

## Comprehensive Area Assessment – LGA On the Day Briefing – 29 July 2008

### Latest proposals for CAA go a long way to deliver White Paper ambition, but some concerns remain.

#### Summary of proposals

- The Inspectorates have today published their second joint consultation paper setting out proposals for CAA, which will be introduced with effect from April '09.
- CAA will assess those outcomes delivered by councils working alone or in partnership e.g. health and well-being, community safety, children's and older people's services, etc.
- CAA will replace CPA, Children's services JARs, APA of services for children and young people and social services star ratings. Performance frameworks for specific services (e.g. schools, colleges, police, probation and health and social care) will continue.
- CAA represents a fundamental change in the way councils and their partners are assessed. It involves a forward looking assessment of the prospects for the future achievement of shared priorities by the council and other local partners.
- The proposals envisage a streamlined framework involving two assessments
  - the area assessment - a qualitative assessment of prospects for improvement, focussing primarily on the LAA. It will be reported as a narrative and flags will be used to draw attention to performance issues and innovative practice;
  - a scored organisational assessment for all councils and FRsAs (alongside organisational assessments for other partners e.g. PCT health check).
- CAA will change the way inspectorates engage locally – moving from rolling programmes of on-site inspection to an on-going relationships with local areas.
- The Inspectorates will look for high quality local performance management data, take account of any locality self assessments and only undertake inspection activity where necessary – CAA will therefore be inherently proportionate.

#### LGA key messages

- As the best performing part of the public sector we welcome external challenge that helps us and our local partners to learn and improve. CAA offers a real opportunity to help councils deliver better outcomes with their local partners and to reduce the burden of regulation.
- The proposals address the white paper ambition for a more outcomes focussed and area based assessment, in particular through the forward looking area assessment.
- The proposals are ambitious and reflect what the sector has been calling for but time will tell whether the principles that underpin CAA can be turned into practice.
- This will require councils to seize the opportunity and become a confident, self determining sector that drives its own improvement through increased self-awareness, self-assessment and robust performance management.
- It will also require inspectorates to genuinely take a proportionate approach where there is evidence of robust performance management and have the skills and capacity to conduct credible assessments. It will require GOs to not duplicate the role of CAA lead in assessing performance and it will require government departments to send consistent messages to partners around the centrality of the new performance framework.
- Whether CAA will actually deliver a reduced burden in practice, allowing scarce resources to be re-directed towards delivering improved outcomes, remains to be seen. We are concerned about the potential scope of the managing performance assessment and are not yet convinced that the scope of the Use of Resources assessment has been significantly reduced. We are therefore keen to see what the trials teach us.

**The remainder of this briefing** provides a chapter by chapter summary of the consultation paper (along with initial LGA views) and some frequently asked questions.

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# briefing

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## **Comprehensive Area Assessment: Joint Inspectorate proposals for consultation – Summer 2008.**

As well as publishing their proposals for CAA the Inspectorates have also made a prototype reporting tool available. This exemplifies how the Inspectorates currently propose to report CAA and is an important aid to understanding how CAA could work. The consultation paper and prototype reporting tool are available on the Audit Commission website at <http://www.audit-commission.gov.uk/caa/consultation.asp>

In addition CLG have published an accompanying document "Roles and responsibilities in the local performance framework" which provides some context for the roles of GOs, Inspectorates, national improvement architecture and RIEPs, etc as they develop. This will be available on the CLG website at [www.communities.gov.uk/publications/localgovernment/frameworkrolesresponsibilities](http://www.communities.gov.uk/publications/localgovernment/frameworkrolesresponsibilities)

### **Chapter 1 – How will CAA be undertaken?**

- CAA is a joint inspectorate assessment, inspectorates will share information at national and local level, CAA leads (appointed by the Audit Commission) will help co-ordinate local assessments and local teams. CAA will be based on a more on-going relationship between inspectorates and localities (replacing the inspection "event").
- Inspectorates will gather evidence from a range of sources – including the national indicator set – throughout the year. CAA will draw as far as possible on the information used by councils and partners to manage their own performance – taking full account of self assessments. The Inspectorates will only undertake additional work to fill evidence gaps where necessary. The evidence base will be updated throughout the year.

#### **LGA view:**

- We welcome the overall approach, the intention to rely on high quality local data – including local self assessments, which we feel should be the starting point and will help ensure inspection is proportionate.
- Much of the initial evidence gathering in the first phase will be "desk based". Whilst this will help reduce the burden it is somewhat at odds with the idea of new style more on-going relationship with the Inspectorates. CAALs will have an important role in managing expectations.
- The evidence base on which Inspectorates will make their judgements should be open and available to councils and their partners. Evidence that informs inspectorate judgements must be transparent and open to challenge.
- Councils and partners should be able to contribute and comment on draft judgements – so that there are no surprises.
- We are keen to retain peer involvement in CAA and, with IDeA, will be exploring options for achieving this with the trial sites.

### **Chapter 2 – The Area Assessment**

- The Area Assessment is a qualitative assessment focusing on the prospects for future improvement. It will take the LAA as its starting point but will not be constrained by it.
- The assessment will focus around three overarching headings
  - How well do local priorities express community needs and aspirations?
  - How well are the outcomes and improvements needed being delivered?
  - What are the prospects for future improvements? (this question will draw on the answers to the previous two questions. It reflects the main purpose of the area assessment).

The issues underpinning these headings are set out in an Appendix to the consultation paper.

- The Inspectorates will use "flags" to draw attention to performance issues. A red flag will indicate that significant concerns about outcomes, performance or future prospects are not being adequately addressed. A red flag would not be raised if the council and its partners are effectively tackling the issue. The Inspectorates will develop a formal procedure to allow challenge to the award of red flags. Green flags will indicate where others have something to learn from innovative or exceptional success in an area.

- There will be a clear link between the area assessment and organisational assessment to ensure that accountability is attributed properly.

#### **LGA view**

- We welcome the forward looking nature of the area assessment and agree that the main focus should be on the third question – which is the forward looking element;
- The area assessment should not question the political priorities set by localities and agreed with government through the LAA process. It should challenge whether these priorities are being delivered, but not whether they are the right ones.
- CAA should be a tool to drive improved partnership capacity and the area assessment should include the capacity of partnerships to deliver.
- We agree that the area assessment should not be scored and that it should be reported as a narrative. Red flags should only be raised where there are concerns about the delivery of LAA outcomes – not wider priorities.
- We are concerned about how quality assurance can be integrated in the Area Assessment – particularly around the raising of red flags. We have proposed that the opportunity be taken during the trials to test the involvement of peers to resolve flag disputes, with an emphasis on fairness rather than consistency.

#### **Chapter 3 – the organisational assessment**

- There will be a single, scored, organisational assessment for all councils and fire and rescue authorities. It will comprise two assessments:
  - Managing performance – a joint inspectorate judgement of the council assessing how well performance is managed.
  - Use of Resources – an Audit Commission assessment. The methodology for this assessment has already been published separately by the Audit Commission.
- The assessments will be reported in a single short report to be published at the same time as the area assessment.
- The managing performance assessment will focus on how well the council is delivering services, outcomes and sustainable improvement in local priorities. It replaces the proposed for a Direction of Travel assessment. For shire districts (and fire and rescue authorities) this will be an Audit Commission assessment.
- The Inspectorates are consulting on three scoring options, two of which involve bringing the two assessments together in a single score.

#### **LGA view:**

- The managing performance assessment is not outlined in detail. We are concerned that the scored nature of the assessment will require a set of KLOEs, which in turn will create a complex assessment process and an unacceptable additional burden.
- We are not convinced that a significant reduction in the scope of the Use of Resources assessment has been made.

#### **Chapter 4 – Reporting CAA**

- The Inspectorates will publish, annually a joint report of the area assessment for each area covered by an LAA as a concise summary with a longer more detailed report with links to underlying information. A prototype reporting tool is available on the Audit Commission's website.
- Red and Green flags will be used to draw attention to performance issues – links will be made to the appropriate organisational assessments to support accountability.
- The organisational assessment for councils and FRSA's will be published at the same time.
- Performance against the national indicator set will also be published.
- Reports will be published in November each year – to inform the LAA review and priority and budget setting - with a formal opportunity for the council and local partners to comment.

#### **LGA view:**

- We welcome the intention to report the area assessment as a narrative and not to score it. The narrative should carefully balance good and bad – to avoid CAA becoming a deficit model. The purpose of red flags is to identify issues requiring further action - the language used should be non judgemental.
- Whilst we understand the on-going nature of inspectorate engagement with localities envisaged by CAA we still think that the time allowed for discussion of the draft report

with councils and partners is too tight.

- Councils already inform and engage their citizens in a number of different ways. Given the potential value of CAA to local people, councils should consider how to link their own website to the eventual CAA reporting tools.

### **Chapter 5 – Inspection and Improvement planning**

- Apart from two rolling programmes of inspection – for children in public care and safeguarding and for Youth offending teams other inspection activity will be triggered by the area and organisational assessments.
- The inspectorates are committed to working with GOs, RIEPs etc so that inspection planning is co-ordinated with wider improvement planning, with the aim of ensuring a coordinated and coherent approach to improvement planning.  
See also CLG’s accompanying document “Roles and responsibilities in the local performance framework”

### **LGA views**

- We welcome the desire for a coordinated approach to improvement planning (including triggered inspection). Councils are responsible for managing their own performance and improvement and for driving the performance of the LSP. They must be at the heart of the improvement planning process.

### **Timetable for the development and introduction of CAA**

- Now to mid October – consultation on second joint consultation document setting out inspectorates’ detailed approach to the CAA plus trials in ten areas (Barking and Dagenham, Birmingham, Hampshire, Kirklees, North Tyneside, Nottinghamshire, Stockport, Thurrock, Torbay, and Westminster).
- October/November: analysis of responses and experience of trials.
- February ‘09: final CAA framework document to be published, plus analysis of responses to the July CAA consultation.
- February ‘09: final CPA annual performance assessments published.
- November ‘09: first set of CAA results to be published.

### **How can your council get involved in the development of CAA?**

There is a real opportunity to influence the shape of CAA and we would encourage all councils to play a full and active part in its development by:

- Discussing the proposals widely in your area with members and partners – consider involving your CAA lead (they have been provided with a standard presentation and supporting material from the Audit Commission).
- Responding to the CAA consultation by 20 October – please send your comments to the LGA as well as to the Audit Commission, at [info@lga.gov.uk](mailto:info@lga.gov.uk)
- Attending the LGA Conference on CAA, to be held on 10 September <http://www.lga.gov.uk/lga/events/events-list.do>
- Attending one of the joint Inspectorate regional workshops on CAA – more information will be available on the Audit Commission’s website shortly.
- Offering to commit resources to help develop the sector offer on area based self assessment. Contact Mandy James, CAA Programme Development Manager, IDeA [mandy.james@idea.gov.uk](mailto:mandy.james@idea.gov.uk)
- Joining the IDeA Policy and Performance reference Group <http://www.communities.idea.gov.uk/welcome.do>

**Further information:** For further information on this briefing please contact Nick Easton on 0207 664 3278 email [nick.easton@lga.gov.uk](mailto:nick.easton@lga.gov.uk).

To keep up-to-date on the LGA’s work on CAA and the wider improvement agenda subscribe to the LGA’s monthly Improvement newsletter. Simply send an email to [improvement@lga.gov.uk](mailto:improvement@lga.gov.uk) with 'subscribe' in the 'subject' field.

## CAA – some common Questions and Answers

During our discussions with councils and the Inspectorate there have been a small number of questions that are raised on a regular basis. Whilst recognising that we are still in the development phase of CAA and that there can be no definitive answers at this stage, we have set out the questions and answers, below, in the hope that they may be helpful.

We understand that the Audit Commission intend to place some additional Questions/Answers on their website.

### How will CAA strengthen local accountability?

CAA will provide a joint inspectorate assessment of outcomes for people in an area and a forward look at prospects for sustainable improvement. The accountability of individual organisations will be addressed through the link between the area assessment and the organisational assessment. It is proposed that this works in two ways

- a flag in the area assessment will be reported in more depth in the relevant organisational assessment and may impact on the organisational assessment scores;
- similarly concerns or positive indicators arising from the organisational assessment which very significantly impact on outcomes will be reported in the area assessment and may result in a flag.

### How will CAA apply in two tier areas?

Organisational assessment: In two tier areas both county and district councils will be subject to an organisational assessment. This assessment will comprise a managing performance assessment and a Use of Resources assessment (undertaken by the Audit Commission). For single tier and county councils the managing performance assessment will be a joint inspectorate assessment. For shire districts (and fire and rescue authorities) it will be an Audit Commission assessment.

Area assessment: this assessment looks at the delivery of priority outcomes (in the LAA and county-wide sustainable community strategy) taking the LAA area as its starting point but with a capacity to scale up to a wider (region or sub regional) area or focus in on a smaller (district or parish) area. Where a red flag is raised around a particular priority then it will identify why that is the case – and if it is attributable to a lack of action by either the county council, district council or a partner then being clear about it. Equally it will identify exceptional outcomes and attribute their achievement. The prototype reporting tool illustrates how this could be achieved.

National Indicator set: performance against the indicators in the national set will be published annually.

### How will CAA reduce the burden of inspection?

CAA will attempt to do this in a number of ways.

- The council's organisational assessment will replace the CPA corporate assessment, children's services joint area review, annual performance assessment of services for children and young people and social services star ratings for adult social care – though other performance frameworks will continue to exist alongside CAA;
- the scope of the Use of Resources assessment has been, slightly, reduced but the Audit Commission has said that its approach will be risk based and that high performing organizations can expect to have less work undertaken on the assessment than poorly performing organizations;
- apart from a small number of rolling programmes, inspection activity will in future be triggered by the area or organisational assessment and
- the process of conducting CAA will be less burdensome. CAA will:

- pool existing publicly available data about the area from a wide range of sources;
- draw as far as possible on the performance management information used by the council and its partners to manage performance. It will take full account of self assessments – the more robust the self assessments the greater the reliance that will be placed upon it. Where the same evidence is relevant for both the area and the organisation assessment, it will only be collected once;
- the Inspectorates will develop a more on-going relationship with localities, replacing resource intensive inspection events and will only undertake additional work to fill evidence gaps where necessary;
- where the evidence identifies potential causes of concern then it may be necessary to gather further information – but this will be coordinated by the Audit Commission.

However it may not be possible to tell whether there is a real reduction in burden until CAA goes live since it will also depend on how the CAA lead role is defined; how other frameworks develop and align with CAA and the volume of triggered inspection.

### **How can I ensure my council (and partners) are ready for CAA?**

There are a number of steps that can be taken

- The prime focus of the area assessment is around the delivery of outcomes and prospects for future delivery. In one sense then the best preparation for CAA is to ensure that the council and partners are on track to deliver the priorities in the LAA and sustainable community strategies;
- CAA represents a fundamental change in the way councils and their partners are assessed – moving away from solely focusing on the past performance of the council towards a forward looking assessment of the prospects for the future achievement of shared priorities by the council and other local partners. The council has an important role in ensuring that this ambition is properly understood at local level – with members and senior officers across local partnerships;
- CAA will place greater emphasis on the quality of local performance management data – it is important that there are effective performance management arrangements in place across the partnership and that it is delivering high quality data;
- The Inspectorates will take full account of council/partner's own assessment of performance – consider using the IDe/LGA self assessment tool to undertake an honest self assessment across the partnership. Work with the national improvement bodies and the Regional Improvement and Efficiency partnership to put in place any necessary support;
- CAA will place importance on citizen and customer views – it will be important that you can demonstrate you have the mechanisms in place to understand community needs, priorities and service delivery expectations and how you are responding to them
- Develop a positive and constructive relationship with your CAA lead.

IDe/LGA support offer will be launched at the LGA CAA Conference on 10 September.