



**Report to: -**

**Gedling Borough Council Cabinet**  
**Gedling Partnership Board**

2 April 2009  
21 April 2009

**Subject:** Comprehensive Area Assessment – Framework Document

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**1. Purpose of the Report**

- To inform members and partners of the Comprehensive Area Assessment (CAA) framework recently published by the Audit Commission, the Care Quality Commission, HM Inspectorate of Constabulary, HM Inspectorate of Prisons, HM Inspectorate of Probation and Ofsted.
- To give an initial indication of the possible implications of the new regime for the Council and the Partnership.

**2. Background**

CAA replaces Comprehensive Performance Assessment (CPA) for local councils in 2009.

The new assessment system represents a fundamental change in the approach of public sector inspectorates. It aims to: -

- Consider the area as well as the individual public sector organisations serving it
- Look forward to the likelihood of achieving objectives rather than just assessing past performance
- Focus on the priorities for the area determined locally particularly the priorities in the Local Area Agreement
- Aims to reduce the burden of inspection and assessment on public service organisations
- Involve police fire and health services as well as councils.

CAA has been the subject of extensive consultation as it has been developed. The approach was piloted by the joint inspectorates and Nottinghamshire was one of the areas in which these pilots were carried out. Details were reported to the Council and the Partnership in Autumn 2008.

The joint inspectorates published the final framework for CAA on 27 February 2009.

A full copy of the framework can be found at: -

<http://www.audit-commission.gov.uk/Products/NATIONAL-REPORT/63FF7DFA-D1DB-46D0-B72E-39DA12AEF9E1/caaframework10feb09REP.pdf>

A summary copy of the framework is attached at **Appendix A**.

CAA will start in April 2009 and the first assessments will be published in November 2009

### 3. Proposal

#### 3.1 – Overview

CAA will comprise two main elements, which will inform each other.

- An **area assessment** - a qualitative assessment of prospects for improvement in an area, reported as a narrative (i.e. not scored) and using red and green “flags” to draw attention to performance issues and innovative practice;
- A scored **organisational assessment** for all councils and Fire and Rescue Service Authorities alongside assessments for other partner organisations including the PCT Annual Health Check.

Both assessments will be completed annually.

CAA is a joint inspectorate assessment involving the Audit Commission, the Commission for Social Care Inspections, the Health Commission, HM Inspectors of Constabularies, HM Inspectors of Prisons, HM Inspectors of Probation and OFSTED. Inspectorates will share information at national and local level and 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 rather than intensive inspections. 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 and will take 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.

### 3.2 - Area Assessment

The Area Assessment is a qualitative assessment focusing on the prospects for future improvement. It will take the Local Area Agreement 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?

“Area” is will focus on Local Area Agreement areas i.e. county and unitary authority areas. However, there is an expressed intention to focus more locally on outcomes in neighbourhoods and communities and more widely on sub-regional outcomes where appropriate.

Area assessments will be underpinned by four main themes: -

- Sustainability
- Inequality
- People whose circumstances make them vulnerable
- Value for money

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. Green flags will be awarded for exceptional performance or outstanding improvement, encouraging learning and the sharing of best practice. There will be a clear link between the area assessment and organisational assessment to ensure that accountability is attributed properly.

### 3.3 – Organisational Assessment

There will be a single, scored, organisational assessment for all councils and fire and rescue authorities. It will comprise two assessment themes: -

- Managing performance – a judgement of the council assessing how well performance is managed. This incorporates the former Direction of Travel assessment.
- Use of Resources – a judgement by the Audit Commission of how well a council uses resources in their widest sense, but including key financial audit.

The **Managing Performance** assessment will look at how effective the organisation is at: -

- Identifying and delivering priority services, outcomes and improvements
- Providing leadership, capacity and capability to deliver future improvements
- Contributing to wider community outcomes, including those in Local and Multi Area Agreements

- Tackling inequality and improving outcomes for people in vulnerable circumstances

For shire districts (and fire and rescue authorities) this will be an Audit Commission assessment – for counties and unitaries this is a joint inspectorate judgement.

The assessment will link to the area assessments to reflect shared working on outcomes. Where an organisation contributes particularly well or badly towards an outcome, this will be reflected in any “flags” in the area assessment and expanded further in the organisational assessment.

The assessments will take into account added complexities in two-tier areas, where Local Strategic Partnerships and Sustainable Community Strategies are often in place in both tiers. In these areas, the assessments will look at how well these complexities are managed and overcome locally to improve working between councils and to improve accountability, efficiency and outcomes. Other cross-boundary issues, such as those relating to housing markets, traffic congestion and sub-national economic development, will also be considered.

The **Use of Resources** assessment will be to new Key Lines of Enquiry, as published in May 2008 and reported previously to members and partners. These themes are much more broadly based than the current Use of Resources assessment and embrace wider resource issues including workforce planning and natural resources. There is a greater focus under value-for-money on achievements, with more emphasis on outcomes and outputs than on processes. Overall, the approach is claimed to be more strategic, less detailed and a “harder test” than the previous Use of Resources assessment.

Both Use of Resources and Managing Performance assessments will be reported in a single short report to be published at the same time as the area assessment. There will be a single combined score for the organisational assessment, bringing together the Use of Resources and Managing Performance themes. The score will range from 1-4, where: -

- 1 = Performs poorly – the organisation does not meet minimum requirements
- 2 = Performs adequately – the organisation only meets minimum requirements
- 3 = Performs well – the organisation exceeds minimum requirements
- 4 = Performs excellently - the organisation significantly exceeds minimum requirements

### **3.4 – 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 together with a longer more detailed report with links to underlying information. A prototype reporting tool is available on the Audit Commission’s website.

Organisational assessments will be published at the same time.

Red and green flags will be used to draw attention to performance issues and links will be made to the appropriate organisational assessments to support accountability. The organisational assessment for councils and fire authorities will be published at the same time as will performance against the national indicator set.

Reports will be published in November each year. There will be a formal opportunity for the councils and local partners to comment. The first reports will be published in late November 2009.

## **4. Resource Implications**

### **4.1 – Area Assessment**

As outlined above, the Area Assessment focuses on the county, so much of the work associated with the assessment will fall to the County Council to co-ordinate. All partners, including district councils, will be required to contribute to the process. It is understood that much of the work involved will be co-ordinated through the Nottinghamshire Partnership, including any self-assessment that needs to be prepared.

District Council contribution to area outcomes will also be addressed in the respective organisational assessments, so district councils will need to show how they are contributing to wider area outcomes.

### **4.2 – For Gedling Borough Council and Partnership**

As outlined above (and previously reported), the potential inspection burden, for Gedling and for other districts, feels heavier than under CPA. The combination of Use of Resources with a broader scope and annual Managing Performance assessments feels much like an annual “mini” corporate assessment, which was not required of districts under the previous regime. Audit Commission inspectors have advised that such fears should be unfounded, as the overall inspection resource for the two inspections is unlikely to exceed that for current Use of Resources/Direction of Travel combined – however, the broader scope may place more expectation on councils to evidence their achievements more widely.

So far, the key change that has manifested itself is an expectation that material be provided to the Audit Commission much earlier in the year than had previously been required, in order for the Commission to hit the November publication deadline. Thus work on the Use of Resources self-assessment is already in progress, some 3 to 4 months earlier than previously, and work on the Managing Performance self-assessment will need to start later this month, four months ahead of schedule. This is challenging, as it requires this significant work to be accommodated at the same time as accounts closedown and performance year-end, and in some instances, information required is not available to the timescale the Commission is requesting. Concerns have been expressed to the Commission, while doing all reasonably possible to accommodate the Commission’s wishes. Officers will ensure that appropriate, but not unreasonable effort is put into meeting these new timetables, commensurate with other

statutory responsibilities, and that members are kept informed of developments. Support from partners will be essential, especially for the Managing Performance element.

The Council has performed very well against Use of Resources assessments in recent years but, as noted above, the new Use of Resources assessment is widely accepted as being a “harder test” than its predecessor. This, and its combination with Managing Performance into a single score (on which the Council has done well but not outstandingly so) means that it may be difficult for the Council to maintain the high Use of Resources scores in future, though every effort will be made to ensure that it does continue to score well.

## **5. Recommendation**

Members and partners are **recommended** to note the report.