Appendix 3

CAA Note

CAA has been operational since April 1st and the first element of it has been the collection of information to support the organisational assessment of Use of Resources. Our experience of the CAA in practice has done nothing to re-assure us that this is less-bureaucratic, an actual reduced burden or will result in insights into our own practice of which we are not already aware and working to improve.

Whilst the removal of intensive corporate assessment inspection is welcome, it appears to have been replaced by an annual inspection cycle which is just as, if not more, time-consuming.

Current proposals from Ofsted, although supposedly 'dovetailing' with CAA, propose continuing with a separate approach, which is if anything an expansion of the previous burden. This directly undermines the notion of the burden of assessment being reduced and simply reinforces the suspicion that CAA is being introduced in addition to existing regimes, not replacing any of them.

I continue to question the value and usefulness of the Place Survey and the NIS PIs which rely on it as a way of measuring outcomes. I do not believe that perception data on its own will be particularly representative or useful in judging the performance of local authorities. Satisfaction data from actual service users is likely to be more accurate and therefore of more value to assessment of actual outcomes.

There is clear evidence that separate Inspectorates and Government Departments continue to seek to introduce additional PIs into the system – often by re-shaping them as merely data returns. I would welcome the Audit Commission's support in re-stating the primacy of the NIS (which itself needs to be urgently reviewed and radically reduced) and to resist the use in CAA of 'data returns' and PIs outside the NIS, unless these are locally-developed PIs, meeting local service management or outcome priorities.

Within the organisational assessment, I do not consider the NIS PIs to be necessarily fit for purpose in determining organisational performance on some key services (such as Highways) or our own organisational and political priorities set out in our key priorities document *Towards 2010*. Many of the NIS PIs do not relate directly to service delivery priorities, nor do they measure actual outcomes, when conducting perception-based surveys.

CAA has the real ability to double count in two tier areas due to an overlap in assessment frameworks. Within Kent there are 13 community strategies and 8 LSPs so it is likely that the same outcomes will be assessed many times as part of the differing framework. Each of these assessments will come at a cost, and such an approach therefore does not represent value for money and places unnecessary costs on the public purse.

Robert Hardy May 2009

The timing of CAA is also important bearing in mind the proposed annual review of the LAA as well. The current timetable creates the potentially ridiculous situation of the Area Assessment being published in the month before the most up to date LAA information is due to be published therefore relying on LAA data that is 11 months out of date.

There are still question marks over how the different inspectorates will work together to form their judgements and how audited bodies will be consulted on this. The newly-formed CQC and the expanded OfSted show no appetite for reducing the level of regulation to make a reality of the reduced burden.

The area assessment is the more difficult of the new framework to absorb and the potentially most confusing for the general public in the future. This is particularly so in two tier areas and CAA must be very clear as to what is being assessed in the area assessment – all public services, not just the County Council. There is also the understandable concern that if 1 of the 12 District Councils is underperforming, the possible 'red flag' for affordable housing affects the reputation of all 12. Also any assessment headed Kent will automatically be associated by the public with Kent County Council, even though it is a much wider judgement.

I also have serious concerns about the level of subjectivity that will potentially be required for the inspectors to make a judgement on an area's prospects for future improvement.

The different focus of the organisational and area assessments is clear in principle. However, there is a need to ensure that the link between the two is practically and effectively developed, especially in two-tier areas, where much of the detail of how this will work is still unsatisfactory or simply absent. Where accountability for an outcome judged by the Area Assessment sits clearly with a single partner (e.g. hospital waiting times) then that is, in reality an organisational judgement of that hospital trust, inappropriately located in the Area Assessment.

There is a particular lack of clarity as to how the 'managing performance' theme of the organisational assessment will be assessed. The scope of the theme seems very wide, with little guidance as to how judgements will be reached, particularly leadership and capacity.

The methodology for combining of the Use of Resources assessment with the Managing Performance assessment into a single score for the Organisational Assessment offers too much scope for Audit Commission (AC) subjectivity in arriving at that overall score.

Effective use of the two assessments to correctly identify responsibility and promote better outcomes will depend on the capacity and expertise of the inspectors involved.

There is evidence that the Audit Commission is giving consideration needs to be given to the local priorities contained within Vision 4 Kent and Kent Agreement 2 rather than an imposed national template. In addition, where an area of concern is identified consideration should be given to how important it actually is at the local level rather than second-guessing elected Member and partner priorities.

There are too many uncertainties of methodology, too many questions over the training and experience of 'peers' and inspectors, too much uncertainty about how this will work in two-tier areas for local government to have confidence in the process as it currently stands.

When seeking information from partner organisations, it should also be clear that the view is that of the organisation and internally approved as such, not merely the views of the individual responding to the survey. Inspectorates should also bear in mind that views from individuals and organisations are by their very nature highly subjective and require robust consideration to separate out the genuine view from the deliberately disruptive.

It would make most sense to approach those organisations that are aligned with local priorities not arbitrarily selected just because of their organisational type. It will need to be clear how such organisations are to be selected and how the information gathered would be used, especially if the organisation had been the unhappy recipient of a democratic decision around funding.

Summary of KCC experience of the Use of Resources assessment

Self assessment
We took the AC at their word that we did not need to produce a SA for this UoR assessment. Even in our discussions since March, we were told we only need to produce a summary 1-2 pages of what we have achieved in 08/09 as they would be able to source the public evidence to back it up.

This has not appeared to be the case (see below) and the AC has required a lot of spoon-feeding about where the public evidence is and what it means.

The only are of UoR that the AC has found relatively easy is KLOE 3.1 on the Environment, as we produced a 20-page Corporate Report on it, which acted v much as a Self Assessment.

Public documentation
Related to the above, the AC has not been able to digest the vast amount of information already in the public domain or relate it properly to the KLOE outcomes.

One of the reasons given by the AC for us not needing to do a Self Assessment, is that they would have access to all our public documents and could therefore make most of the necessary judgements themselves, only coming to us to fill any gaps. This hasn't really been the case. We have been asked for documents/information that is actually already in the public domain,

including on our website, such as our procurement strategy and VCS Compact.

Evidence
We were told several times that the AC did not want to see reams of supporting evidence and did not want to be sent lots of documents. At this stage, just setting out what we had done would be sufficient. However, whenever we did this, we were then asked for evidence to support it. We were asked whether there had been a budget consultation for 09/10 budget. We provide a short statement saying when and where it had happened and the format it took. We were then asked where the evidence for this could be found.

The 08/09 timeframe
The AC has appeared uncertain about and unable to deal with longer-term priorities and projects which span over a number of years. Whilst they have been clear that they understand projects do not necessarily start and end within one financial year and that is not what they are looking for, they have struggled to show how activity undertaken working towards a longer-term outcome will be counted (if at all) under the new UoR system.

Auditors not inspectors – not sure what they are looking for
There has been a lot of confusion in our discussions with the AC about exactly what they are looking for. The new 'outcomes focus' is a bit of a departure for the audit side used to dealing with the old UoR and they have struggled to define clearly what they want from us or what they feel constitutes an 'outcome'.

When questioned they have just said 'outcomes' without being able to give any clear examples of what this might be. Where examples have been given, they have either not had any valid outcome as yet as they are new (such as 'Backing Kent Business'), or the links between the Key Lines of Enquiry (KLOE) and the suggested outcomes are extremely tenuous or convoluted. It is not possibly in many instances of the areas of focus of the KLOE to be able to show a direct link to beneficial impacts on the public, such as the internal Office Transformation Programme. Unless you rather meaninglessly spell out that the programme is saving money which is re-invested in local projects and point to one that took place in 08/09. This has no real relevance to the KLOE focus which is on about managing assets.

All this suggests they are struggling to determine for themselves what is meant by an 'outcome' and how they apply to still corporate/functional UoR KLOEs.

They are also unclear about whether they count activity that occurred during the 08/09 period, which is working towards longer-term outcomes but where it is too soon to see or be able to measure and validate that outcome (i.e. a Gateway opening). At one point we were told only outcomes that occurred in 08/09 were needed, but then we were told that activity that represents a

milestone on the way to an outcome would be taken into account, but how they identify these remained unclear.

One of the biggest issues we have encountered has been getting the AC to tell us where the gaps are, in terms of us needing to provide further information/evidence. This was asked for repeatedly in all conversations with the AC but we never received a direct answer. Again, it was just ‘we are looking for outcomes’ rather than we need more evidence of where you do ‘x’.

There was some confusion about how we evidenced outcomes against the KLOE. We asked several times and were told that we did not need to provide evidence of outcomes against every KLOE (which would have amounted to a SA) but outcomes that covered multiple KLOEs. But without being told which KLOEs we were not meeting a 3 for, this was very difficult. We ended up having to find outcomes for every KLOE as we weren’t sure where the gaps were and there were few outcomes/projects that sufficiently hit multiple KLOEs.