

**Report to the Finance and Performance
Management Cabinet Committee**



**Epping Forest
District Council**

Report Reference: FCC-025-2008/09.

Date of meeting: 16 March 2009.

Portfolio: Finance and Performance Management.

Subject: Comprehensive Area Assessment.

Responsible Officer: Steve Tautz (01992 564180).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations:

That the final methodology for Comprehensive Area Assessment, recently published by the Audit Commission and its partner inspectorates be noted.

Executive Summary:

Comprehensive Area Assessment (CAA) is the new framework for the independent assessment of local public services in England. This report sets out how CAA will be delivered from April 2009. The inspectorates responsible for delivering CAA are the Audit Commission, the Care Quality Commission, Her Majesty's Inspectorates of Constabulary, Prisons and Probation, and Ofsted. These inspectorates have been jointly commissioned to work together to develop and implement a methodology for CAA and make other necessary changes to existing assessment and inspection arrangements to implement the ambitions and commitments of the Local Government White Paper 'Strong and Prosperous Communities', which set out proposals for the new performance framework for local services.

Since November 2007 the joint inspectorates have worked with local service commissioners and providers to develop CAA. The inspectorates have consulted extensively on the principles and overall approach to the process and have tested arrangements through action learning and trialling. CAA is an important part of assessing and reporting on how well public money is spent, and making sure that local public bodies are accountable to the public for their service quality and impact. As well as providing information for local people, CAA will give the government an overall picture of how well councils and their partners are delivering key national and local priorities. The process will also provide constructive challenge and feedback to local service bodies to support their improvement efforts. The final framework for the introduction of CAA was published by the joint inspectorates on 10 February 2009. A copy of the final framework document has been placed on deposit in the Members' Room.

Reasons for Proposed Decision:

CAA replaces the former Comprehensive Performance Assessment (CPA) from 1 April 2009. The new annual assessment process is intended to provide an independent assessment of how well people are being served by local public services, and focuses on how well these services, working together, are achieving improvement and progressing towards long-term goals.

Other Options for Action:

None. CAA will assess outcomes delivered by the Council working alone or in partnership, such as health and wellbeing, community safety and young and older peoples services.

Failure to participate fully in the process might mean that opportunities for improvement are lost and may adversely affect the reputation of the authority.

Report:

1. The introduction of CAA represents a fundamental change in the overall approach to public service inspection, reflecting changes in local public services in recent years and in the environment in which they work. Since the establishment of the former CPA process in 2002, the performance of local public bodies has improved and they are increasingly working together to deliver further improvements. Independent assessments have been a catalyst for, as well as providing objective evidence of, this improvement. Local services have developed stronger performance management, more effective sharing of good practice and practical support for services in difficulty.

2. Unlike CPA, CAA focuses on outcomes rather than organisations, and looks at the prospects for sustainable improvement, rather than simply on past performance. CAA involves a forward looking assessment of the prospects for the future achievement of shared priorities by councils and other local partners, and comprises two assessments:

- An *Area Assessment* of the prospects for improvement, focussing primarily on the Local Area Agreement (LAA) and the Sustainable Community Strategy (SCS). The area assessment will be reported as a narrative and 'flags' will be used to draw attention to performance issues and innovative practice; and
- A scored *Organisational Assessment* for all councils and Fire and Rescue Service Authorities (alongside organisational assessments for other partners).

3. CAA will change the way inspectorates engage locally, moving from rolling programmes of on-site inspection to an on-going relationship with local areas. The inspectorates will look for high quality local performance data, take account of any locality self-assessments and only undertake additional inspection activity if necessary.

4. A main feature of CAA is that inspection activity is more risk-based and tailored to local circumstances so that inspection has greater impact where it is needed most. For those public services provided directly by councils, or jointly in partnership with others, future inspections will be targeted and triggered by single or joint inspectorate concerns arising out of the CAA assessment process at any stage in the year.

Area Assessment

5. The Area Assessment will be based on the area covered by the LAA. The starting point for the Area Assessment will be the locally agreed priorities in the LAA and the SCS, plus the statutory LAA educational attainment targets. In carrying out the assessment the inspectorates will focus on three overarching questions:

- How well do local priorities express community needs and aspirations?
- How well are outcomes and improvements needed being delivered? and
- What are the prospects for future improvement?

6. The assessment will focus on the prospects for future improvement and its sustainability. Answers to the first two questions will provide underlying evidence to support inspectorate judgements about the third question. Underpinning these questions, the themes of sustainability, tackling equality, people whose circumstances make them vulnerable and value for money, thread throughout the Area Assessment.

7. In areas with county and district councils, partnership arrangements are more complex than in areas with a single council. Most county and district councils each have separate Local Strategic Partnerships and SCSs, and the inspectorates will take account of these additional complexities and inter-relationships and how effective they are to inform

conclusions about prospects for improving outcomes and about individual organisations. District councils have a vital contribution to make to both understanding and delivering wider outcomes in the area and this contribution to local outcomes will be reflected in the Area Assessments as well as the organisational assessments for district councils. Under CAA the organisational assessments of district and county councils will be on the same footing for the first time, proportionate in scale and range to their relative functions.

8. The Area Assessment will be reported as a narrative and not a score and the focus of reporting will be on the prospect for improvement. Where the inspectorates have significant concerns about outcomes and future prospects for outcomes, which are not being tackled adequately, they will report these with a red 'flag'. Green flags will represent exceptional performance or outstanding improvement resulting in proven sustainable delivery of better outcomes that others could learn from. The inspectorates do not anticipate reporting a large number of red or green flags for any area.

Organisational Assessment

9. Assessing the effectiveness of councils is an integral part of CAA, because of its focus on outcomes delivered through authority's working alone or with partners. The new Use Of Resources assessment methodology for 2009 (managing finances, governing the business and managing resources) will contribute to the Organisational Assessment for councils, alongside a managing performance assessment. The results of these processes will be combined into a single numerical score on a scale from 1 (lowest) to 4 (highest) along with a short report. The Council's approach to the new Use Of Resources methodology is currently being developed by an officer working party.

10. The Audit Commission will make the overall assessment for district councils and each council organisational assessment will contain an explicit statement on the performance of key services. For councils with responsibility for children's services and social care, the inspectorates will jointly agree the managing performance and overall organisational assessment scores. The managing performance element of the Organisational Assessment will also replace the previous Direction of Travel report produced on an annual basis by the Commission.

11. CAA will build a fuller picture of each area over time and will not cover everything each year. The joint inspectorates will ensure that the links between the area and organisational assessments are managed so that they support partnership and individual accountabilities.

Undertaking Comprehensive Area Assessment

12. CAA is intended to help drive improvement throughout the year, rather than only through annual public reporting or by intensive 'on-site' assessment as has been the case with previous performance assessment processes.

13. The inspectorates will use evidence from their inspection work and draw on other national and locally available information to prepare their assessments, including the National Indicator set and evidence from other inspection or regulation processes. The inspectorates will use the information that partnerships and organisations use to evaluate and manage their own performance wherever possible, and the more robust, relevant and timely the information being used locally to manage services the less the inspectorates will need to request additional information. Where applicable the inspectorates will collect evidence only once but use it for both the area and organisational assessments.

14. The inspectorates do not require a new self-assessment for CAA but support a self-approach to self-evaluation developed by the Local Government Association and the Improvement and Development Agency. The more robust the self-assessment is, the more reliance the inspectorates will place on it. District councils make an important contribution to

outcomes and this will be reflected in the area assessment and in the organisational assessment for district councils.

15. The views and experiences of local people are key sources of evidence for CAA, and the inspectorates will draw on the findings of survey exercises such as the new biennial Place Survey. In addition, CAA will take account of the area's own evidence about users' views of local services, including information about the views of children and young people, those who may experience disadvantage in accessing public services, groups and individuals whose views are seldom heard, people whose circumstances make them vulnerable and the third sector. The inspectorates will also consider evidence provided by local citizens and service user groups, where available.

16. The inspectorates will collate and review evidence through a joint assessment system and as far as is practical this information will be shared with local partners to support transparency. The inspectorates will only undertake additional investigation where they need to gather further evidence to make robust assessments. Quality assurance will be integrated at the earliest stages of the assessment to avoid over-reliance on retrospective review; High performing organisations and partnerships delivering improvements in outcomes and value for money will receive less inspection.

CAA Timescale

17. CAA was introduced with effect from 1 April 2009 and public reporting of the first round of CAA results will take place in November 2009. CAA is an annual process and in January, March and June each year the inspectorates will update their view of how well local areas and organisations are doing and will feedback their views to the local partnership as a routine part of engagement, raising concerns at an early stage. The inspectorates will jointly draft assessments and share them with the local partners in September/October, agreeing and formally reporting findings in November each year to inform priority and budget setting exercises for the following year.

18. The annual CAA report will bring together the area and organisational assessments, along with each area's performance on the national indicators and links to other assessments in each area (such as schools or care services inspections). An overall score will not be published for the Area Assessment, but will report in narrative form our view on how well the key priority issues in the area are being improved. The joint inspectorates will also publish performance against each indicator in the National Indicator Set, enabling tailored comparisons of performance to be made by comparing statistical neighbours or those facing similar challenges.

19. The Committee is requested to note the methodology for Comprehensive Area Assessment, to be introduced from 1 April 2009.

Resource Implications:

It is considered that the budget and human resource implications of the CAA process can be met from within existing resources.

Legal and Governance Implications:

CAA is a statutory assessment process, replacing the former CPA from 1 April 2009.

Safer, Cleaner and Greener Implications:

There are no direct implications arising from the introduction of CAA for the Council's commitment to the Nottingham Declaration for climate change, the corporate Safer, Cleaner and Greener initiative, or any Crime and Disorder issues within the district. However, the CAA process will measure the success of these initiatives.

Consultation Undertaken:

The final framework methodology for CAA has been subject to regular ongoing consultation between the joint inspectorates and public service stakeholders. The Corporate Executive Forum has considered the CAA framework and the content of this report has been agreed by the Finance and Performance Management Portfolio Holder.

Background Papers:

Comprehensive Area Assessment Framework Document (Audit Commission, Care Quality Commission, Her Majesty's Inspectorates of Constabulary, Prisons and Probation, Ofsted) (February 2009). This document has been placed on deposit in the Members' Room.

Impact Assessments:

In terms of risk, a failure to participate fully in the CAA process might mean that opportunities for improvement were lost, and may adversely affect the reputation of the Council.

An underpinning principle of CAA is that the joint inspectorates will assess how well local public services, working in partnership, are addressing the needs of their diverse communities. To ensure that the process addresses this effectively, the inspectorates have carried out an Equalities Impact Assessment of CAA as required by equalities legal duties. There are no direct equalities impacts for the Council arising from the recommendations contained in this report.