



REPORT TO: Council Meeting

DATE OF MEETING: 25th May 2006

REPORT OF: Assistant Chief Executive

SUBJECT: Response to Audit Commission Consultation on the Future of Comprehensive Performance Assessments

ITEM NUMBER: 18

1 PURPOSE AND SUMMARY

- 1.1 In June 2005, the Audit Commission published its new framework for CPA in single tier and county councils, “**CPA: The Harder Test**”. This followed two consultation periods in January 2004 and December 2004-February 2005. During the consultation it became apparent that the Audit Commission’s thinking about District CPA was not so well developed, and this resulted in the publication of a separate consultation document on 6th September 2005. Entitled “**The framework for Comprehensive Performance Assessment of district councils from 2006**”, the document outlined a range of options for the future assessment of District Councils. Once agreed, the chosen approach was intended to be in operation until March 2009. the council responded by 30th November 2005 as a result of a detailed report considered by Council on 24th November 2005. a further consultation document setting out proposals and entitled “CPA – district council framework from 2006” was published at the end of April. Responses are required by the end of May and the Commission have made it clear that responses received after that date will not be entertained. The Commission will publish final proposals in July. This report sets out these proposals for consideration and discussion, with a view to formulating Chester-le-Street’s response to the consultation.
- 1.2 Members are recommended to
- (i) Note the contents of the Briefing Paper in Appendix 1 of the Report
 - (ii) Agree the recommended response to the Briefing Paper set out in Annexe 3 of Appendix 1 of the report.

2. CONSULTATION

2.1 The Chief Executive and Directors, have been consulted on the proposed response and views taken into account.

2.2 No other consultations were considered possible at this stage including external consultations or engagement in view of the limited timescales in preparing the briefing paper and the response..

3. CORPORATE PLAN AND PRIORITIES

3.1 The future of Comprehensive Performance Assessment (CPA) is of significant importance to the future of the council. The council has made significant progress since it was judged to be 'poor' in March 2004.

3.2 While the Corporate Plan does not specifically target CPA as a priority CPA is relevant to all of the council's activity. The new corporate plan to be published in June will feature proposals to approach the new framework.

4. IMPLICATIONS

4.1 Financial

While there are no specific financial implications to this report the form of CPA architecture chosen will have an impact on resources. The Audit Commission have chosen an option which will have the least impact on the council than other potential options put forward last September. Indeed the chosen option is less resource intensive than the specific option supported by the council in November 2005..

4.2 Legal

There are considered to be no legal issues of significance arising out of this report.

4.3 Personnel

While there are no specific human resource implications to this report the form of CPA architecture chosen will have an impact on resources. The Audit Commission have chosen an option which will have the least impact on the council than other potential options put forward last September. Indeed the chosen option is less resource intensive than the specific option supported by the council in November 2005

4.4 Other Services

CPA clearly relates to all Services within the Council and has implications for improvement in Service Delivery. Such an impact will not be fully known until a decision on the issues subject to the Consultation.

4.5 Diversity

There is no direct issue of equality and diversity arising from this report. The Council's commitment to equality and diversity will be a significant part of any new CPA process.

4.6 Risk

There are no key risks associated directly with this report. There are significant risks in the nature of the options that are under consideration. These depend on the option that is chosen in the future. In developing the report and the recommended consultation report such risks have been taken into account.

4.7 Crime and Disorder

It is not felt there are any specific implications of the report on Crime and Disorder.

4.8 Other Implications

All other corporate implications have been taken into account.

5. **BACKGROUND, POSITION STATEMENT AND OPTION APPRAISAL**

5.1 In June 2005, the Audit Commission published its new framework for CPA in single tier and county councils, "**CPA: The Harder Test**". This followed two consultation periods in January 2004 and December 2004-February 2005. To advise Members of the Council of the proposed options for a revised framework for CPA of District Councils from 2006, with a view to agreeing the Council's response to these proposals. During the consultation it became apparent that the Audit Commission's thinking about District CPA was not so well developed, and this resulted in the publication of a separate consultation document on 6th September 2005. Entitled "**The framework for Comprehensive Performance Assessment of district councils from 2006**", the document outlined a range of options for the future assessment of District Councils. Once agreed, the chosen approach was intended to be in operation until March 2009. The council responded by 30th November 2005 as a result of a detailed report considered by Council on 24th November 2005. A further consultation document setting out proposals and entitled "CPA – district council framework from 2006" was published at the end of April. Responses are required by the end of May and the Commission have made it clear that responses received after that date will not be entertained. The Commission will publish final proposals in July. This report sets out these proposals for consideration and discussion, with a view to formulating Chester-le-Street's response to the consultation.

5.2 Appendix 1 fully sets out details of the consultation and the nature of the Audit Commission's proposals. In their consultation document the Audit Commission propose the least resource intensive CPA framework option put forward in their previous consultation in September last year.

- 5.3 The Audit Commission have decided that they are to progress a revised CPA process which was supported by the council in principle following the September 2005 consultation. The only difference is that a service assessment will not be part of the overall assessment.
- 5.4 Chester-le Street was categorised as 'poor' in the last round of Comprehensive Performance assessment in March 2004. It has made substantial changes and improvements. The recent Progress Reports and Direction of Travel assessments by the Audit commission have shown that the council is making good progress against its 2004 judgement. It is hoped that recent service inspections will achieve positive results and there are signs of sustained improvement in performance indicators. It is important for the organisation and our community that the council secures re-categorisation as soon as possible.
- 5.5 The proposed approach appears to offer the council the opportunity to do this. If the council sustains its progress it could be possible that the council could have the opportunity to apply for re-categorisation in October with the possibility of an assessment in or around January 2007. While this will be a decision to be made by the OPPM and the Audit Commission it is a possibility.
- 5.6 It is not considered that the proposals have any demonstrable adverse impact on the council's ability to approach CPA. On the contrary the proposals would appear to benefit the future of the organisation and, as a result our communities.
- 5.7 It is considered that the Council ought to support the proposals. A response to the latest consultation, in the form requested by the Audit Commission, forms Annexe 3 of Appendix 1.

6. **RECOMMENDATIONS**

6.1 Members are recommended to

- (i) Note the contents of the Briefing Paper in Appendix 1 of the Report
- (iii) Agree the recommended response to the consultation set out in Annexe 3 of Appendix 1 of the report.

7. **BACKGROUND PAPERS / DOCUMENTS REFERRED**

- 7.1 CPA: The Harder Test. Audit Commission June 2005
- 7.2 The framework for Comprehensive Performance Assessment of district councils from 2006 Audit Commission September 2005
- 7.3 Report of Assistant Chief Executive to Council on 24th November 2005
- 7.4 CPA – district council framework from 2006 Audit Commission April 2006

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9th May 2006
Version 1.0

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