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COMPREHENSIVE PERFORMANCE ASSESSMENT – CORPORATE ASSESSMENT

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Responsible Cabinet Member(s) - Councillor John Williams, Leader  
Responsible Director(s) - Paul Wildsmith, Acting Chief Executive

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**Purpose of Report**

1. The Audit Commission's final Comprehensive Performance Assessment (CPA) Corporate Assessment Report is presented and an outline of our response is recommended.

**Summary**

2. An authority's CPA rating depends on its overall rating for services and its overall rating for corporate ability. The former is derived from a complicated formula of inspection scores, performance indicators etc. The score contained within the corporate assessment report dictates the latter, which is the subject of this report.
3. Leaving aside the complexities of the scoring, it is important to bear in mind that corporate assessment, as part of CPA is essentially a judgement about leadership and the ability to put vision into practice by delivering real outcomes for local people.
4. Members will be aware that the corporate assessment report is based on an inspection of the overall authority and that, for us, this procedure has been very drawn out. The initial inspection was carried out in the week commencing 11 October 2004. Following appeal to the Audit Commission and a re-inspection on 31 January 2005, the final report was published on 1 April 2005. A copy of the report is attached as **Appendix 1**.
5. The main result of this process is that our score on corporate ability has improved from 3 out of 4 in 2002 to 4 out of 4. This meant that our overall CPA rating improved from 'good' to 'excellent'.
6. Being excellent is not the same as being perfect. There are still important areas that we need to improve. The final report however confirms our self assessment, and our positive direction of travel, namely that the majority of the areas for development identified in 2002 have been addressed successfully; and that the major area for us to address now is procurement/value for money. This is explained in more detail below.
7. Our organisational development strategy *Striving for Excellence* was designed to take the organisation to the best industry standard. It has been successful in doing this, largely because of the introduction of a strong performance management culture across the whole authority. It is now necessary to further develop this in the light of the corporate assessment report and the changes to the CPA methodology to ensure that the authority is well placed to continue to compete with the best authorities. A way forward has been identified to do this.

## **Information and Analysis**

8. The main issues addressed in this report are:
  - (a) Background;
  - (b) Key messages of the corporate assessment report;
  - (c) The way forward.

### **Background**

9. Since 2002 all top tier authorities have received a CPA rating (poor, weak, fair, good or excellent) which is revised annually. Scores for corporate ability are only revisited following a corporate assessment. Therefore annual updates depend on changes to service scores (which can go up, down or remain the same depending on performance indicators, inspection judgements etc.).
10. Our first corporate assessment was in 2002. The second assessment was published in April 2005 and the third will take place in 2007/08. We will therefore retain a score of 4/4 for corporate ability until the third assessment. The effect of this is to require lower service scores to be rated good/excellent than would be the case if we had retained a score of 3.
11. Our approach to improvement planning post 2002 was to predict that the earliest time that we could be rated excellent would be in late 2004. This was based on the change needed to become a two star social services authority and to embed key corporate systems such as service planning and performance management. Although the appeal process has lengthened this timescale somewhat, the predictions about our direction of travel have been validated.
12. Whilst the progress made by the organisation is welcome, it is important that we do not become complacent. It is clear that performance standards are constantly being raised by the Audit Commission – scoring high marks for example, was easier in 2002 than 2004. Furthermore, the changes to the CPA methodology from 2005 onwards have been introduced specifically to raise standards again. This will be particularly challenging for us, given our areas for development. This is why it is important that improvement planning starts immediately.

### **Key Messages of the Corporate Assessment Report**

13. The result of the corporate assessment proves that the authority has improved its corporate ability from 2002 to 2004. This means that we continued to build on our strengths, addressed our weaknesses and are self aware about what we need to do next.
14. The main positive messages from the report are:
  - (a) That the overall score improved from 3 out of 4 to 4 out of 4;
  - (b) That we improved across all nine factors that comprise the corporate assessment;
  - (c) That in four factors this improvement was sufficient to improve our numerical score (see below);
  - (d) That we no longer have any factors scoring lower than 3 (3 means strengths outweigh weaknesses; 4 means significant strengths, few weaknesses).

15. Our scores improved in the following factors:
- (a) Ambition – largely through the completion and alignment of the Tees Valley Vision and the Community Strategy and the fact that we can measure progress on our strategies;
  - (b) Focus – largely through the improvements made to service planning and performance management;
  - (c) Prioritisation – largely through the ranking of priorities and links with service planning and performance management. We do not yet score 4 for this factor. To do so will require further ability to demonstrate shifting of resources from explicit non priority areas;
  - (d) Performance Management – largely through the improvements described above. We do not yet score 4 for this factor. To do so will require us to be able to demonstrate value for money rather than any changes to the performance management framework.
16. Since we scored the maximum rating for investment, it is important to examine the four remaining areas where we improved from 2002 but not sufficiently for a change of score. Brief explanations are given below:
- (a) Achievement – this is by far the most important factor in terms of its overall weighting and because it directly measures outcomes for local people. Key improvements were noted in children’s social services, benefits and across all priorities with the exception of education. To improve in this area, we will need to have strong and consistent improvements in educational attainment and continue to make improvements in adults social services;
  - (b) Capacity, learning and future plans – improvement in all of these factors (and performance management) will require the authority to implement its ambitious procurement strategy, employ more innovative methods of service delivery and be able to evidence value for money. Key criticisms in the repairs and maintenance and transport inspections need to be addressed. In our self assessment, we identified these issues as the next issue in our ‘to do list’. We now have external confirmation that this is the most significant area for development.

### **The Way Forward**

17. Following each corporate assessment, we work with the Audit Commission on improvement planning. It is apparent from the change between 2002 and 2005 that we have previously been successful in improvement planning and delivery.
18. The CPA methodology is changing and becoming much more demanding. There are changes to how corporate assessments will be rated which we need to plan for now to ensure that we continue to be ranked 4 out of 4 in 2007/08, when we are next assessed. However, there are more pressing changes to the methodology which will have effect in the current year:
- (a) Children’s services will be assessed rather than education and children’s social services as at present. Although the details of this change are not yet confirmed we need to be

aware of and respond quickly to these;

- (b) Use of resources will be a much more important element of the overall rating and be revised annually. Although we currently score 4 out of 4 for this, the revised methodology (particularly regarding value for money) is much more challenging and if not addressed adequately or swiftly, represents our largest area of risk to maintaining excellent;
  - (c) Adults social services currently scores 2 out of 4. Its direction of travel is such that this is expected to improve in the current year. This needs to be delivered;
  - (d) It almost goes without saying that it is vital that all services at least maintain or improve on their current scores and performance. Significant decline in the performance of even small numbers of performance indicators and/or poor inspection judgements will jeopardise our overall rating.
19. Following the 2002 assessment, we had many different areas for development: community planning, corporate planning, service planning, equalities and social inclusion, ICT, improvements to benefits and social services, performance management etc. The fact that we delivered should encourage confidence that we can deliver improvement again.
20. Our areas for development are much more tightly defined following the 2004 assessment:
- (a) We need to change our procurement practices by implementing our recent, ambitious procurement strategy, promoting much greater corporate co-ordination than at present;
  - (b) We need to be better able to evidence value for money – through procurement choices made following robust option appraisal and analysis of improved management information;
  - (c) We need to be better able to evidence the shifting of resources towards priority areas and out of non-priority areas.
21. Analysis of the new CPA methodology makes it clear that our future success will depend on our performance in areas that currently need development. Previous success has resulted from our ability to spot linkages between apparently disparate issues and to identify shortcuts. It is suggested that there is an opportunity to do this again with our approach to improvement planning:
- (a) Recognising the cultural change that we need to effect to deliver the new approach to procurement and value for money – it is proposed to do this by revising and further developing the organisational development strategy;
  - (b) Ensuring that we deliver – it is proposed to do this by introducing more formal project and programme management corporately;
  - (c) Shifting resources towards priorities – it is proposed that we do this by adopting a holistic approach to delivering Gershon efficiencies;
  - (d) Managing the improvement planning process – it is proposed that we draw up an improvement plan, to be incorporated into the corporate plan that assesses the new

CPA requirements and our action plan to overcome all areas for development identified in the corporate assessment report.

22. A further report on the agenda<sup>1</sup> provides more detail on (a) – (c) above.

### **Outcome of Consultation**

23. Incorporation of the improvement plan into the Best Value Performance Plan (BVPP) means that consultation will be undertaken at the same time as the BVPP.

### **Legal Implications**

24. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

### **Section 17 of the Crime and Disorder Act 1998**

25. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

### **Council Policy Framework**

26. The issues contained within this report do not represent change to Council policy or the Council's policy framework

### **Decision Deadline**

27. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

### **Conclusion**

28. The council has improved since 2002, both in comparison with others and against our own baseline. The 'excellent' rating is external validation of this improvement. The Audit Commission acknowledges that one of the hallmarks of excellent authorities is that they know where they still need to improve. Our areas for development are clear and a way forward has been identified to deliver improvement.

### **Recommendation**

29. It is recommended that :-
- (a) The organisational development strategy is revised and developed to support the cultural change required to deliver improvement;

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<sup>1</sup> Annual Efficiency Statement – Delivering Gershon efficiencies

- (b) A more formal approach to project and programme management is introduced corporately;
- (c) A holistic approach is taken towards delivering Gershon efficiencies so that we address our CPA areas for development at the same time as delivering efficiencies;
- (d) The CPA improvement plan is incorporated into the Corporate Plan/BVPP.

### **Reasons**

30. The recommendations are supported by the following reason:-

- (a) To continue to deliver excellent services to local people.

**Lorraine O'Donnell**  
**Head of Policy**

### **Background Papers**

CPA Self Assessment

CPA Consultation document, Audit Commission

Lorraine O'Donnell : Extension 2013  
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