

Item 7

REPORT TO CABINET

5 October 2006

REPORT OF CHIEF EXECUTIVE

STRATEGIC LEADERSHIP PORTFOLIO

CPA – DISTRICT COUNCIL FRAMEWORK FROM 2006

1 SUMMARY

This report sets out details of the new framework for district council Comprehensive Performance Assessment (CPA) from 2006 through 2008.

2 RECOMMENDATIONS

It is recommended that Cabinet notes the proposed framework for CPA that will apply to the Council from 2006 and approves the recommendations set out in Section 3.13, namely that the Council:

- builds the CPA performance indicators into its performance management system and report progress against these CPA indicators to each Strategic Working Group.
- addresses CPA performance indicators activity via the Heads of Service Group to ensure that service performance information is effectively coordinated and managed at Head of Service Level
- completes a Direction of Travel statement to reflect and report on progress the Council has made against its key ambitions
- maintains clear links (through its Direction of Travel and Use of Resources work) between the Council's priorities/ambitions and the delivery of efficiency / value for money arrangements

3 COMPREHENSIVE PERFORMANCE ASSESSMENT

CPA background

- 3.1 District councils have a statutory duty of best value and as such are required to ensure that arrangements are in place to secure continuous improvement in their functions, whilst having regard to economy, efficiency and effectiveness. The Audit Commission (AC) is responsible for testing these arrangements using the CPA methodology, which was introduced in 2002.
- 3.2 A CPA for all 238 district councils was completed between June 2003 and December 2004. Sedgefield Borough Council received its CPA assessment in November 2003 and scored "good". Since the introduction of CPA, there have been a number of changes to the structure and methodology used by the AC in carrying out service inspections – particularly the changes to service inspection via the introduction of Key Lines of Enquiry (KLOE) and the shift in focus to "strategic regulation". Strategic regulation focuses the AC onto encouragement of improvement; inspections seen from the perspective of service users,

targeted and risk based inspection activity; reducing the burden (administrative and financial) on taxpayers and improving co-ordination between inspection agencies.

- 3.3 The new arrangements for district council CPA take account of these changes and put in place a framework for CPA from 2006/07 to 2008/09. Initial consultation papers identified a potential shift in emphasis towards area-based inspection after 2008 and the new framework has been structured to be flexible enough to contribute to future area based assessments.
- 3.4 The original AC consultation presented two categories for CPA in district councils. Group A included three options which addressed methods for re-categorisation of all councils whilst Group B looked at re-categorisation only for those Councils getting significantly better or worse. The results of the consultations showed that the vast majority of respondents (84%) favoured the Group B category. Group B had two options:
- ❑ **Option 1** consider the Use of Resources submission, the Direction of Travel statement and service performance elements in determining the potential for re-categorisation.
 - ❑ **Option 2** include just the Use of Resources and Direction of Travel elements, not taking account of service performance elements in determining the potential for re-categorisation.

CPA Framework 2006

- 3.5 The AC has now released its final methodology for District Council CPA from 2006 through 2008. The new CPA framework will only consider re-categorisation of district councils if:-
- ❑ councils can demonstrate performance is significantly better than that identified in the original corporate assessment and the council wishes (applies) to be considered for re-categorisation
 - or
 - ❑ there is evidence of significant deterioration in either service or corporate performance which would potentially result in re-categorisation if a further corporate assessment was undertaken

Where there is no deterioration in performance councils will only be considered for re-categorisation actively if requested.

- 3.6 Priority will be given in the first instance to those councils where there is evidence of deteriorating performance. Priority will subsequently be given to councils in the poor or weak categories where there is evidence of significant improvement and they have requested re-categorisation.
- 3.7 Decisions about whether or not to undertake re-categorisation activity will be made regionally by AC panels which will include council peer representatives and out of region Audit Commission staff.
- 3.8 Councils will be able to request re-categorisation activity from October 2006 and subsequently on a six-monthly basis. The first re-assessments are planned for January 2007 onwards.
- 3.9 The proposals have four main elements:

Service Performance Information

Service performance information will be a major element of the evidence used to decide

whether or not to undertake a corporate assessment. A number of PIs have been identified and are attached at Appendix 1 for information. District councils will also be able to use other robust performance information as part of the evidence they wish to be considered if making a case for re-categorisation¹.

Direction of Travel Statement

The evidence collected in the course of preparing Direction of Travel (DoT) statements will inform decisions about re-categorisation. Direction of Travel statements provide a robust annual assessment of whether councils are complying with their duty to ensure they secure continuous improvements. In 2005/06 the Council received an unscored summary commentary within the Annual Audit and Inspection Letter on the overall progress in delivering improvements since the previous CPA categorisation. The AC intends to maintain this "light touch" approach to DoT within Sedgefield and is not introducing a scoring methodology although it will comment on the progress made through the Annual Audit and Inspection Letter.

Use of Resources

Use of Resources (UoR) statements were received from district councils during 2005/06 and were assessed and scored against the AC Use of Resources Key Line of Enquiry. The Council scored well in this area, achieving a 3 out of 4 for this assessment. The CPA proposals maintain this approach but have changed (made more difficult) the KLoE in the light of learning from the first round of UoR submissions. As part of its UoR submission, the Council submitted a self-assessment in relation to its arrangements for Value for Money, scoring a 2 out of 4. Under the new proposals...*"councils will only be required to submit a new self-assessment if they scored a 1 for the value for money theme in the previous year. Other councils will only be asked to submit an update to reflect any significant changes"*.

Corporate Assessment

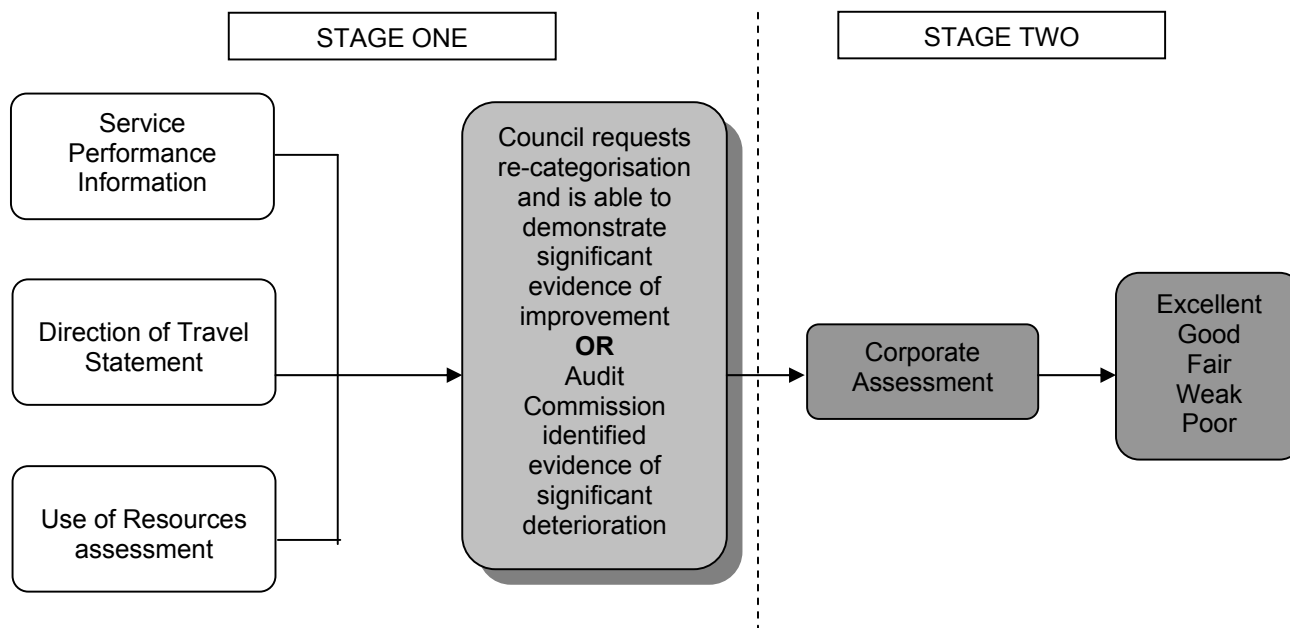
Corporate Assessments have been streamlined to make them more proportionate and less resource intensive. Changes include the use of five corporate assessment themes instead of ten (used in the previous CPA), a greater reliance upon pre-site analysis to minimise on site work and the introduction of web-based stakeholder surveys. The five themes are set out in more detail against the relevant key question within Appendix 2. In summary, the themes are:

- ambition for the community
- prioritisation
- capacity
- performance management
- achievement of improvement.

Similar to Use of Resources above, a self-assessment KLoE will be used by councils to explain their achievements in the context of locally determined priorities, demonstrating an appropriate focus on local and national priorities.

¹ Sedgefield's Corporate Plan focuses on Customer Focus and Value for Money and developing robust performance indicators in these areas will be key.

3.10 The CPA framework proposed is as follows:



3.11 The scoring methodology proposed is in line with the Local Services Inspectorates Forum scoring system for corporate assessment theme scores from 2006, as follows:

Score	Label
4	Well above minimum requirements – performing strongly
3	Consistently above minimum requirements – performing well
2	At only minimum requirements – adequate performance
1	Below minimum requirements – inadequate performance

Sedgefield Borough Council activity in response to proposals

3.13 In response to these proposals, it is recommended that the Council:

- ❑ builds the CPA performance indicators into its performance management system and report progress against these CPA indicators to each Strategic Working Group.
- ❑ addresses CPA performance indicators activity via the Heads of Service Group to ensure that service performance information is effectively coordinated and managed at Head of Service Level
- ❑ completes a Direction of Travel statement to reflect and report on progress the Council has made against its key ambitions
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4 **RESOURCE IMPLICATIONS**

4.1 **Staffing implications**

- 4.1.1 At this stage, there are no staffing implications relating to this report. However, significant preparatory work needs to commence in relation to developing the suite of performance indicators based around the proposals identified by the AC paper and this will require commensurate levels of senior management resource.

4.2 **Financial implications**

- 4.2.1 There are no financial implications resulting directly from this report.

5. **CONSULTATIONS**

- 5.1 This report is being considered by Management Team, the Strategic Leadership Working Group and Cabinet reflecting the Council's Performance Management Framework. The information will subsequently be consulted upon with the Heads of Service Group.

6 **OTHER MATERIAL CONSIDERATIONS**

Links to Corporate Objectives/Values

- 6.1 The arrangements set out within this report will contribute to the delivery of the Council's Corporate Ambition of Achieving continuous improvement and innovation in service delivery.

Risk Management

- 6.2 Within the Organisational Development Section a risk assessment has been carried out in relation to preparing strategies to address the forthcoming Comprehensive Performance Assessment. Elements of this risk assessment have identified the need to mitigate any potential weakening of the focus on the improvement agenda. As such, the Organisational Development Section has identified the need to ensure that the delivery of CPA work is integrated across the Council via communication of the CPA proposals to members of Management Team and Cabinet and to ensure that Heads of Service focus activity onto ensuring that the Council is effectively managing relevant CPA performance indicators.

Health & Safety

- 6.3 No additional implications have been identified.

Equality & Diversity

- 6.4 No additional implications have been identified.

Legal & Constitutional

- 6.5 The contents of this report represent a clarification/extension of the Council's Duty of Best Value.

Other Material Considerations

6.6 No additional implications have been identified.

7 **LIST OF APPENDICES**

Appendix 1 – Performance indicators for CPA 2006

Appendix 2 – Corporate Assessment themes

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Wards: N/A

Key Decision Validation: This report does not represent a key decision as it does not affect more than two wards and does not incur expenditure in excess of the threshold.

Background Papers:

CPA – District Council framework from 2006

Comprehensive Performance Assessment for district councils – July 2006

Corporate Assessment key lines of enquiry – July 2006

Direction of travel key lines of enquiry – July 2006

Regional Panel guidance – July 2006

Service performance information – July 2006

Corporate Plan 2006/07 to 2008/09

June 2006.

Medium Term Financial Plan 2006/07 to 2008/09

June 2006

Annual Audit and Inspection Letter

Audit Commission Report – March 2006

Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Appendix 1 – Performance indicators for CPA 2006

Description of PI	Source and Reference	STRATEGIC WORKING GROUP
Time taken to determine planning applications – major applications	BVPI – BV 109a	ATTRACTIVE BOROUGH
Time taken to determine planning applications – minor applications	BVPI – BV 109b	
Time taken to determine planning applications – other applications	BVPI – BV 109c	
Satisfaction of applicants with planning service	BVPI – BV 111	
Environmental health checklist	BVPI – BV 166a	
Percentage of standard planning searches carried out within 10 working days	BVPI – BV 179	
Cleanliness of public places (litter and detritus)	BVPI – BV 199a	
Recycling and composting performance	BVPI – BV 82a + 82b	
Tonnage of waste per head of population	BVPI – BV 84	
Satisfaction with the cleanliness of public space	BVPI – BV 89	
Satisfaction with waste collection	BVPI – BV 90a	
Satisfaction with recycling	BVPI – BV 90b	
Provision of kerbside recycling collection (one recyclable)	BVPI – BV 91a	
Resident satisfaction sport / leisure facilities	BVPI – BV 119a	
Resident satisfaction museums / galleries	BVPI – BV 119c	
Resident satisfaction theatres / concert halls	BVPI – BV 119d	
Resident satisfaction parks / open spaces	BVPI – BV 119e	
Speed of processing – new housing benefit / council tax benefit claims	BVPI – BV 78a	PROSPEROUS BOROUGH
CRE code for rented housing	BVPI – BV 164	STRONG COMMUNITIES
Racial incidents with further action	BVPI – BV 175	
Domestic refuge places	BVPI – BV 176	
Average time in temporary accommodation – time spent in B&B	BVPI – BV 183a	
Average time in temporary accommodation – time spent in hostels	BVPI – BV 183b	
The proportion of non-decent LA homes	BVPI – BV 184a	
Percentage of responsive repairs for which local authority made and kept an appointment	BVPI – BV 185	
Energy requirements of council housing	BVPI – BV 63	
Rent collection and arrears	BVPI – BV 66a	
Overall satisfaction with housing service	BVPI – BV 74a	
Satisfaction with opportunities to participate	BVPI – BV 75a	
Average weekly management cost	HIP – BPSA section E1 (previously BV 65a)	
Average re-let times	HIP – BPSA section E3 (previously BV 68 – reintroduced as a BV 212 from 2005/06)	
Urgent repairs in time	HIP – BPSA section E5 (previously BV 72)	
Average time for non-urgent repairs	HIP – BPSA section E6 (previously BV 73)	
Private unfit made fit	HIP – HSSA (previously BVPI – BV 62)	
Percentage of total private sector homes vacant for more than 6 months	HIP – HSSA section A1 and A7	
Repeat homelessness acceptances	HIP – section E1b	

Appendix 2 – Corporate Assessment themes

Key Questions	Themes
1. What is the Council, together with its partners, trying to achieve?	1. Ambition for the Community
	2. Prioritisation
2. 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
3. What has been achieved?	Achievement of improvement