

Comprehensive area assessment: briefing notes for staff

What is comprehensive area assessment (CAA)?

CAA is the new external assessment of how well local public services are performing. From April 2009 it replaced comprehensive performance assessment (CPA) and associated assessments such as joint area reviews of children's services and social services star ratings. It differs from CPA in a number of important respects. (A summary of the main differences is provided at the end of this guide.)

CAA seeks to assess the improvements being made by local public services to the quality of life of its residents and the outcomes they are helping to achieve. It also seeks to assess how well some of the key partners (councils, fire and rescue services, police and primary care trusts [PCTs]) manage their resources and performance. To do this, CAA includes two elements:

- an area assessment
- organisational assessments.

CAA results will be published annually, with the first due in early December 2009.

Area assessment

This looks at the difference local public services are making to the quality of life in an area, both now and in the future. The area will be defined on the basis of the local area agreement (LAA), although the issues that may be considered will not be restricted to LAA targets and could cover several areas. The assessment will look at the contribution of all key partners – including the council and those with a duty to co-operate with the LAA – and will be based on three key questions:

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

The last question will be the most important in reporting area assessment. The area assessment will take as its starting point the sustainable community strategy and the LAA, with the priorities and targets they contain. This should mean that it is more sensitive to local needs and priorities than CPA. But CAA will also take account of the national indicator set (NIS) which will be published at the same time as CAA assessments.

In addition to the three key questions above, area assessments will be underpinned by the following themes:

- Sustainability (long-term social and economic benefits and respecting environmental limits)
- Tackling inequality, disadvantage and discrimination
- People whose circumstances make them vulnerable
- Value for money

The area assessment will not be scored or carry a 'star rating'. It will be a narrative report providing an overview of key priorities for the area, overall success and challenges, and a summary of prospects for improvement highlighting where different or further action is required. It will identify significant contributions made by individual partners and, if need be, where a partner organisation needs to do more. The area assessment may include green and red 'flags':

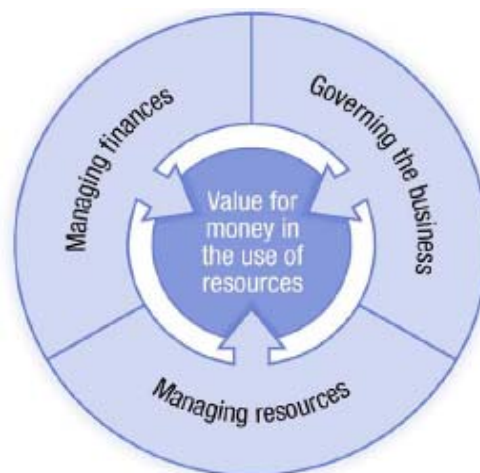
- Green flags highlight exceptional performance or outstanding improvement from which others can learn
- Red flags represent significant concerns about outcomes or future prospects where more or different actions are required.

Area assessments will not be based on set-piece inspections like CPA but will be an ongoing sharing of information and understanding between the partners in an area and the relevant inspectorates, co-ordinated by the Audit Commission. However, some inspection activity will continue, for example to assure the safety and wellbeing of vulnerable groups (such as safeguarding for children and young people) or where there are concerns about performance.

Organisational assessment

Organisational assessments will be carried out annually at all councils, fire and rescue services (FRSs), police authorities and PCTs. For councils and FRSs this will be in place of the use of resources and direction of travel assessments carried out under CPA. Organisational assessment will include two elements:

- use of resources
- managing performance.



Use of resources

This will look at the following:

- Managing finances: including financial planning and reporting, and understanding of costs and efficiency
- Governing the business: including commissioning and procurement, use of information, risk management and governance

- Managing resources: including impact on the natural environment, people management and asset management.

Managing performance

This will look at the following:

- How well is the organisation delivering the priority services and outcomes important to local people?
- Does it have the leadership, capacity and capability it needs to deliver future improvements?

Use of resources judgements under CAA will be broader ranging than under CPA, going well beyond purely financial matters. Allied to the managing performance judgement, this makes the organisational assessment a wide-ranging review of organisational effectiveness each year, looking at how well-placed the organisation is to serve its communities, not just that it has the right processes in place. It will be undertaken by a combination of external audit and an ongoing sharing of information and understanding with the lead inspectorate, the Audit Commission.

The organisational assessment will be scored for the use of resources and performance elements separately. A combined score will be labelled from 'performs poorly' to 'performs excellently' according to the following framework:

| | | Managing performance | | | |
|------------------|--------|----------------------|--------|--------|--------|
| Use of resources | Scores | 1 | 2 | 3 | 4 |
| | 1 | 1 | 1 | 1 | 1 |
| | 2 | 1 | 2 | 2 or 3 | 2 or 3 |
| | 3 | 1 | 2 or 3 | 3 | 3 or 4 |
| | 4 | 1 | 2 or 3 | 3 or 4 | 4 |

89 The scores 1 to 4 represent the following descriptors of performance:

| Overall [organisation x] performs poorly/adequately/well/excellently | | |
|--|---|----------------------|
| 1 | An organisation that does not meet minimum requirements | Performs poorly |
| 2 | An organisation that meets only minimum requirements | Performs adequately |
| 3 | An organisation that exceeds minimum requirements | Performs well |
| 4 | An organisation that significantly exceeds minimum requirements | Performs excellently |

Who will carry out CAA?

The Audit Commission has led the development of the CAA framework, but is working with the other regulators in doing this. The effective integration of inspection and regulation will be a key element in the practical success of CAA. The inspectorates are committed to working together and their inputs will be coordinated by the Audit Commission. A key figure will be the Commission's CAA leads (CAALs) for each LAA area. The key inspectorates contributing to area assessment are:

- Audit Commission (also undertaking organisational assessments in councils and FRSs)
- Care Quality Commission (also undertaking organisational assessments in PCTs)
- HM Inspectorate of Constabulary (also undertaking organisational assessments in conjunction with Home Office and the inspection of police authorities over a three year period with the Audit Commission)
- Ofsted
- HM Inspectorate of Probation
- HM Inspectorate of Prisons.

Inspectors will look to use existing information where possible and will give greater credence to organisations' own information and assessments where these are robust. There is no requirement to produce a self-assessment for CAA, but robust self-evaluation and challenge will lend greater credibility to organisations' and partnerships' information and systems. Where organisations are performing well and / or have good information and decision-making systems (which they are using to understand and improve performance) they can expect to see a lower level of audit and inspection, proportional to risk.

What evidence will CAA consider?

CAA will draw upon a wide range of evidence sources relevant to local and national priorities. The principal ones are likely to be:

- sustainable community strategies, LAAs, and other locally agreed targets
- the National Indicator Set and other nationally available data
- the views of local people and service users, third sector organisations and businesses in the area
- findings from inspection, regulation and audit, and relevant evidence from other performance frameworks
- local performance management information including any self-evaluations and evidence from scrutiny
- briefings / evidence from other agencies including regional government offices, strategic health authorities, Tenant Services Authority, Homes and Communities Agency and regional development agencies.

What about county and district areas?

Partnerships are more complex in these areas. Area assessments will be reported for the county area, as this is the area to which the LAA applies. Where district councils make a significant contribution to an outcome (or put that outcome at risk) this will be highlighted in the area report. But the area assessment is mainly about improving outcomes, not the organisations in the area. How they work together will, however, be important in judging this.

Organisational assessments will be carried out for both the county and district councils. Where a contribution to an outcome is mentioned in the area assessment, this will be referenced in the organisational assessment so partnership working to improve outcomes will affect organisational scores.

When will we know how we are doing?

Area and organisational assessments will be published annually. The Audit Commission intends to publish the first round of CAA results in early December 2009. It is committed to making the CAA more relevant and accessible to the public and is adopting the 'oneplace' brand for public reporting to help this. The main vehicle for publication will be on a 'oneplace' website where results of both area and organisational assessments will be accessible by geographical area. The Audit Commission envisages 'oneplace' becoming a powerful tool for public accountability.

Draft assessments should have been shared in confidence with local strategic partnerships, councils and other leading partners in September. CAALs should be sharing emerging findings and impressions with the area around January, March and June each year to ensure a 'no surprises' approach. If it is not possible to agree the final assessment, there is a joint inspectorate review procedure around the award of a red flag or an organisational assessment score that an LSP or organisation may appeal against. There is a tight timescale for any such review to enable timely publication of assessments.

Why does it matter?

CAA is intended to assess and report how well councils and their partners are improving outcomes for their communities and delivering on priorities that are important for local people. The council will have a leading role in setting those priorities – through its own plans, with local partners through the sustainable community strategy and in negotiation with central government through the LAA. So it should provide an external check on how well councils and partnerships are delivering what they think is important. CAA acknowledges the importance of the local dimension and the legitimate differences in priorities and approaches across the country which local authorities have sought. CAA will look at achievements across the area rather than just at organisations. However, given their community leadership role the contribution of councils will be particularly important. Councils will want to show they can and do deliver this leadership role. CAA reinforces the importance of partnership working, but potentially puts it under strain if it identifies performance issues that are the responsibility of particular partners.

The organisational assessment will test how effective the organisation is in managing its resources and whether it is providing value for money. Given the expected pressures on finances over the next few years, organisations will want to demonstrate that they provide good value for money. The organisational assessment label may be used by some as a short hand for categorising councils and FRSs in the way that CPA scores are now. CAA assessments will be based on a different approach, so CPA scores may not be a good guide to CAA scores.

What does it mean for us?

CAA is an opportunity to judge local areas more on their own terms, not just according to national priorities. The Audit Commission want it to be a tool for local people to hold partners collectively to account for the delivery of better

outcomes. It reinforces the position of partnerships at the heart of delivering effective services and improving outcomes for communities.

For officers and staff across key partners the following are likely to be key issues:

- Understanding your partners well – their different cultures, decision making and planning processes and performance drivers.
- Sharing performance data to help the delivery of local priorities.
- Making sure that all performance data, including that in the public domain or otherwise used by inspectorates, is reliable, accurate and up to date.
- Providing information to help councillors and partnership governors to understand local needs and priorities to guide decision making.
- Understanding poor performance and using this to help plan and achieve future improvements.
- Recognising and assisting the legitimate role of scrutiny in challenging the performance of both councils and partners' services to support improvement.
- Helping inspectors to understand local needs and priorities and what you are doing to address these.

Looking ahead

Much depends on how CAA is implemented. This will present challenges to the inspectorates as they work to produce assessments across all areas, councils and key partners to a tight timescale in the first year. CPA developed over time and we can expect CAA to do the same. A future government may wish to change the approach to regulation and inspection, but the need to demonstrate value for money in delivering priorities will remain. The basic principles underpinning CAA should still be relevant.

Further information

For the CAA framework (February 2009), example report formats and detailed guidance see the CAA pages on the Audit Commission website:

<http://www.audit-commission.gov.uk/localgov/audit/caa/pages/caaframework.aspx>

For an indication of what the 'oneplace' website will look like:

<http://www.audit-commission.gov.uk/localgov/audit/caa/pages/oneplace.aspx>

For how the IDeA can help councils and partners including self-evaluation guidance see the IDeA's CAA resource:

www.idea.gov.uk/caa

A quick guide to the differences between CAA and CPA

| Comprehensive performance assessment (CPA) | Comprehensive area assessment (CAA) |
|---|---|
| Had a local government focus | Covers all sectors |
| Assessed an organisation – the council | Assesses outcomes for people in the area and the prospects for their improvement, and the way the council and all partners work together on this |
| Assessed councils against several hundred standard performance indicators | Looks at performance against agreed priorities for the area and the national indicator set |
| Focused on past performance | Forward looking focus – how likely is it that priorities for the area will be achieved? What are the risks to outcomes? |
| Audit Commission assessment, in collaboration with other regulators | Joint inspectorate approach |
| Based on regular programme of inspections | Continuous assessment – inspections only triggered by concerns identified by CAA or to protect vulnerable groups |
| Included consideration of use of resources and value for money | Still considers use of resources and value for money, but views these more widely and in terms of the impact on delivering priorities not processes |

This briefing is one of a series prepared by the IDeA to help councils and their partners inform councillors, board members and staff on some of the key features and potential implications of the new CAA regime. It draws on materials produced by the Audit Commission and LGA. You are encouraged to use these briefing materials in the most appropriate way.

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