

Local government

September 2005



# **Comprehensive Performance Assessment of district councils**

## Introduction

- 1 Comprehensive Performance Assessment (CPA) is a tool for improvement in councils and forms part of the wider modernisation agenda for local government. CPA assessments help local people understand how well their council is performing and help councils focus on areas for improvement. They enable the Audit Commission and other inspectorates to develop proportionate and coordinated programmes of audit and inspection and help government target support or additional freedoms for councils as appropriate.
- 2 This paper highlights three Audit Commission publications related to CPA of district councils (DCs) that:
  - review the findings of assessments already undertaken;
  - identify areas for DCs to focus their improvement efforts; and
  - look ahead to the future of CPA for DCs.

## Looking back

- 3 Between June 2003 and December 2004, the Audit Commission completed assessments of all 238 DCs in England.<sup>1</sup> We found that DCs are providing some good services to local people and a significant proportion is well placed to improve.
- 4 However, few DCs provide universally good services and some have much still to do to achieve further improvements for the people they serve. CPA has shown us that a key differentiator between the best and worst performing councils is their capacity to deliver improvement. Better performing councils are those that have:
  - a clear sense of purpose about what needs to be achieved for local people;
  - the necessary resources (both human and financial); and
  - effective systems to channel these resources to where they are needed most.

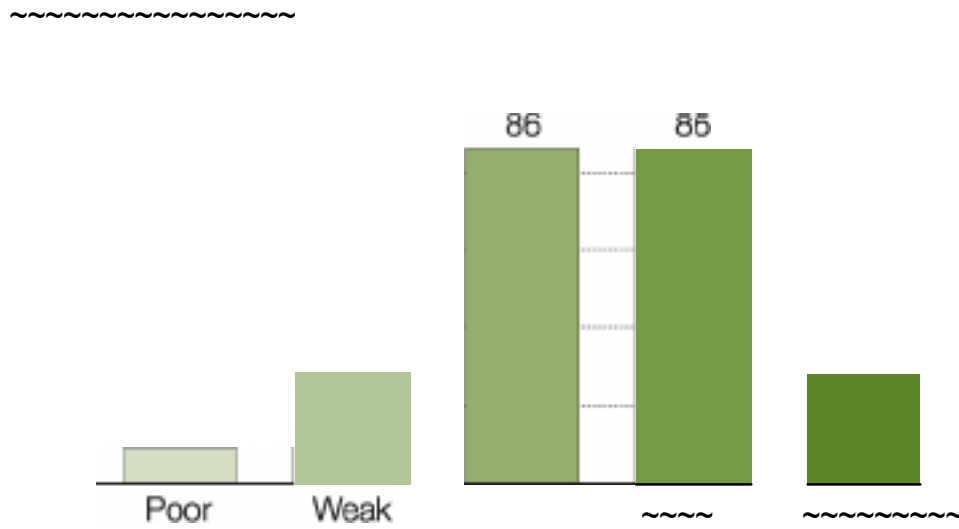
These councils also look beyond their boundaries and consider how they contribute to wider sub-regional and regional agendas.

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<sup>1</sup> Bromsgrove DC was awarded a Poor rating following a corporate governance inspection.

5 Further information on how DCs performed in CPA can be found in our publication *Comprehensive Performance Assessment: Scores and Analysis of Performance for District Councils in England, 2003/04*. <sup>1</sup>

**Figure 1**  
**Overall CPA ratings for district councils**  
 There are three times as many Good or Excellent councils than Poor or Weak.



Source: Audit Commission

## Moving on

6 Individual assessments have highlighted areas for councils to focus on as they seek to achieve improvement. Through our analysis of CPA assessments we have also seen common areas for improvement among councils in each CPA category:

- Poor and Weak councils must arrest decline and secure the foundations to build from – leadership, relationships, management systems and engaging the community and partners.
- Fair councils also need to address leadership and relationship issues, tackle complacency and insularity, clarify medium- and long-term direction, priorities and targets, strengthen systems and make partnerships more productive.

- Good councils need to ensure that direction and priorities are crystal clear, embed systems, engage all sections of the community and be sure that partnerships are giving maximum benefit.
- Excellent councils, though strong in most areas, can do more to embed performance management, clarify long-term vision and non-priorities, refine scrutiny and risk management and develop a learning culture.

7 It is clear from the findings of CPA that developing the capacity to deliver improvement requires councils to take action on a number of fronts, both internally and externally. We have identified eight improvement breakthroughs made by councils that perform well in CPA. Some of these are important to get right early on while others are more likely to be achieved when continuous improvement has begun to take root. They are:

- lead and manage effectively;
- pull together;
- make time to listen and learn;
- look outwards;
- take a long-term view;
- embed performance management and other systems; and
- stick with change and improvement.

And for Excellent councils:

- prepare for the future and reach for new heights.

8 We explore these breakthroughs, and the impact that they have on helping councils to achieve improvement, in our publication *Learning from Comprehensive Performance Assessment of District Councils: Improvement Breakthroughs*.<sup>1</sup>

## Looking forward

9 CPA has challenged councils to reflect on how they address the needs of their communities and the actions they are taking to secure improvements. Many have already begun or continued to make changes that will lead to improvements for local people and there is a clear appetite for these to be recognised in the next stages of CPA.

- 10 In December 2004 we consulted on proposals for a CPA framework for all councils from 2005.<sup>I</sup> While the final framework for single tier and county councils was published in June 2005,<sup>II</sup> feedback from the consultation indicated that further work was needed to develop the proposals for DCs.
- 11 In response to this we have now published a consultation paper, *The Framework for Comprehensive Performance Assessment of District Councils from 2006*, which sets out more detailed proposals as the basis for further dialogue with DCs and other key stakeholders. These proposals address areas of concern raised in our initial consultation while at the same time supporting the Commission's ongoing commitment to Strategic Regulation. They have also been informed by what we have learned about DC performance from earlier CPA assessments.
- 12 The consultation paper and details of various events to be held during this period are available from our website.<sup>III</sup> The consultation will continue until 30 November 2005. We will also work with councils during 2005 to pilot a variety of approaches that will help inform the final framework. Based on this work, and having considered the consultation responses, we will confirm our approach in March 2006 for implementation from April 2006 onwards.
- 13 We have already confirmed that during the transitional period before a new framework is implemented there will be interim activity in all DCs to maintain the focus on improvement and ensure progress is recognised. This will comprise:
- a use of resources assessment; and
  - an assessment of the direction of travel.
- Both will be reported in councils' annual audit and inspection letters by 31 March 2006. Further details can be found on our website.<sup>IV</sup>
- 14 The publications highlighted in this paper signal the start of the second phase of CPA of DCs. Through sharing the learning from the first CPA assessments and identifying key improvement breakthroughs we hope to support councils' improvement activity. The future framework for CPA of DCs will provide the opportunity for councils to demonstrate what more they have been able to achieve for their local communities.

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I *Proposals for the Comprehensive Performance Assessment from 2005*, Audit Commission, December 2004.

II *CPA – The Harder Test*, Audit Commission, June 2005.

III [www.audit-commission.gov.uk/cpa/districts2006](http://www.audit-commission.gov.uk/cpa/districts2006)

IV [www.audit-commission.gov.uk/cpa](http://www.audit-commission.gov.uk/cpa)

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