

LONDON BOROUGH OF HARROW

Meeting:	Overview & Scrutiny Committee
Date:	1 July 2004
Subject:	CPA 2004 and 2005
Key decision:	No
Responsible Chief Officer:	Chief Executive
Relevant Portfolio Holder:	Councillor Keith Burchell (Planning, Development, Housing & Best Value); Councillor Sanjay Dighé (Finance, Human Resources and Performance Management)
Status:	Part I
Ward:	All
Enclosures:	Appendix A Draft CPA scorecard 2004 Appendix B Public Satisfaction

1. **Summary**

- 1.1 This report attempts to draw on the available performance data and targets currently being collated for the Council's forthcoming 2004/05 Best Value Performance Plan and the Audit Commission proposals for CPA 2005, with the view to:
- a) assessing the Council's potential progress and score for CPA December 2004;
 - b) alerting Members on the key changes to the CPA 2005 methodology;
 - c) assessing the Council's potential score for CPA December 2005;
 - d) notifying Members of the set of actions being put in place to positively influence the outcome of the 2004 and 2005 CPAs.

2. **Recommendations**

- 2.1 That the report be noted.

REASON: To advise Members of the potential score for CPA December 2004 and the potential score for CPA December 2005 and the planned action.

3. **Consultation with Ward Councillors**

3.1 Not applicable.

4. **Policy Context (including Relevant Previous Decisions)**

4.1 On the 16 March 2004, Cabinet approved the Corporate Plan noting that it would provide the link in the corporate planning process between the Community Strategy and other strategic plans and service delivery plans of the Council.

5. **Relevance to Corporate Priorities**

5.1 The Council's Corporate Plan has as one of its six overarching priorities the aim to develop "a customer focussed Council by improving the quality of the services provided to the people and businesses of Harrow". One important planned outcome in this context includes achieving further improvement in the Council's CPA rating.

6. **Background Information**

6.1 The introduction of Comprehensive Performance Assessment (CPA) was announced by the Government in December 2001 in the Local Government White Paper 'Strong Local Leadership – Quality Public Services.

6.2 The Council received its first CPA score in December 2002, being assessed overall as 'weak' (core services 2 out of 4 ; council ability 2 out of 4). In December 2003 the Council's CPA score was upgraded to 'fair' as a result of improvements to its core service scores.

6.3 The Council's stated ambition is to improve its CPA rating by 2006 to 'good'. This report attempts to draw on the available performance data and targets currently being collated for the Council's forthcoming 2004/05 Best Value Performance Plan and the Audit Commission proposals for CPA 2005.

7. **Overview of CPA 2004 methodology**

7.1 Since Harrow is not eligible for a new Corporate Assessment this year, the service scores will determine the council's rating.

7.2 The assessment framework for 2004 is largely the same as for 2003. Scores are awarded for these service blocks (weighted as in brackets), taking into account a variety of judgements, inspections, PI results and plan assessments:

- Education (4)
- Social services (4)
- Environment (2)
- Housing (2)
- Libraries & leisure (1)
- Benefits (1)
- Use of resources (1)

- 7.3 The aggregate service score is combined with the Corporate Assessment score to arrive at the overall rating. The score for the Corporate Assessment remains at 2.

8. **Factors that affect the council's score**

a) BVPI out-turns 2003/4

Selected out-turns form part of the CPA numerical model and an attempt has been made to assess the effect of these. It is not, however, an exact science as part of the process relies on last year's data for other authorities and there are changes in the treatment of some data. In addition, some figures have not yet been returned and financial indicators are not available till mid June. In the absence of actuals, quarterly figures have been used as a guide, where available. Overall on this basis, 31 CPA indicators have improved, 23 deteriorated (some just marginally) and there is no data for 3.

This count of the CPA indicators includes those triennial satisfaction surveys that form part of the CPA model. Details are at Appendix A and show that satisfaction under the General survey has decreased on more questions than it has increased, although MORI point out that a general decrease in public satisfaction with councils (and outer London specifically) and changes in methodology between surveys will have influenced the figures. Harrow's Corporate Plan includes the aim of increasing satisfaction ratings and provides for annual surveys. It is therefore essential to carry out a survey as late as practical but before the 2005 CPA to give the Council the best chance of demonstrating a positive shift in rating.

b) Inspections

The score for Planning under the Environment block last year included a score of "excellent" for Building Control in 2001. This inspection is "timed-out" in 2004 and will be excluded from CPA. The other inspection in this section - Planning Services, March 2002 – was rated "fair" and will remain in the calculation. However, this does not on its own alter the score for the Environment block.

A Waste inspection is due in 2004/05 and must attain at least "fair" (as in 2001) to avoid adversely affecting the block score.

A Culture inspection is also due in 2004/05 but is outside the timeframe.

9. **Possible categorisation for CPA 2004**

- 9.1 Appendix B provides an illustration of what Harrow's assessment might look like on the basis of information currently to hand. This shows us remaining as "Fair". It must be stressed that the absence of some data and the complexity of interaction of the determinants limit the reliability of this prediction. It is suggested the exercise should be regularly updated.

10. Overview of CPA 2005 methodology

KEY CHANGES

10.1 **Changes to Corporate assessments**

The Corporate Assessment remains for 2005 but will be significantly expanded. The separate scored themes of 'focus', 'learning' and 'future plans' will be deleted with the 'key lines of enquiry' (KLOEs) being picked up elsewhere:

- **Focus** - the KLOEs will be picked up in 'Prioritisation' and 'Performance management';
- **Learning** - the KLOEs will be picked up mainly in 'Performance management';
- **Future plans** - the KLOEs will be picked up mainly in 'Ambition'.

10.2 A further change is proposed around the assessment of '**Achievement**' and '**Investment**'. This stems from the added emphasis the corporate assessment will place on the measurement of progress in meeting local community needs. As a result, 'Achievement' and 'Investment' will be separated out into five **shared priority** domains:

- Safer and stronger communities,
- Sustainable communities and transport¹
- Healthier communities
- Children and Young People

10.3 For 'achievement', the KLOEs will look for evidence that the activity of the authority and its partners has demonstrably improved the quality of life for local people; and for 'Investment', where work is in progress but has not yet delivered such real and measurable improvements.

10.4 As these issues will require multi-agency work, the Audit Commission has concluded that the best vehicle to assess these shared priorities should be built around an assessment of the council's leadership role **and delivery of the community strategy**.

11. Changes to Service assessments

11.1 The most significant change for service assessments is the replacement of education and two categories of social care with categories that better reflect the recent Children's Green Paper – Every Child Matters. They are:

- social care (adults' service), and
- services for children and young people.

11.2 The final proposals on the future direction of the service assessments will be consulted upon later this year. In particular, the Audit Commission will be examining the way in which the service blocks for which they have responsibility are assessed, and the data upon which those assessments are built. Revisions to the service assessments will also focus more on service delivery and the experience of service users.

¹ As the service delivery issues relating to transport are included as a sub-service block in environment, the strategic approach to transport best sits with sustainable communities.

12. **Changes to the Use of Resources assessments**

- 12.1 The use of resources block will be expanded to give more emphasis to value for money. This is an area that has been recognised as being of fundamental importance to ensuring a 'rounded judgement' of the effectiveness of councils, especially in light of current debates regarding council tax increases.
- 12.2 The Audit Commission is intending to assess value for money using a range of evidence including, but not limited to, financial data. They plan on using existing sources of information, drawn from government returns (e.g. RO/RA forms) and CIPFA data, to identify areas for further investigation and to prompt questions, rather than to provide direct answers. Nevertheless, the Audit Commission are aware that some of this data is not necessarily complete or fully consistent. As a result, these issues will be addressed in more detail in the 'Use of resources' consultation document scheduled for publication in November 2004.

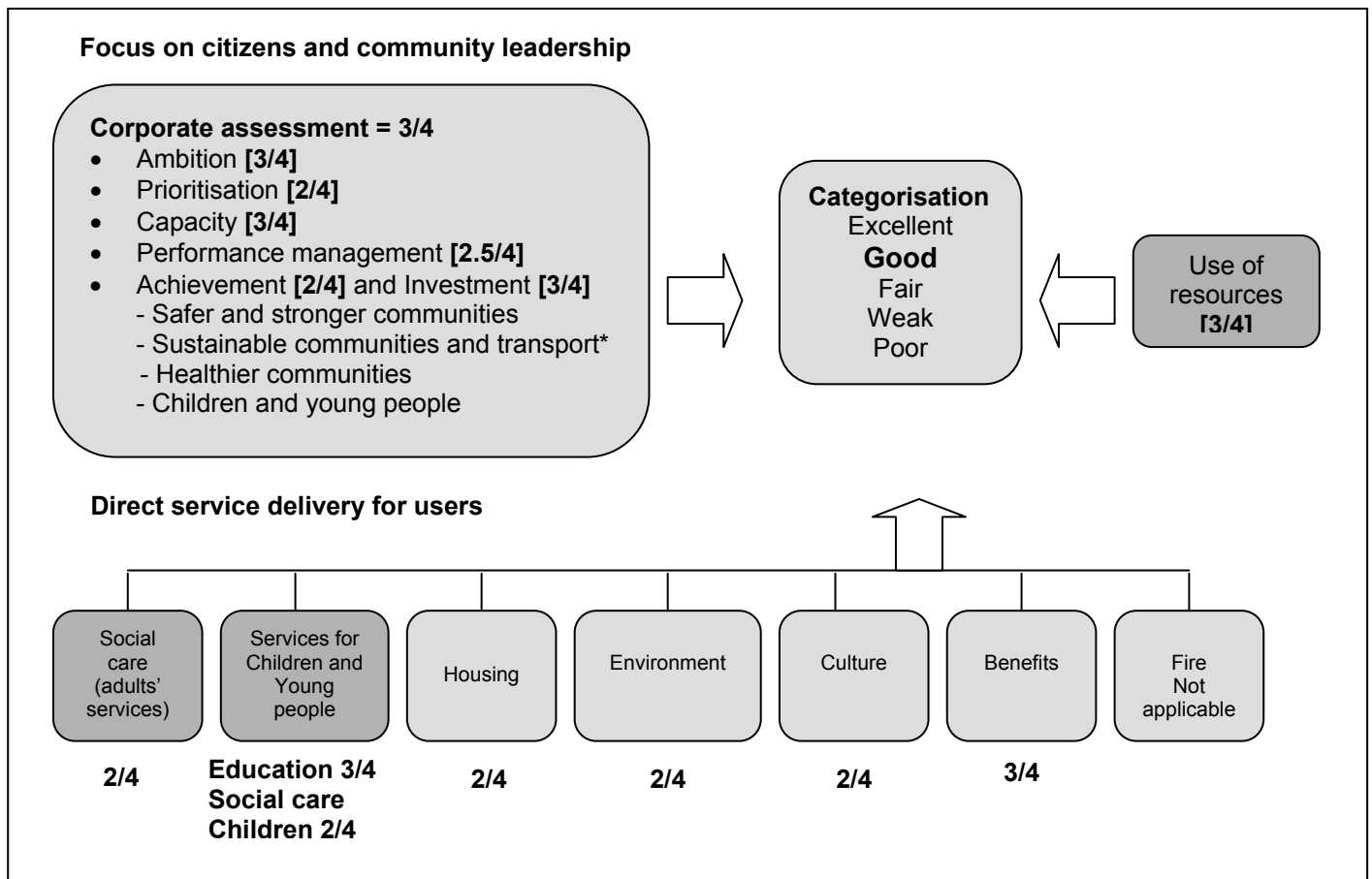
13. **Changes to CPA Scoring**

- 13.1 The Audit Commission wants to change the way it brings its judgements together to move away from the current, mostly mathematical assessment framework towards a 'rule-driven' system based on reaching minimum standards in each assessment area. This would replace the current formula-driven scoring method.
- 13.2 The proposed system would set minimum standards for the corporate assessment and the two levels of service assessment. Social care (adults' services), services for children & young people and the use resources would be categorised as 'level 1 services'. All other service blocks would be 'level 2 services'.

14. **Possible categorisation for CPA 2005**

- 14.1 In the absence of the Audit Commission's final methodology, the approach they propose using for CPA from 2005 (see diagram) has been used to speculate what the scores might look like when applied to the various themes and changes announced so far.
- 14.2 The hypothesised scores in the diagram on the next page have been arrived at by taking into account progress identified to date, combined with those known influences that have the potential to impact on the CPA 2005 inspection.
- 14.3 For the corporate assessment themes, reference was made to any present and/or future progress identified or discerned from our draft corporate self assessment for 2004 (see para 15.3 below). The template used for that exercise looked at two aspects:
- How Harrow had "built on and sustained the strengths" identified in the 2002 corporate assessment.
 - How Harrow had "addressed the weaknesses" identified in the 2002 corporate assessment.

CPA 2005: Diagram showing possible categorisations



14.4 For the corporate assessment, an attempt was then made to score the Council along each theme, where:

- 1 = Weak
- 2 = Weaknesses outweigh strengths
- 3 = Strengths outweigh weaknesses
- 4 = Strong

14.5 For Harrow to move from the *fair* to the *good* category, the Council would have achieved one of the following three scoring combinations under the proposed deterministic scorecard:

First Combination

Corporate assessment = 4

Level 1 services – all more than 1

Level 2 services – no more than one service as low as 1

Second Combination

Corporate assessment = 3

Level 1 services – all more than 1

Level 2 services – all more than 1

{i.e. all services 2/4 or better}

Third Combination

Corporate assessment = 2

Level 1 services – all more than 2

Level 2 services – all more than 1

14.6 There are two key factors that need to be considered if the Council is to improve its corporate assessment rating from 2/4 to 3/4. The first relates to the Council's ability to prioritise and the second relates to the revised assessment of 'achievement'.

14.6.1 **Prioritisation** - The Council has clearly made good progress on the themes of performance management, ambition and capacity. Based on the CPA 2002 corporate assessment, however, 'prioritisation' is still not an area where the Council would score strongly. The issue for the CPA 2005 inspection is likely to be how reflective of local priorities and needs are the issues identified in our Corporate Plan Community Strategy and the recent Vitality Profiles. As with CPA 2002, the CPA 2005 inspectors will want to assess the Council's ability to prioritise. The chief questions are likely to be:

- Has the council made clear what its priorities for improvement are, and what are not its priorities for improvement?
- Is there a clear basis for these priorities?
- How does the council balance national and local priorities?
- How effectively have priorities been communicated internally and externally?
- Has the council shifted resources to match priorities?

14.6.2 **Achievement** - The 'achievement' judgement under the revised corporate assessment will assess the extent the authority has made progress against national and local priorities in the light of both the shared priorities (see 5.1 above) and local political choice. It will also take account of the fact that any significant or noticeable outcomes for local people will often require the input of partners and other stakeholders including the council's community leadership role. Where outcomes are highly dependent in this way, the CPA inspectors will want to assess whether a council is doing all that could reasonably be expected in order to achieve the desired local objectives.

14.7 Given the difficulties experienced by our social care services, the Council will need to score **3/4** on its 'overall ability' (corporate assessment). This would lead Harrow to being categorised as **good** even if all other services are assessed at only **2/4**.

14.8 Clearly, our scoring at the time of writing this report must be subjective. Although it is based on internal corporate knowledge and the positive nature of our direction of travel in many areas, there are still significant challenges ahead.

14.9 The major problem in estimating a future score using our existing or targeted data is that the Audit Commission's detailed methodology for 2005 is still uncertain. However, we can discern a shift in emphasis for future assessments. In particular, the move towards multi-agency working, the new focus of value for money under 'use of resources' and the new combined service block for 'children and young people'. Whether this is good or bad news remains to be seen. It is clear that if we are to influence the outcome of CPA 2005 some immediate actions need to take place. These are addressed below.

15. **Proposed Actions for the Future**

15.1 **Need for a strong delivery framework**

Using the outputs from the recently published Vitality Profiles, Harrow Strategic Partnership have identified areas for future development. In alphabetical order they are:

- Anti Social Behaviour
- Burglary
- Circulatory Disease
- Exclusions
- Fear of Crime
- Housing Condition
- Housing Need
- (including the appropriate type of housing)
- Low Birth Weight
- Low Incomes:
 - Poverty and Older People
 - Low Incomes and Children
- Public Transport
- Street Scene

15.1.2 The Council, as part of its community leadership role will need to ensure that the 'Priority Areas ' arising from Vitality Profile assessments really do address local priorities and needs.

15.1.3 This being the case, it will be important for these priorities to be well articulated through the Community Strategy and any refreshment of the Corporate Plan as this will form the evidence base for understanding what the Authority, along with its partners, is trying to achieve and why.

15.2 **Need to develop a set of 'Quality of Life' Indicators**

As mentioned above, a major feature of the corporate assessment for 2005 will be the measurement of progress on meeting local community needs as expressed in the Community Strategy. The KLOEs will seek evidence that the activities of the authority and its partners have demonstrably improved the **quality of life** for local people.

15.2.1 To support this approach, the Audit Commission have commented that significant and noticeable improvements in the local quality of life can usually only be delivered through multi-agency working. The examples given are:

- 'sustainable communities' requires partnership working with local businesses to improve economic vitality and transport;
- 'safer and stronger communities' requires close working with the police to achieve an overall reduction in crime and disorder and the fear of crime in the local area, and
- 'healthier communities' requires close working with the local health authority(ies) and primary care trust(s) to achieve increases in life expectancy and healthy life expectancy.

In these respects, it seems self-evident that if the Council in consultation with its partners could develop and begin monitoring a meaningful set of 'quality of life' indicators. This, it has been suggested, could have a positive influence on

the corporate assessment of 'achievement' and 'investment' themes and their 'shared priority' subsets. A first step would be to identify and co-ordinate an appropriate set of 'quality of life' indicators from the data already being collected either internally or externally.

15.3 Need to 'pilot' a corporate self-assessment exercise in by the end of September 2004

In November 2003, preliminary work was undertaken on self-assessing 'progress' for the purpose of making a case for applying for a refreshed corporate assessment during 2004. If a corporate assessment was undertaken in 2004 this would be taken into account in the CPA score in December 2004 as well as 2005. Despite the progress made under several Improvement Plan headings, a risk assessment based actual progress to date in some key areas suggested that it would better serve the Council's chances of improving its corporate assessment score if the inspection took place in 2005. Given the change in emphasis to the corporate assessment for 2005, it seems astute for the Authority to undertake a 'pilot' corporate self-assessment exercise in late 2004. This would also serve to inform the qualitative assessment required by our Relationship Manager.

15.4 Need to refresh our user satisfaction survey results in late 2004

As mentioned above, Harrow's Corporate Plan aims to increase public satisfaction ratings and provides for annual user satisfaction surveys.

Given the relatively disappointing MORI survey results coupled with the stronger 'citizen-focus' on service delivery as part of the CPA 2005 inspection, there is clearly a need to refresh this survey. A survey as late as is practical but before CPA 2005 could provide new 'evidence' to hopefully demonstrate improvement in user satisfaction levels compared with this latest survey. To back this up, further work will be undertaken on dealing with customer satisfaction, for example, through the First Contact project and communications.

15.5 Need to robustly prepare for all forthcoming inspections

Preparing for the forthcoming inspections is something that we can and should do. To support this, guidance is currently being prepared for departments. Good preparation will always be welcomed by inspectors. By adopting a systematic approach to inspections, it could lead to a better outcome especially in areas where an inspector's judgement may be ambivalent. As part of these preparations, Members may also wish to consider with the appropriate Director, the potential of them taking on a 'challenge' role for the service to be inspected.

15.6 Cabinet as a 'Performance Board'

Evidence clearly suggests that for performance management to succeed in must be recognised and owned across an organisation. Work will be undertaken to utilise the Balanced Scorecard technique to ensure high level performance management information is regularly provided to support Members of both the executive and scrutiny in their respective roles. Given the normally heavy Cabinet agendas, Cabinet will be considering the advantages of establishing a Performance Board to provide executive

Members with the necessary strategic performance feedback to guide any improvements necessary for continued success.

15.7 Stronger value for money focus in financial planning, service planning and performance management

Given the Audit Commission's commitment to make cost effectiveness and value for money a stronger feature of their 'use of resources' judgement from 2005/06, in the provision of local services, guidance is currently being drafted to develop better integration of financial planning, service planning and performance management.

16. Consultation

16.1 Not applicable.

17. Finance Observations

17.1 Not applicable

18. Legal Observations

18.1 Section 99 of the Local Government Act 2003 puts the CPA arrangements on a statutory footing. Section 100 authorises the Secretary of State to make provision for local authorities by reference to the CPA score. The new "trading" provisions (by a company set up for the purpose) are only available to fair, good and excellent authorities.

19. Conclusion

19.1 This report is presented for Members' information.

20. Background Papers

20.1 Draft BVPP out-turns 2003/04

20.2 CPA 2005 - the way ahead (Audit Commission, 2004)

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Appendix A

Draft CPA scorecard 2004

On the available data and the assumptions mentioned, the outcome of the CPA 2004 could be as follows. Level 4 is the best level of performance and level 1 the worst.

Service scores

	Score	Weighted
Education based on existing Ofsted judgement – however, this could be affected by the trend in Key Stage results	3	12
Benefits This was previously 3. It is based on compliance with BFI standards: the department's view is that the council should achieve level 4 in this year's process – self-assessment in June, with evidence reviewed by DWP.	4	4
Social care - children 2 - adults 2 - star rating (1 Star) Score 2 Subject to annual assessment – assumed for this purpose as in 2003.	2	8
Libraries and leisure Assumes same level of PIs and Library Position Statement assessment as 2003. Includes Sport & Leisure inspection 2002. Culture inspection 2004/5 is outside timeframe.	2	2
Environment: Transport – assumes continuance of PIs at level 4: reduction to level 3 reduces block score 4 Waste – assumes inspection score of at least 'fair' 1.6 Planning – assumes PIs continue at level 1. See text regarding inspections. 1.7	2	4
Housing: Community housing 2.8 Housing management 2.2 Housing strategy 3 The effect of the November 2003 inspection has <i>not</i> been reflected here, pending advice from the Audit Commission, but if anything, it can only serve to improve the score. Scores for Housing Strategy and HRA Business Plan b/f from 2002.	3	6
Use of resources No new inspections. Asset Management Plan and Capital strategy scores are carried forward from 2002. Assumed PI 'people' and 'financial administration' scores are as before – though mixed results and some data missing. Assume auditor judgements as before or better.	4	4
Total		40

Weighted core service score*	40 (level 3)
Corporate assessment	level 2
Overall Rating	Fair

Banding for service scores		Council ability	Core service performance				
			Scores	1	2	3	4
less than 30	1		1	poor	poor	weak	fair
30 – 37	2		2	poor	weak	fair	good
38 – 45	3		3	weak	fair	good	excellent
over 45	4		4	fair	good	excellent	excellent

Appendix B Public Satisfaction

“General” survey

“ALG rank“ relates to those London boroughs who participated in the MORI consortia for the conduct of these surveys in 2000 and 2003. This is included as the data between the two years is not wholly comparable owing to changes in methodology (e.g. weighting applied in 2003 but not 2000; and questionnaire design). “Change” denotes how Harrow’s ALG rank has changed, “+” indicating a higher rank and “-“ a lower.

BVPI	Indicator	2000/1 Published %	ALG rank	2003/4 %	ALG rank	Change
3	Satisfaction with overall service provided by authority	55	12=	45	23	-11
4	Satisfaction of complainants with complaints handling	34	9=	29	15=	-6
89	Percentage of people satisfied with cleanliness standards	47	21=	46	21	0
90	Satisfaction with household waste collection	80	6=	71	16=	-10
90	Satisfaction with recycling facilities	66	4	62	5=	-1
90	Satisfaction with civic amenity sites	75	3=	73	5=	-2
119	Satisfaction with the local authority’s cultural and recreational activities overall:	46	18=	31	19=	-1
119	Satisfaction with Sports/leisure facilities	42	20=	44	13	+7
119	Satisfaction with Libraries	62	15=	66	8=	+7
119	Satisfaction with Museums/galleries	29	22=	28	15	+7
119	Satisfaction with Theatres/Concert Halls	29	18=	32	16=	+2
119	Satisfaction with Parks and open spaces	61	19=	58	26=	-7

Data collected for TfL

103	Satisfaction with provision of public transport information	48	9=	50	14=	-5
104	Satisfaction with local bus services	40	25	45	29	-4

Source for all data: MORI

Tenant satisfaction

BVPI	Indicator	2000/01	2003/4
74	Satisfaction with overall service provided by landlord:		
	(i) All tenants	80%	79%
	(ii) Black and minority ethnic tenants	74%	72%
	(iii) Non black and minority ethnic tenants	81%	80%
75	Satisfaction with opportunities for participation in management and decision making in relation to housing services provided by landlord:		
	(i) All tenants	59%	57%
	(ii) Black and minority ethnic tenants	-	57%
	(iii) Non black and minority ethnic tenants	-	57%

Source: MORI

Library users

BVPI	Indicator	Target	2003/4
118	% of library users who found the book they wanted to borrow...		
	(a) Users – found book to borrow	67%	69.5%
	(b) Users – satisfied with library overall	83%	85.9%

Source: IPF

Planning applicants survey

BVPI	Indicator	Target	2003/4
111	Planning applicants satisfied with the service	75%	64%

Benefits applicants survey - This PI does not contribute to CPA.