



# Does Poverty Equal Poor Performance?



**Iain McLean**  
*Oxford*



**Dirk Haubrich**  
*Oxford*



**Roxana Gutierrez-Romero**  
*Oxford*

## Background

Comparing the performance of local authorities with differing demographics is problematic, and different governments approach the problem in different ways. In England, central government assesses the quality of local authorities through Comprehensive Performance Assessments (CPAs), as summarised in Figure 1. Since it first appeared in 2002, CPA has remained controversial for its uniform and prescriptive approach and its disregard of local constraints such as deprivation that are not easily influenced by authorities. Is the CPA a valid measure of local performance, or does it merely reflect local deprivation and other external constraints? Scotland and Wales have gone down different routes and grant authorities the right to assess themselves. Is there anything to be learnt from these divergent approaches?

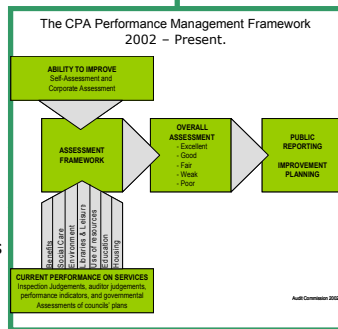


Figure 1

## What We Did

◆ To analyse the relationship between deprivation and a local authority's CPA score we developed a statistical model, using CPA scores from 2002, 2003, and 2004 as the dependent variable. These scores were tested against several explanatory variables, including the 2004 composite index of multiple deprivation (IMD) and the seven constituent domains that make up this composite, as well as resource spending, political control, ethnic mix and age diversity (see Figures 2 and 3).

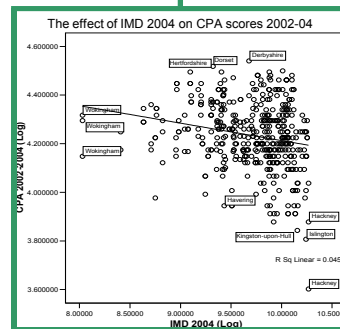


Figure 2

◆ To draw out the similarities and differences between the differing performance management regimes in England Scotland and Wales we conducted 20 semi-structured elite interviews with auditors, auditees and other stakeholders in these countries.

## Aims

We aimed to:

- ◆ Identify the differences between the assessment approaches in England, Scotland and Wales and draw out lessons learned.
- ◆ Identify the factors that explain the differences in CPA scores between English authorities.
- ◆ Determine the extent to which various types of deprivation (in terms of income, health, education etc.) affect CPA scores in different types of authorities (London Boroughs, Counties, Metros etc.).
- ◆ Convert findings into practical policy advice suitable for the Audit Commission's task to develop a new assessment framework for 2008 onwards

## Findings

- ◆ In most cases, the greater the deprivation, the lower the CPA score. However, using the 7 individual IMD domains revealed that different types of deprivation had different effects, depending on the type of authority, so a single measure of deprivation (as used in previous studies) could not fully capture the impact of deprivation.
- ◆ Using the same indicators to determine multiple deprivation and CPA score created a risk of circularity, and to a certain degree, authorities were able to 'buy' better CPA scores by spending beyond the level specified by central government.
- ◆ Performance management in Scotland and Wales, marked by partnership, flexibility, self-assessment and the absence of league tables did not allow performance to be compared between authorities.

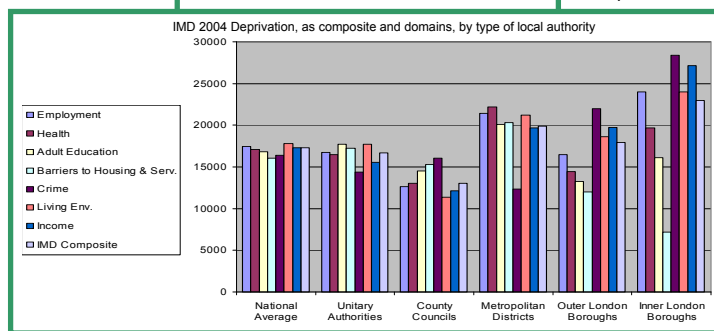


Figure 3

Find out more...



For more information contact Iain McLean  
(Iain.McLean@nuffield.ox.ac.uk)

[www.publicservices.ac.uk](http://www.publicservices.ac.uk)

