

By: Paul Carter, Leader of the Council
Robert Hardy, Director of Improvement and Engagement

To: Corporate Policy Overview Committee 26th September 2008

Subject: Comprehensive Area Assessment: Joint Inspectorate Consultation

1. Summary

1.1. A joint consultation paper on the new assessment framework for Comprehensive Area Assessment (CAA) was published on 29th July by the Audit Commission, the Commission for Social Care Inspection, the Healthcare Commission, HM Inspectorate of Constabulary, HM Inspectorate of Prisons, HM Inspectorate of Probation and Ofsted (hereafter 'the inspectorates').

1.2. The consultation period closes on 20th October. A KCC response is currently being prepared. Member feedback on the proposals and contribution to the response would be welcome.

2. Background

2.1. CAA was set out in the *Local Government White Paper: Strong and Prosperous Communities* and will be the new performance management framework for public bodies in England and Wales. It is set to be introduced in April 2009, and will replace the current Comprehensive Performance Assessment (CPA), Joint Area Review of children's services, 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.

2.2. CAA will focus on a particular area, as oppose to just assessing individual services and organisations. The inspectorates will combine together to form a joint assessment of outcomes for people within an area and the area's prospects for sustainable improvement.

2.3. Assessment will be comprised of two main elements. The *area assessment* will look at how well local public services are delivering results for local people, taking the Local Area Agreement (LAA) as its starting point. This will be underpinned by *organisational assessments* of individual public bodies within that area. For County Councils, this will involve an assessment of organisational effectiveness, combining a use of resources and performance management assessment.

2.4. The current consultation paper sets out proposals for what these assessments will look like and what they will cover. An outline of the proposals and the issues of concern are set out below.

3. Outline of the proposals

3.1. How will it work?

3.1.1. CAA will be a joint assessment, with the inspectorates sharing evidence and information to form a judgement on the performance of an area and the

organisations within it. Audit Commission appointed CAA Leads covering each LAA area will help to co-ordinate local assessments and local teams.

3.1.2. CAA will be based on a more on-going relationship between the inspectorates and localities, with fewer structured on-site inspections than at present.

3.1.3. Evidence will be gathered throughout the year from a range of sources, such as the National Indicator Set, findings from inspections of direct services and the information used by councils and their partners to manage their own performance. The views and experiences of local people, including those whose circumstances make them vulnerable or hard to hear, will be a key source of evidence.

3.2. The area assessment

3.2.1. The area assessment will be a qualitative assessment (and therefore not scored), taking the area covered by the Local Area Agreement (LAA) as its starting point and focusing on the prospects for better outcomes within that area.

3.2.2. The assessment will consider 3 main issues: how well local priorities express community needs and aspirations; how well the required outcomes and improvements are being delivered and what the prospects are for future improvement. The focus will not be on the quality of the process arrangements within the area, but on the actual impact local services are having on improving outcomes for people.

3.2.3. The inspectorates will use a flag system to highlight both positive and negative issues. Red flags will be used where there are significant concerns about outcomes, performance or future prospects that are not being adequately addressed by local partners. Green flags will be used to indicate innovative or exceptional success, which others could learn from.

3.3. Organisational assessments

3.3.1. Underpinning the area assessment will be organisational assessments of councils and fire and rescue services. These will focus on the organisation's effectiveness, assessing how well it delivers value for money (VfM) and how well it manages its performance.

3.3.2. The organisational assessment will look at how well a council:

- (i) *Manages finances* – how effectively the council manages its finances to deliver VfM
- (ii) *Governs the business* – how well it governs itself and commissions services that deliver VfM and better outcomes for people
- (iii) *Manages resources* – how well natural resources, physical assets and people are managed to meet current and future needs and deliver VfM
- (iv) *Manages performance* – how well the council is delivering services, outcomes and improvements in its priorities that are important locally. This will include assessing the council's leadership, capacity and capability to deliver future improvements.

3.3.3. Given the central role it plays in leading communities, the organisational assessment will also comment on the council's effectiveness as a community leader and its contribution to local partnership arrangements.

3.3.4. The report proposes 3 different scoring models for organisational assessment. Two models propose having 1 overall organisational score within a range of 1-4. The other model proposes publishing separate 1-4 scores for use of resources (strands i – iii in para 3.3.2. above) and for managing performance (strand iv above).

3.4. Reporting CAA

3.4.1. The inspectorates will publish jointly an area assessment for every LAA area in November each year. There will be a summary report providing an overview of key priorities, overall successes and challenges and future prospects and a more detailed report with links to the underlying information and evidence.

3.4.2. Organisational assessments will be published alongside the relevant area assessment. Where an issue has been raised as either red or green flag in the area assessment, appropriate links will be made to the relevant organisational assessment to support accountability.

3.4.3. Performance against the National Indicator Set will also be published alongside area and organisational assessments.

3.5. Inspection and improvement planning

3.5.1. Rolling programmes of inspection will cease from April 2009 (with the exception of programmes for youth offending teams and children in public care).

3.5.2. Instead, inspection activity will be triggered at any point during the year by the emerging findings and reports from area and organisational assessments. It is intended that the number of inspections and inspector days will be no more than the current level.

3.5.3. The inspectorates are committed to working in partnerships with each other, Government Offices, Regional Improvement and Efficiency Partnerships and Joint Improvement Partnerships to ensure efficient inspection planning is co-ordinated with wider improvement planning.

4. Issues of concern

4.1. Framework for area self assessment

4.1.1. Area self assessment (ASA) is not a requirement of CAA, but the process assumes that it will be done and will use ASAs as a large part of the evidence base for area assessment. If an area chooses not to do an ASA then the evidence base will be only that provided by individual services or the inspectorates' own evidence base alone.

4.1.2. A draft framework for ASA is currently being trialled between now and late October. KCC's intention is to get involved in the trial, help shape the methodology and influence the final framework so we end up with a workable practical process, which allows us to concentrate resources effectively across ASA and the annual LAA review.

4.2. Lack of clarity on organisational assessment

4.2.1. The organisational assessment element is largely based on the current use of resources framework but there is only a generalised statement of principle on the additional element of 'managing performance'.

4.2.2. Further definition and explanation of the proposed structure is required. We would have concerns were it to be based solely on the new National Indicator Set PIs, as these would not necessarily be fit for purpose in determining organisational performance on key KCC services or on organisational and political priorities as set out in *Towards 2010*.

4.3. Level of burden/additional bureaucracy

4.3.1. With the considerable quantity of detail still lacking from this consultation – in relation to area self assessment, the 'performance management' element of the organisational assessment and the lack of clarity about the relationship of both to the annual review of the LAA, it is safe to assume that there is likely to be an increased burden on local authorities as a result of CAA, not a reduction.

4.3.2. Where in theory there may some change proposed in shifting the burden from service-based assessment (APA, JAR, ARM etc) to a corporate focus on the organisation as a whole, it is already proposed that there will be rolling programmes of inspection for youth offending and children in public care and we consider it unlikely that direct scrutiny of other children's' services and social care will not continue.

4.4. Subjectivity of judgement by inspectors

4.4.1. The consultation states that the main purpose of the area assessment is to provide a view of "what are the prospects for future improvement?" This introduces a considerable element of subjectivity into the assessment process as there can be no evidence base for speculation about the future. The framework and rationale for this aspect of the area assessment will need to be very clearly defined to mitigate this and give confidence to councils that they are being judged fairly.

5. **Recommendations**

5.1. Members are asked to:

- (i) provide comment on the proposals and contribute to the response; and
- (ii) agree to the Chair and Opposition Spokespeople for this Committee signing off the final response alongside the responsible Cabinet Member.

Contact details

Robert Hardy, 26th September 2008

Tel: 01622 221343

Email: robert.hardy@kent.gov.uk