA.

4.22 The use of a standardised scorecard and an overall star rating was not without controversy. It was suggested that it would be challenging to compress the service provision of a complex multi-service, multi-site body such as a large council into a single judgement. However, by the end of the CPA period, in 2008, it could be concluded that:

‘In spite of the conceptual objections to the search for a ‘bottom line’ in the public sector, and many practical flaws and hiccups in the new system, the CPA proved popular with councils.’ (Ref. 14)

4.23 Interestingly, in Scotland and Wales, where different structures are in place, the ability to compare organisations is often missed (Ref. 15). In Wales, where performance tables have been abolished, local media expend considerable energy in constructing comparisons of English and Welsh local authorities.

**Clear template for improvement**

4.24 The CPA framework in itself has provided councils with a clear template for improvement. The framework, which included the KLOE as well as the overall scorecard, gave council managers a planning and self-assessment tool to improve their services. Councils report using the framework as their road map for delivering improved services. Many councils used the CPA approach in their own self-assessment to support their own planning and improvement.

4.25 The Audit Commission supported CPA through the development of tools and information. For example, value for money cost profiles gave councils information about their costs and allowed comparisons with other, similar councils. Although initially designed to support the use of resources judgement, councils had access to their profiles, which were then used to identify areas on which to focus their attention.

**Strengthened the corporate centre**

4.26 A key assumption of the CPA framework is that delivery of high quality services is associated with a strongly performing corporate centre. Additionally, improving value for money remained a key objective. Use of resources and corporate assessment were, therefore, key parts of the overall assessment.
4.27 Developing performance management is a common theme for councils responding to CPA. A better understanding of the performance of the individual services enabled senior officers and members to focus corporate attention and resources to drive through necessary improvements. Changes in service performance could be recognised quickly and assessments of the impact of improvement programmes made. Improved performance management systems also made it less likely that poor inspection reports would come as a shock.

4.28 Councils say that better performance management has had a positive impact on service delivery. Key benefits include providing an incentive for staff, enabling problems and conflicts to be identified, enhancing organisational memory, enabling more efficient retrieval of information and supporting learning (Ref. 16). Good performance management has also led to a stronger focus on performance at the corporate centre.

4.29 The focus on the corporate centre has been identified as being a key driver in breaking down silos, where individual services operate in isolation from each other. Some councils have changed their structures and processes to ensure that service heads work together more closely to deliver the objectives of the council and improve outcomes for local people.

4.30 Improvement in the use of resources and, in particular, the delivery of greater value for money was a key component of CPA. This emphasis encouraged councils to focus clearly on where money was being spent and what was being delivered.

Enhanced focus on leadership

4.31 Leadership and performance are inextricably linked, with effective leadership being widely accepted as a pre-requisite for sustained improvement. The importance of leadership was recognised in inspection frameworks, in the IDeA peer review methodology and in the Commission’s report, Change Here (Ref. 2), as well as in CPA.

4.32 An assessment of the 13 councils classed as poor in 2002 suggested they were a diverse group, but they had certain things in common that contributed to weaknesses in leadership (Ref. 17). Ineffective political arrangements occurred where structure or behaviours had the effect of limiting councillors’ capacity to exercise effective leadership and take collective action to address shortcomings. Ineffective managerial arrangements resulting in poor leadership was often found to result from either too much change or too much inertia.
4.33 Following a CPA assessment, there were notable changes in senior council management and leadership. These changes included a clearer vision by senior management and councillors and greater confidence among staff in their senior management’s ability to deliver this vision. Improving internal communications was also found to be crucial in building a common awareness of problems and their solutions.

Improved accountability

4.34 CPA improved accountability in public services by providing a transparent assessment of performance. There were three main groups that had the potential to benefit from this improved accountability.

4.35 First, as detailed above, those inside the council had a better understanding of performance. This enabled councillors to understand performance and use that information to hold officers to account. Similarly, CPA gave senior corporate officers an improved understanding of the performance of individual services.

4.36 Second, there was an improved accountability to central government. The processes for the weakest authorities have already been discussed. However, higher rating led to some greater freedoms and flexibilities providing an incentive to sustained high performance.

4.37 The third dimension of accountability was to residents and electors. In some ways, CPA failed to provide a mechanism for informing residents of the quality of the services that were provided. Although widely reported, CPA did not resonate with the public in the way that, say, school performance tables did. But, as the next section demonstrates, CPA did encourage councils to engage with their local communities.

Reinforced focus on citizen engagement

4.38 Corporate assessment had a strong emphasis on citizen engagement, user focus and the views of service users. The approach stressed the importance of appropriate sources of performance information beyond the nationally-defined best value performance indicators. Much of this performance information was based on perceptions of service users and the wider public, typically captured through local satisfaction surveys. This emphasis stimulated councils to focus more on involving, understanding and responding to the views of citizens and service users.
In 2008, the Commission published *Focusing on Citizens, Users and Diverse Communities: Learning from CPA and Inspection 2006/07* (Ref. 18), which provided a summary of how well councils understood, engaged with and focused on their communities. It also identified what progress they were making to address issues of equality and diversity. The analysis of results from CPA over a number of years showed that councils had generally improved their understanding of the needs of citizens and service users to deliver outcomes that mattered to their communities.

This was particularly true of weaker authorities in the early phase of CPA. Those who were involved in the turnaround process were often found to have failed to engage well with local communities. As part of their improvement plans, these councils sought to improve their understanding of the views of the community and to use this understanding in decision making (Ref. 12).

Alongside the work of others, CPA has played its part in spreading good practice. This has been achieved by Commission staff sharing notable practice with councils, the various *Learning from CPA* publications and the inspection process itself. The identification of strongly performing councils allowed the weaker performers to visit and learn from those that were more successful in their service delivery.

One interesting method of knowledge transfer has been through the participation of peer officers and councillors as members of corporate assessment teams. This allows sharing in both directions. Members of inspection teams report identifying approaches in the councils they were assessing that they were able to adopt at their own councils.
Case study 11
Learning from your peers

Trafford Metropolitan Borough Council’s chief executive and leader saw CPA as a tool which reinforced many of their own conclusions and helped the council focus on key areas for improvement.

The council was a 3 star authority in 2006 but its corporate assessment of the same year, with a score of 2, identified a number of areas for improvement.

Some of the changes introduced at Trafford Metropolitan Borough Council since 2006 include:

• a greater emphasis on leadership – additional capacity to reinforce the senior management team and a comprehensive management development programme which allowed the council to train and nurture its own future senior managers;

• a stronger focus on people – more effective engagement and communication with staff and with residents, such as borough-wide and neighbourhood newsletters and higher-visibility senior managers;

• a renewed commitment to tackle inequality in the borough, including a stronger focus on support for those made vulnerable by their circumstances; and

• more robust user feedback arrangements – annual satisfaction surveys to better understand what was and was not working, and a programme of regular ward walks which involved officers, council members and other stakeholders.

Trafford Metropolitan Borough Council was quick to seek out and embrace the support and expertise of others to help it improve. For example, it participated actively in the Association of Greater Manchester Authorities and commissioned external peer reviews.

The 2007 direction of travel statement identified a number of improvements over the 2006 corporate assessment, including:

• clear, consistent and convincing managerial and political leadership, which allowed staff to benefit from a clearer focus on what is important;

• maturing partnership working arrangements, with some impressive outcomes including a significant improvement in deprivation levels; and

• a track record of strong and increasing customer satisfaction.
Weaknesses of CPA

4.43 Though CPA has been widely recognised as a stimulus for improvement, it has not been without its problems and weaknesses.

4.44 The CPA framework placed great weight on performance indicators. These could never cover the full experience of service delivery. However, they provided important measures of what was being achieved. Performance indicators tended to focus on process and output and did not cover the outcomes which were expected. Additionally, over time, there was a danger that councils focused on improving performance indicators rather than the full range of services. It was also possible for councils to focus their resources on those services that could be improved slightly. This potentially could be at the expense of focusing on the specific needs of service users. This was a by-product of a system which, almost inevitably, included cliff edges where small movements in indicators could lead to the gain or loss of a star.

Case study 12
Improving services, not playing the game

Hackney received a poor CPA score in 2002. The council was then subject to consistent engagement and two corporate assessments in the first three years of CPA. The council felt that the process did not always reflect an understanding of the nature of Hackney as a place. In general, the council felt excluded from the engagement process, which acted separately and in parallel with the council’s own improvement process. The council did, however, value the Audit Commission relationship manager and the tools provided by the Commission during this period. The council strove to be self-aware during this examination, to the point where it was accused of being too self-critical. The council made decisions according to the needs and aspirations of residents rather than to achieve particular CPA scores.

The Audit Commission introduced the revised CPA framework in 2005 and Hackney had a corporate assessment in 2006. The council felt that the revised framework provided a fairer judgement which had stronger links to its approach to improvement. It found the peer involvement valuable, and the discussion and challenge involved in the process tough but helpful in focusing its attention on priority areas for improvement.

In the years that followed the initial CPA assessment the council took a number of difficult decisions that enabled it to improve its performance dramatically. This led to improved outcomes that matter to residents underpinned by an effective performance regime; robust partnership arrangements with trust and a willingness to challenge each other’s approach and delivery; and consistent and rapid improvements in resident satisfaction.

In 2008, Hackney was a 3 star council and improving strongly.
4.45 Many authorities complained that the inspection burden of the CPA framework was disproportionate. Councils felt that preparing for, managing and responding to inspections, was a diversion from their core role of delivery of public services.

4.46 There was also concern that information underlying the CPA overall assessment would inevitably have elements that were out of date (for example, the triennial user satisfaction surveys were used for three successive years). Corporate assessment scores were also retained, potentially for several years, allowing the argument that the score for the latest year was not truly reflective of current performance.

4.47 A further criticism of the CPA process was that it failed to keep up with change in the way that local public services were delivered. In particular, partnerships involving both local public bodies and other organisations became more important over the CPA period, particularly with the establishment of LSPs. CPA’s focus on the local council did not allow sufficient attention to the work which was done in partnerships.

4.48 Chapter 5 addresses how the future assessment framework will address these weaknesses.
5.1 A common theme running through the survey of senior stakeholders carried out by Ipsos MORI for the Commission was that CPA had run its course. It had been a powerful and successful driver for change, but it needed to be replaced by something that reflected the changing context in which public services operated. The Commission had already recognised that, as the demands and risks facing public services change, inspection and assessment must keep pace if it is to continue to provide a relevant stimulus to improvement and value for public money.

5.2 This report has charted the improvement in local government since 2002. Local services have developed stronger performance management, more effective sharing of good practice and practical support for services in difficulty. While there is never room for complacency, and individual examples of service failure still occur, the system of public service inspection must build on this improvement in capacity and focus its scarce resources on the areas of highest risk – especially where services have to meet the needs of the most vulnerable people in society.

5.3 Another challenge requiring a response from inspectors is the need to ensure that improvements in the running of local public bodies are matched by better results – results that local people recognise and value. However, as reported in Chapter 3, surveys of public satisfaction show that, despite increased satisfaction with some individual services since 2002, public satisfaction with councils overall has not risen in line with CPA scores. Inspectors have therefore been examining how to make their assessments more outcome-focused.

5.4 A greater focus on outcomes has several important implications. Very few important improvements in local quality of life can be delivered by one public body acting alone. Strengthening the local economy; improving public health; reducing climate-threatening carbon emissions; and reducing the fear of crime all require close working across local public services, with local businesses and voluntary organisations, and with national agencies. Accordingly, inspection of single services or organisations, while still important, is unlikely to be able to address all the important barriers to improved outcomes.

5.5 An outcome focus also requires an assessment framework that recognises that the challenges facing local areas vary from place to place and encourages innovation rather than emphasising compliance with detailed processes. Services are being increasingly tailored to the needs of individual users, with greater involvement by users in the specification of the services they receive. The user experience must therefore weigh heavily in judgements about service quality.

5.6 At a time of rapidly increasing pressure on resources in all sectors of the economy, local public services are
under great pressure to maximise the value they achieve with the resources available, whether directly as deliverers of public services or through intelligent commissioning of services from others. These pressures need to be reflected in the contribution that public audit makes to promoting further improvements in value for money as part of a coherent overall framework.

**Moving to the new performance framework**

5.7 In March 2005, the government published *Securing Better Outcomes: Developing a New Performance Framework* (Ref. 19). These proposals for a new performance framework for local government placed more reliance on councils having their own robust performance management arrangements and a clear shift towards area-based assessment within an overall rationalisation of inspectorates and a reduced level of inspection.

5.8 An Audit Commission discussion paper, *Assessment of Local Services Beyond 2008* (Ref. 20), published in August 2006, provided a further contribution to this developing thinking. The paper set out many of the arguments already summarised in this chapter, pointing the way to a successor to CPA.

5.9 In October 2006, the government published its White Paper on local public service reform, *Strong and Prosperous Communities* (Ref. 21). The White Paper and the subsequent Local Government and Public Involvement in Health Act set out a new performance framework for local services. Central government would agree a limited number of priorities with local partnerships in the form of local area agreements, supported by a reduced set of national indicators. As part of this framework, CPA would be succeeded by CAA.

5.10 In April 2007, ministers formally commissioned seven inspectorates to work together to develop and introduce CAA with effect from 1 April 2009. Through two joint consultations and a programme of action learning and trials of the emerging methodology, the inspectorates developed the CAA framework, publishing it in February 2009.

5.11 CAA is designed to be:

- a catalyst for better local outcomes, more effective partnership working, more responsive services and better value for money;
- a source of independent assurance for citizens, service users and taxpayers;
- an independent evidence base for central government on progress against national priorities; and
- a means of focusing, rationalising and coordinating inspection.

1 The seven inspectorates are Audit Commission, CSCI, Healthcare Commission, HM Inspectorate of Constabulary, HM Inspectorate of Prisons, HM Inspectorate of Probation and Ofsted.
5.12 The two main elements of CAA, which will inform each other are:

- an area assessment focusing on how well local people are served by local public services, and the prospects for better outcomes on those issues most important to the area; and

- organisational assessments of individual public bodies linking the various assessment frameworks for different sectors into a coherent whole.

5.13 The experience of CPA has been an important source of learning in the design of CAA. The inspectorates have aimed to build on the effective elements of previous approaches where they remain relevant and to avoid less effective or less relevant aspects.

5.14 The power of clear public reporting demonstrated by CPA will continue to be a feature of CAA. The inspectorates are aiming to communicate more clearly with the public through a dedicated website, and to organise the available information in a way that enhances accountability to local people. There will continue to be scores for councils, although these will not be derived from the rules-based formula used in CPA. While there will be no numerical score for area assessments, red flags will be reported where there are significant concerns about the future prospects for outcomes which are not being tackled adequately. Green flags representing exceptional performance or outstanding improvement will highlight innovative approaches and aid learning.

5.15 The use of resources assessment has been retained, but in a substantially revised form to emphasise outcomes more than processes, and giving new prominence to sustainability as an essential element of value for money. The use of resources methodology has also been aligned across the sectors, reflecting the area focus of CAA.

5.16 The biggest changes in approach from CPA include the outcome focus for local areas which means that CAA is not simply a local government assessment framework. Instead of the CPA model’s fixed service blocks with the same weighting in every part of the country, the area assessment will focus on what’s important in each area and for the citizens, service users and communities served by councils and their partners. It will look ahead to the prospects for better outcomes rather than only reporting past performance.

5.17 The area assessment has also been designed to respond flexibly to rapidly changing circumstances. For example, the inspectorates are confident that the methodology will be able to address the impact of the deteriorating economic situation in late 2008 and 2009.

5.18 Unlike CPA’s assembly of separate judgements about a council’s services from the relevant inspectorates, CAA will include joint assessments by
inspectorates for the first time. This will allow inspectorates to make links across their work in order to highlight barriers to improvement, cutting across services and organisations. In this way, the inspectorates expect to derive better value from their resources.

5.19 The inspectorates will rely less on rolling programmes of major inspections, targeting their work according to risk. The only remaining such programmes will be focused on inherently high risk services such as the safeguarding of children. This approach will reduce the burden of assessment on high performing organisations and partnerships.

5.20 One consequence of the end of the rolling programme of corporate assessments is that peer councillors and officers will need to be involved in assessment in a different way. The inclusion of peers in CPA corporate assessment teams added credibility to the assessments of political and managerial leadership and provided powerful development experiences for the peers involved. In the absence of a rolling programme of inspections, the CAA framework will engage peers on a more targeted basis, where their insights and experience are most effectively deployed.

5.21 CAA formally begins in April 2009 and will be reported annually each November from 2009. This move to earlier reporting is designed to assist local areas in their improvement planning and budgeting by feeding in the views of inspectorates at a more helpful stage. It also provides local people with faster independent assurance. The link developed in the CPA years between assessment and sector-led support and capacity building will develop further, reflecting the cross-sector nature of the new approach.

5.22 Time will tell whether councils and their local partners will be able to demonstrate improvement in important outcomes in the next few years in the way that councils can point to their own improvement since 2002. The next phase of independent inspection draws on the experience of CPA, with the aim of sharpening the focus on outcomes leading to improved results for those who use and depend on public services.
Appendix A: Explaining the CPA framework

Figure 22
The CPA assessment framework 2002-04

Education judgments: inspection, Pls and plan assessment

Social care judgements: inspection, Pls and plan assessment

Environment judgements: inspection, Pls and plan assessment

Housing judgements: inspection, Pls and plan assessment

Library and leisure: inspection, Pls and plan assessment

Benefits judgements inspection, Pls and plan assessment

Resources: auditor judgements, inspection, Pls and plan judgement

CPA Assessment framework

Making the judgement

Categorisations

Corporate assessment
Self-assessment, inspection

Public reporting
Improvement planning

Source: Audit Commission
Each of the individual core services (education, social care, environment, housing, libraries and leisure, benefits), was given a score from 1 to 4 (with 4 being the highest). The scores were derived from the relevant inspectorates’ inspection activity, performance data and assessments of relevant plans (Figure 22).

Auditors provided scored judgements about resources, drawing on work carried out to fulfil their duties under the Code of Audit Practice. These covered:
- financial standing;
- internal financial control;
- standards of financial conduct;
- financial statements and legality of significant financial transactions; and
- performance management.

An overall core service score (again from 1 to 4) was reached by combining weighted scores for the individual services, including a score for use of resources. Education and social services were weighted more heavily than the other services in determining the overall score.

The corporate assessment measured the overall ability of the council. It examined the council as a whole and assessed its effectiveness as a community leader and how well-run it was as an organisation. It assessed the way in which councils managed their own corporate performance and responded to service failure, and gave assurance about the capacity of the council to operate effectively without close supervision or control.

The corporate assessment was split into nine themes, covering four key questions, as follows:
- What the council wants to achieve
  1. ambition
  2. focus
  3. prioritisation
- How the council sets about what it wants to achieve
  4. capacity
  5. performance management
- What the council has/has not achieved
  6. improvements achieved
  7. investment
- What the council plans to do next
  8. learning
  9. future plans

Each of the nine themes was scored separately (from 1 to 4). The theme scores were weighted (with improvements achieved and investment given the biggest weightings) and combined to give a single overall council ability score (from 1 to 4).

The corporate assessment started with a self-assessment by each council. Subsequent inspection was carried out onsite by a small team. To ensure that the corporate assessment process was transparent and fair, the inspection teams followed a set of KLOE. These KLOE set out the areas of inspection focus and criteria for judgement. The corporate assessment team also included peer members and/or officers from another...
Appendix A: Explaining the CPA framework

local authority to ensure that judgements were credible and reflected practice. This was the first time that peers had been directly involved in the assessment and inspection process in this way.

A8 The core service score and the council ability score were combined to give an overall CPA category for each council. This was intended to reflect not only the services the council was currently providing, but also its ability to improve and to deliver better services in the future. The CPA categories were excellent, good, fair, weak or poor.

A9 The first CPA results were published for all 150 single-tier and county councils in December 2002. An overall category was published for each council, along with each of the individual core service scores, use of resources score and council ability score. The full corporate assessment report for each council was also published.

A10 In December 2002 the Audit Commission also published a national report on how all single-tier and county councils were performing. Following this the Commission published a series of themed ‘learning from’ reports, drawing on CPA and other audit and inspection work.

A11 Following CPA 2002, the government provided support for those councils that were categorised as poor or weak or received a council ability (corporate assessment) score of 1, to help them improve. Each council was allocated a government lead official and recovery plans were agreed to ensure the council had a clear strategy to secure improvement.

A12 Councils assessed as excellent were granted a series of freedoms and flexibilities. For example, they enjoyed a three-year ‘holiday’ from Audit Commission service inspections and an innovation forum was set up to allow them to share ideas with others.

A13 CPA 2002 provided a base for government to agree freedoms and flexibilities and to target support and recovery planning. After 2002, proposals for CPA focused on ensuring audit and inspection was targeted where it was most necessary and would have the most impact on improvement.

A14 The Audit Commission put forward proposals for 2003 and 2004, with the overarching aim of maintaining stability in the framework to sustain the focus on improvement. The aim was to ensure that any improvement in CPA categories (compared to the 2002 baseline) should reflect real improvements that would be recognised by local people.

A15 Councils were able to move up a category by improving their core service score or council ability score. However, to ensure that improvements in category reflected real improvements, some specific rules were introduced, including that:

- councils could have a further corporate assessment if their core service score was above a specified threshold;
• councils could request a further corporate assessment if they could demonstrate general improvement in services, including services measured through the corporate assessment, such as regeneration and community safety; and

• councils could move up a category by improving their core service score by a minimum amount.

A16 Councils would also move down a CPA category if either the core service score or council ability score (following a further corporate assessment) deteriorated.

A17 There were specific rules for councils that scored 1 for council ability in CPA 2002. These councils could only have a new corporate assessment once the lead official and council’s monitoring board were satisfied that progress had been made with their recovery plan.

A18 CPA categories were reported for all single-tier and county councils in 2003 and again in 2004, alongside the direction of travel statement.

CPA – The Harder Test, 2005-08

A19 The overall elements of the CPA framework in 2005 comprised the following (Figure 23):

• annual use of resources assessments by the Commission;

• annual service assessments by the Commission (environment, housing, culture) or provided by Ofsted (children and young people), CSCI (adult social care) and BFI (benefits);

• periodic (once in three years) corporate assessments by the commission; and

• scored direction of travel assessments, reported by the Commission.

A20 In order to reflect that CPA 2005 was a new and more stringent test, the category labels were changed. The five categories were 4 star (reflecting the highest category), 3 star, 2 star, 1 star and 0 star.
Appendix A: Explaining the CPA framework

Figure 23
CPA framework for 2008 for single tier and county councils

Source: Audit Commission
A21 In 2005, the direction of travel statement became an annual scored assessment, setting out the progress a council had made in improving the services it delivers to the public. This was in line with the continued duty for councils, as best value authorities, to demonstrate continuous improvement. Clear labels were introduced to indicate whether or not progress had been made over the past year. These labels were:

- improving strongly;
- improving well;
- improving adequately; and
- not improving adequately or not improving.

A22 The 2005 use of resources assessment represented a raising of the bar compared with previous auditor-scored judgements, and consisted of five themes:

- financial management;
- financial standing;
- internal control;
- value for money; and
- financial reporting.

A23 Each of the five themes was scored (from 1 to 4) and the scores were then combined, to produce an overall use of resources score.

A24 Service assessments were used, along with the use of resources assessment, to update CPA categories each year. They provided an assessment of local performance which took account of relevant national service delivery requirements. The service assessments also reflected, where available, the views of service users and local citizens by including a number of performance measures drawn from best value user satisfaction surveys.

A25 Performance descriptors were agreed across the relevant inspectorates to ensure a more consistent approach to the way service performance was scored and reported:

- 4 – a service that delivers well above minimum requirements for users;
- 3 – a service that delivers consistently above minimum requirements for users;
- 2 – a service that delivers only minimum requirements for users; and
- 1 – a service that does not deliver minimum requirements for users.

A26 In view of the Commission’s commitment to carrying out less inspection for CPA, the service assessments (environment, housing and culture) were less dependent on inspection activity and made much more use of performance information. Each service assessment was given a score from 1 to 4, in line with the descriptors set out above.

I This was a triennial survey, specified, collected and verified on a nationally consistent basis, but carried out at local authority level. It has now been replaced by the place survey.
Each single-tier and county council had a corporate assessment in 2002, and a number of councils also had a further corporate assessment in 2003/04. As part of CPA 2005, the Commission set out a rolling programme of corporate assessment so that each single-tier and county council would have one corporate assessment between 2005 and 2008 under CPA – The Harder Test methodology.

The new corporate assessment was based on new KLOE that reflected lessons learned from pathfinder councils and other development work, across the following themes:

- ambition for the community;
- prioritisation;
- capacity;
- performance management; and
- achievement.

The methodology was strengthened to test more thoroughly how councils understood their local communities and provided community leadership, how this understanding of local people and places translated into the councils’ ambitions and priorities and what, in practice, councils were achieving. Achievement was assessed according to the following five themes:

- sustainable communities and transport;
- safer and stronger communities;
- healthier communities;
- older people; and
- children and young people (within the assessment provided from the joint area review).

Each of the themes (including achievement) was scored from 1 to 4. A set of rules was then applied to determine the overall corporate assessment score, again between 1 and 4.

Due to the three-year rollout of the new corporate assessment programme, the new-style assessment was not carried out for all councils until the end of 2008. For CPA in 2005, 2006 and 2007, where a new-style corporate assessment had been carried out, both the new and previous corporate assessment scores were reported. The higher of the two scores was used to determine the overall CPA category, until all councils had undergone the new corporate assessment. This provided temporary protection for councils during the transitional period to ensure comparability.

The Audit Commission combined the assessment scores for each of the five themes listed above to determine which category the council fell into (Figure 24).
Figure 24
CPA categorisation

<table>
<thead>
<tr>
<th>Corporate assessment</th>
<th>Level 1 services (including use of resources)</th>
<th>Level 2 services</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>None less than 3</td>
<td>None less than 2</td>
<td>4 star</td>
</tr>
<tr>
<td>4</td>
<td>None less than 2</td>
<td>No more than one less than 2</td>
<td>3 star</td>
</tr>
<tr>
<td>4</td>
<td>No more than one less than 2</td>
<td>No more than one less than 2</td>
<td>2 star</td>
</tr>
<tr>
<td>4</td>
<td>Any other combination</td>
<td></td>
<td>1 star</td>
</tr>
<tr>
<td>3</td>
<td>None less than 3</td>
<td>None less than 3</td>
<td>4 star</td>
</tr>
<tr>
<td>3</td>
<td>None less than 2</td>
<td>None less than 2</td>
<td>3 star</td>
</tr>
<tr>
<td>3</td>
<td>None less than 2</td>
<td>No more than one less than 2</td>
<td>2 star</td>
</tr>
<tr>
<td>3</td>
<td>Any other combination</td>
<td></td>
<td>1 star</td>
</tr>
<tr>
<td>2</td>
<td>None less than 3</td>
<td>None less than 2</td>
<td>3 star</td>
</tr>
<tr>
<td>2</td>
<td>None less than 2</td>
<td>None less than 2</td>
<td>2 star</td>
</tr>
<tr>
<td>2</td>
<td>No more than one less than 2</td>
<td>No more than one less than 2</td>
<td>1 star</td>
</tr>
<tr>
<td>2</td>
<td>Any other combination</td>
<td></td>
<td>0 star</td>
</tr>
<tr>
<td>1</td>
<td>None less than 3</td>
<td>None less than 2</td>
<td>2 star</td>
</tr>
<tr>
<td>1</td>
<td>None less than 2</td>
<td>None less than 2</td>
<td>1 star</td>
</tr>
<tr>
<td>1</td>
<td>Any other combination</td>
<td></td>
<td>0 star</td>
</tr>
</tbody>
</table>

A33 Following CPA 2005, a number of small refinements were made to the framework in 2006, 2007 and 2008. However, the general approach was one of stability and consolidation, and the overall framework and individual elements remained the same.

A34 From 2006, a fire and rescue service assessment was included in the overall CPA framework for those councils with responsibility for fire and rescue in their area.

A35 CPA categories and scores were published for all single-tier and county councils for 2006 and 2007. In 2008, the final year of CPA reporting, the corporate assessment protection was removed for those authorities with lower scores under CPA – The Harder Test methodology. CPA 2008 was the first time that all councils received a CPA category based on the new corporate assessment score.
Appendix A: Explaining the CPA framework

District councils

A36 CPA was introduced for district councils in 2003/04. A tailored approach was developed for district councils that was proportionate to their size and scope. CPA was also rolled out over a longer period for districts. Between June 2003 and December 2004, the Audit Commission carried out a CPA assessment of all district councils.

A37 The main elements of the approach to district council CPA were:
- council self-assessment;
- accredited peer challenge to inform the council’s self-assessment;
- a corporate assessment, informed by the peer report and self-assessment;
- diagnostic assessment in key service areas of housing and public space;
- BFI assessment of benefits service; and
- Appointed Auditor assessments of performance on each element of the Code of Audit Practice.

A38 The overall CPA category for district councils (excellent, good, fair, weak or poor) was determined by the corporate assessment score. There were no separate scored services assessments for district councils.

A39 The corporate assessment methodology for districts built on the learning from single-tier and county council corporate assessments. This followed a set of KLOE based on the following key questions and themes:
- What is the council trying to achieve?
  1 Ambition
  2 Prioritisation
  3 Focus
- How has the council set about delivering its priorities for improvement?
  4 Capacity
  5 Performance management
- What improvements has the council achieved/not achieved to date?
  6 Achievement in quality of service
  7 Achievement of improvement
  8 Investment
- In light of what the council has learnt to date, what does it plan to do next?
  9 Learning
  10 Future plans

A40 Each of the themes was scored separately (from 1 to 4) and scores were then weighted and combined using a set of rules to determine the overall CPA category.

A41 A single management report was published for each district council, giving the CPA category and a judgement on the housing and public space diagnostics. These were published throughout 2003 and 2004. The full set of CPA results for district councils was published in September 2005.
Following the publication of the CPA scores for districts in 2003 and 2004, the principles of strategic regulation were emphasised. This meant that all audit and inspection work was risk-based, targeted where it would have the most impact, and user-focused. It also reflected an increased focus on locally based partnerships as the key mechanism for delivering public services through arrangements such as local area agreements.

A new CPA framework was proposed for district councils, to be adopted from 2006 onwards. This framework was intended to:

- continue to encourage improvement;
- focus on the experience of service users;
- promote value for money for taxpayers;
- be targeted and risk-based; and
- be delivered in partnership with others.

From 2006 the Commission only undertook re-categorisation in district councils in the following circumstances:

- where a council requested re-categorisation and was able to demonstrate significant evidence of improvement; or
- where the Commission identified evidence of significant deterioration.

The approach to district council corporate assessment was streamlined to make it more proportionate and included a council peer in the assessment process. Unlike the previous corporate assessment it did not include a diagnostic assessment of service areas.

Self-assessment continued to be a strong element of the corporate assessment in district councils. The key questions and themes from 2006 were as follows:

- What is the council, together with its partners, trying to achieve?
  - 1 Ambition for the community
  - 2 Prioritisation
- What is the capacity of the council, including its work with partners, to deliver what it is trying to achieve?
  - 3 Capacity
  - 4 Performance management
- What has been achieved?
  - 5 Achievement and improvement

User focus and diversity were still core elements of the corporate assessment. Judgements on each of the themes took into account how effectively a council was addressing these issues within the local context.
Appendix A: Explaining the CPA framework

A48 Each of the themes was scored (from 1 to 4) and the scores were weighted and combined, as in the previous assessment for district councils, to determine the overall CPA category. The Commission did not introduce a Harder Test into re-categorisation for district councils. The category labels remained the same as the previous assessment (excellent, good, fair, weak, fair and poor). Categories from 2006 onwards were broadly comparable with those reported in 2003 and 2004.

A49 An annual use of resources assessment was introduced for district councils in 2004/05, in line with the approach taken in single-tier and county councils. The five themes (financial reporting, financial management, financial standing, internal control and value for money) were scored separately and combined into one overall use of resources score.

A50 An annual direction of travel statement was introduced for districts in 2005. This was not a scored assessment as it was for single-tier and county councils. Rather, these statements recognised progress achieved since the last CPA categorisation. Each district council received an un-scored direction of travel summary commentary for inclusion in the annual audit and inspection letter. This set out the council’s progress in improving its performance since CPA categorisation.

A51 From 2006, the Commission decided that all district councils should continue to receive an annual use of resources assessment and an un-scored direction of travel statement. These were standalone elements that did not contribute to determining the overall CPA category but were used as evidence to determine whether re-categorisation should be carried out.

Fire and rescue authorities

A52 In the Fire and Rescue National Framework for 2005/06 (Ref. 22) the government outlined how the Audit Commission would assess performance management in the fire and rescue service. The report stated that the ‘government has invited the Audit Commission to introduce an inspection regime based on the CPA system used to assess local authorities’. CPA for fire and rescue built on established processes in place for local government but also addressed issues specific to fire and rescue authorities.
A53 As for district councils, the overall CPA category for fire and rescue authorities was determined by a corporate assessment. The corporate assessment comprised self-assessment, peer challenge and a standard set of KLOE, supported by detailed diagnostic guidance to enable robust judgements to be made. The corporate assessment was made up of three overall questions and nine themes:

- What is the fire authority trying to achieve?
  1. Leadership and priorities
  2. A balanced strategy
- How has the fire authority set about delivering its priorities?
  3. Capacity: governance and management
  4. Capacity: resources and value for money
  5. Capacity: people
  6. Performance management
- What has the fire authority achieved to date and, in light of that, what does it plan to do in the future?
  7. Achievement of objectives
  8. Achievement of improvement
  9. Future plans

A54 In addition to the nine themes listed above, five diagnostic tools were used to help assess the evidence put forward by each fire authority, as follows:

- community fire safety;
- equality and diversity;
- integrated personal development system;
- integrated risk management planning; and
- partnership working.

A55 The appointed auditor provided an opinion on the annual accounts of fire and rescue authorities and assessed the arrangements concerning financial aspects of corporate governance. Auditors’ input was based on their work on the Code of Audit Practice, and they provided scored judgements on the following elements:

- financial standing;
- systems of internal financial control;
- standards of financial conduct;
- financial statements; and
- legality of financial transactions.

A56 Each of the nine corporate assessment themes carried the same weight and a set of rules was used to determine the overall CPA category. Each fire and rescue authority was classified on a five-point scale of poor, weak, fair, good and excellent.
Appendix A: Explaining the CPA framework

A57 Following the publication of CPA categories for all fire and rescue authorities in 2005, the Commission introduced the fire and rescue performance framework in 2006.

A58 The fire and rescue performance assessment consisted of three elements:

• an assessment of improvement or deterioration in performance, measured through a scored direction of travel assessment. The assessment was outcome-focused and informed by findings from the following two assessments of the fire and rescue authority;

• a scored use of resources assessment. This assessed the authority’s performance across a range of financial themes including arrangements for providing value for money, and provided a scored assessment on these; and

• a scored fire and rescue service assessment which emphasised service delivery and included a performance information element and an operational assessment of service delivery, provided by the Department for Communities and Local Government.

A59 These elements were not brought together into a CPA category but were reported as standalone scores in 2006, 2007 and 2008.

A60 In 2007 the Commission set out proposals for the CPA re-categorisation of fire and rescue authorities, to take place from August 2007 to March 2009. In line with the commitment to strategic regulation, re-categorisation of corporate assessment would only be carried out in fire and rescue authorities where:

• the authority requested re-categorisation and was able to demonstrate evidence of significant and sustainable improvement; or

• the Audit Commission identified evidence of significant deterioration.

A61 Corporate assessments would be undertaken by teams consisting of accredited Audit Commission staff, an accredited peer fire and rescue authority member and a peer officer from another fire and rescue authority. Following the previous CPA for fire and rescue authorities, the KLOE were streamlined and refined to reflect changing legislation. The KLOE were also restructured into three key questions, underpinned by five themes:

• What is the fire and rescue authority trying to achieve?
  1 Ambition for the community
  2 Prioritisation

• What is the capacity of the fire and rescue authority to deliver what it is trying to achieve?
  3 Capacity
  4 Performance management

• What has been achieved?
  5 Achievement and improvement
Each of the themes was scored separately (from 1 to 4) and a set of rules used to determine the overall category (from poor to excellent).

Greater London Authority

In 2005 the Audit Commission published Initial Performance Assessment (IPA) reports on the GLA and the four functional bodies of the GLA group:

1 London Development Agency;
2 London Fire and Emergency Planning Authority;
3 Metropolitan Police Authority; and
4 Transport for London.

The IPA aimed to enable Londoners and others to better understand the role and performance of the GLA group in improving quality of life for local people. It covered the GLA and each of the functional bodies. Like CPA, the IPA used corporate assessment to ask four key questions:

1 What is the organisation trying to achieve?
2 How has the organisation set about delivering its priorities for improvement?
3 What improvements has the organisation achieved/not achieved to date?
4 In light of what the organisation has learnt so far, what does it plan to do next?

IPA then allocated a score to each organisation on a five-point scale, ranging from excellent (the highest) through good, fair and weak, to poor (the lowest). Assessments of the GLA have only been carried out once and the findings of the IPA are not covered in this report. Further information, including the IPA scores, can be found on the Audit Commission website (http://www.audit-commission.gov.uk/cpa/gla.asp).
# Appendix B: CPA score changes

## Figure 25
Changes in CPA category 2002 to 2004

<table>
<thead>
<tr>
<th>Category</th>
<th>2002</th>
<th>Moving up more than one category</th>
<th>Moving up one category</th>
<th>Moving down one category</th>
<th>Moving down more than one category</th>
<th>2004</th>
<th>Net change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>22</td>
<td>1</td>
<td>21</td>
<td></td>
<td>1</td>
<td>44</td>
<td>22</td>
</tr>
<tr>
<td>Good</td>
<td>54</td>
<td>1</td>
<td>20</td>
<td></td>
<td>3</td>
<td>58</td>
<td>4</td>
</tr>
<tr>
<td>Fair</td>
<td>40</td>
<td>1</td>
<td>12</td>
<td></td>
<td>6</td>
<td>33</td>
<td>-7</td>
</tr>
<tr>
<td>Weak</td>
<td>21</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>14</td>
<td>-7</td>
</tr>
<tr>
<td>Poor</td>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
<td>-12</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>12</td>
<td>59</td>
<td>3</td>
<td>1</td>
<td>150</td>
<td></td>
</tr>
</tbody>
</table>

Source: Audit Commission

## Figure 26
Changes in CPA category 2005 to 2008

<table>
<thead>
<tr>
<th>Category</th>
<th>2005</th>
<th>Moving up more than one category</th>
<th>Moving up one category</th>
<th>Moving down one category</th>
<th>Moving down more than one category</th>
<th>2008</th>
<th>Net change</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 star</td>
<td>38</td>
<td>1</td>
<td>24</td>
<td>5</td>
<td>1</td>
<td>62</td>
<td>24</td>
</tr>
<tr>
<td>3 star</td>
<td>66</td>
<td>6</td>
<td>15</td>
<td>7</td>
<td>1</td>
<td>57</td>
<td>-9</td>
</tr>
<tr>
<td>2 star</td>
<td>36</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>26</td>
<td>-10</td>
</tr>
<tr>
<td>1 star</td>
<td>8</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>-4</td>
</tr>
<tr>
<td>0 star</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>0</td>
<td>-1</td>
</tr>
<tr>
<td>Total</td>
<td>149</td>
<td>12</td>
<td>42</td>
<td>13</td>
<td>4</td>
<td>149</td>
<td></td>
</tr>
</tbody>
</table>

Source: Audit Commission


References


