



Comprehensive Area Assessment

A joint consultation by the Audit Commission, Commission for Social Care Inspection, Healthcare Commission, HM Inspectorate of Constabulary, HM Inspectorate of Prisons, HM Inspectorate of Probation and Ofsted

This consultation document relates to the new assessment framework for councils and their partners in England. We are working to ensure that citizens, public services, business and the third sector are engaged in the consultation process. An Equalities Impact Assessment is being conducted.

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Summary

Overview

Comprehensive Area Assessment (CAA) will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. It will put the experience of citizens, people who use services and local taxpayers at the centre of the new local assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable. Reducing inequalities and discriminatory outcomes for all members of the community will be central to CAA. It will recognise the importance of effective local partnership working, the enhanced role of Sustainable Communities Strategies and Local Area Agreements and the importance of councils in leading and shaping the communities they serve.

This focus on outcomes for local people requires CAA to look across councils, health bodies, police forces, fire and rescue authorities and others responsible for local public services, which are increasingly expected to work in partnership to tackle the challenges facing their communities. CAA, therefore, will be developed and delivered jointly by all the inspectorates responsible for assessing those organisations and services. It will also be tailored to the priorities for each area, focusing on those outcomes most in need of improvement.

Building on the demonstrable improvements in councils and other local public services in recent years, CAA will significantly reduce the number of inspections of local public services. Where these are required, they will be proportionate and will draw on far fewer national performance indicators. The inspectorates will aim to draw on the information already used being by local public services to manage their activities, minimising requests for information only for assessment purposes. Most inspection activity will be targeted according to risk and will be coordinated between inspectorates. But this regime of minimal inspection will be balanced by a more integrated and, therefore, often more challenging, judgement on the overall quality of services. We also intend to continue to add value by using our findings to share good practice quickly and accessibly.

CAA will act as a catalyst for better outcomes for people and better value for public money, in the same way that Comprehensive Performance Assessment (CPA) has stimulated improvement in councils. Citizens will be able to access information and independent assessments about the places where they live and work, as well as the major local service organisations serving them. Those assessments will be forward looking, identifying the prospects for improvement and any barriers needing to be overcome.

In April 2007, in *The Evolution of Regulation*, the Audit Commission set out a proposed vision for CAA. This was broadly welcomed in the responses to that paper and at a number of consultation events around the country. A slightly revised wording is set out below.

CAA will be:

- **Relevant to the quality of life of local people.** In keeping with the move to more local targets, CAA will challenge how local public service priorities have been set alongside national ones and whether they are rooted in a genuine understanding of diverse local needs. It will also continue to provide local people with assurance about how well-run local services are providing accountability for use of public resources. Use of evidence from the regulation and inspection of services and institutions such as care homes and children's homes will support these assessments.
- **Area and outcome focused.** By focusing more on outcomes than processes for an area or place, it will try to analyse the things that matter most if citizens are to be able to enjoy a good quality of life. It will also be more durable, because it will look at what rather than how, thus limiting the need for regular changes to the framework.
- **Constructive and forward-looking.** CAA will contain a forward-looking risk assessment on the prospects for the local area and the quality of life for people living and working there. In this way, the process of assessment will in itself be a stronger mechanism for driving improvement and supporting innovation.
- **Joint and participative.** CAA is being developed and implemented jointly by all the key inspectorates in consultation with government departments and agencies and sector representatives. It will draw heavily on the views of local people and the partner organisations that are commissioning and providing local services. It will seek to develop a shared view about the challenges facing an area or place, what is being achieved locally and common ownership of the changes that need to be made.

The scope and key components of CAA

The CAA framework is concerned with those outcomes delivered by councils working alone or in partnership including with the private and third sector. So, in addition to council services, its scope encompasses services delivered in partnership, for instance health and well-being; community safety and cohesion; sustainable communities; economic development; housing; and children's and older people's services.

Other performance frameworks for specific services such as schools; colleges; police; probation; housing; and health and social care will continue, but will be developed alongside CAA. Although some inspections will continue as part of these existing performance frameworks, such inspections will inform CAA and avoid duplication. There may be a limited number of other, rolling, programmes of inspection in relation to people in vulnerable circumstances. The only one agreed by government so far relates to looked after children.

The CAA assessments will all draw on the new national indicator set,¹ currently being consulted on by the government, and will also be heavily influenced by the views of residents and those using services.

At the heart of the new framework will be a joint-inspectorate assessment of the prospects for the local area and the quality of life for local people, referred to in the Local Government White Paper, *Strong and Prosperous Communities*, as the area risk assessment. The improvement priorities in the Local Area Agreement (LAA) will be key. The area risk assessment will judge the likelihood of the targeted improvements being achieved and, where appropriate, will identify barriers to that improvement. Depending on local priorities, the assessment could cover issues such as reducing health inequalities; increasing the availability of affordable housing in the area; reducing crime; improving educational attainment; attracting investment in jobs and skills; or reducing the area's carbon footprint.

The area risk assessment will not be restricted to the Local Area Agreement priorities, and is likely to reflect the inspectorates' assessment of the quality of engagement with local communities and the risks to people in vulnerable circumstances in the area. It will be publicly reported, including to the local strategic partnership collectively, as well as to its constituent organisations.

In two-tier council areas, the area risk assessment will take the Local Area Agreement

¹ The government has published a set of national performance indicators for local authorities, and local authorities and their partners as part of the 2007 Comprehensive Spending Review. From April 2008 these will replace existing national performance indicators for local authorities.

area (ie, the county) as the starting point, but given that districts will have their own priorities and outcomes often vary widely between districts within a county, the assessment will focus on district areas where appropriate. For example, crime and disorder reduction partnerships operate at district level and district councils are responsible for many aspects of the quality of the local physical environment. Conversely, some outcomes are heavily influenced at a sub-regional level, for example transport or employment, and where two or more Local Area Agreement areas are working together in a Multi-Area Agreement we will also consider whether the commitments made under this agreement are being met.

Council and fire and rescue authority CPA ratings; corporate assessments; joint area reviews; annual performance assessments of children's services; and social care star ratings will all cease. Under CAA councils will each have an annual joint inspectorate direction of travel assessment, scored for all councils, and a scored use of resources judgement from the Audit Commission.

Fire and rescue authorities will receive an annual direction of travel assessment and a use of resources judgement from the Audit Commission.

The assessment of primary care trusts will be the responsibility of the new health and adult social care regulator (the Healthcare Commission until April 2009) as part of the new health and adult social care performance framework.^I Primary care trusts will receive a use of resources judgement from the Audit Commission. The Audit Commission will work with the new regulator to deliver the relevant judgements without duplication.

Police authorities and forces working alone or in partnership will be subject to the new Assessment of Policing and Community Safety being developed by the Home Office and HM Inspectorate of Constabulary (HMIC).^{II} The intention is for HMIC and the Audit Commission jointly to inspect police authorities, and the Audit Commission to continue to make annual use of resources judgements.

In housing, the new arrangements for the regulation of housing associations will be developed by the Housing Corporation and the Audit Commission until this new function is assumed by the proposed new Office for Tenants and Social Landlords in 2008. This will need to support and be supported by CAA.

^I *The Future Regulation of Health and Adult Social Care in England: Response to Consultation*, published by the government, October 2007.

^{II} The APACS consultation document is due to be published by the government in November.

How will the CAA assessments be used?

We aim to make the CAA assessments as accessible as possible to citizens and users of public services to inform them about local services and quality of life. In this way we are seeking to help people right across diverse communities to engage more in how services are commissioned and provided. This should help ensure that services meet the needs of the communities they are intended for.

The inspectorates aim to bring together both the area-based and institutional assessments and performance information in an easily accessible website, that will allow the user quickly to locate information about the area they live or work in. We are also considering other ways of making the information available publicly.

The CAA assessments will inform how the local strategic partnership and its constituent bodies plan for future improvement by helping them focus on the most significant barriers to progress. They will also be used by government in its negotiations with local areas on future priorities and where appropriate to target support for improvement.

The inspectorates will use the results to target their resources where they will have most benefit, with minimal further work in those areas and organisations demonstrably able to manage their risks and deliver continuous improvement.

Timetable

Our approach to the consultation will be highly participative, so that the final approach benefits from detailed input from people from diverse groups who use and provide public services including local third sector and private sector organisations. In parallel with this first round of consultation we will be working in an action learning format with four areas to develop our approach further. The publication of the national indicator set and Local Area Agreement guidance as part of the Comprehensive Spending Review (CSR) forms a key part of the context for this consultation.

This consultation will close on **15 February 2008**. We will consider the responses alongside the action learning work conducted this winter.

The new national indicators take effect from 1 April 2008 and the new style Local Area Agreements will be signed by June 2008. In the summer of 2008 we will publish a second joint consultation document setting out our detailed approach to the framework and the methodologies underpinning it. Action learning will continue alongside this.

The last round of CPA annual performance assessments will be published at the end of 2008 or the beginning of 2009. We intend to publish the final CAA methodology early in 2009, or before if possible. The first set of CAA results will be published in October 2009.

Chapter 1

Introduction and background

- 1 The White Paper *Strong and Prosperous Communities*, published in October 2006, set out wide-ranging proposals for supporting the improvement of local services. It proposed giving local people more opportunities to influence the way local services are run, strengthening the way councils provide leadership, and encouraging all those involved in delivering local services to work together more effectively. A key part of these proposals is a new performance assessment framework, CAA, that will take effect from 1 April 2009.
- 2 CAA is:
 - the new joint assessment framework for local services from 2009;
 - a catalyst for further improvement in the quality of life for citizens, the experience of people who use services and value for money for taxpayers;
 - a source of independent information and assurance about local services for citizens, people who use services, taxpayers and central government; and
 - a mechanism to help coordinate, rationalise and target inspection, improvement support and intervention where they are most needed.
- 3 CAA will focus on the delivery of outcomes that are the responsibility of councils either alone or working in partnership with others. This means that CAA will consider, for example, health and well-being; community safety; sustainable communities; economic development; local housing markets; and children's and older people's services in addition to council services. Other service or organisation-specific assessment frameworks, for example schools; colleges; social housing and residential home inspections; health service and police force assessments, will continue but will be developed alongside CAA to avoid any duplication.

Earlier consultation

- 4 In April 2007, the Audit Commission set out a vision for CAA in *The Evolution of Regulation* and, with the other inspectorates, consulted widely on its high-level principles. The proposals on the following pages draw heavily on the responses to this earlier consultation and clarify many of the issues raised.

Joint consultation

- 5 The proposals in this latest consultation document have been developed and written by the Audit Commission; the Commission for Social Care Inspection (CSCI); the Healthcare Commission; HMIC; HM Inspectorate of Prisons; HM Inspectorate of Probation; and the Office for Standards in Education, Children's Services and Skills (Ofsted). The proposals represent a major step forward in achieving a more joined-up and consistent approach to the assessment of local services.
- 6 At this important stage we invite views on our proposals for the overall shape and scope of CAA and in particular on:
 - the assessment of risk in an area, including what we mean by risk and area;
 - how the different elements of CAA will fit together;
 - the sort of evidence we will use and how we will gather it, and how assessing risk depends on assessing performance;
 - reporting to, and engaging with, the public and how CAA will maintain a clear focus on improving performance and being a catalyst for innovation;
 - how CAA fits with the other performance frameworks; and
 - how CAA fits with Sustainable Communities Strategies, Local Area Agreements and the role of regional government offices.
- 7 Further detailed development of CAA will continue in 2008. We will work closely with a wide range of stakeholders to develop shared ideas and test them out in practice.

Responding to the consultation

- 8 We welcome your responses to this consultation paper and the questions posed throughout the document. Please ensure that your comments are clearly headed 'CAA consultation' and sent by email to: caa@audit-commission.gov.uk or by post to:

Audit Commission
Local Government Directorate – Hub 4
1st Floor
Millbank Tower
Millbank
London SW1P 4HQ

- 9 Consultation on CAA will be open until **5pm on Friday 15 February 2008**. We regret that we will be unable to take account of late responses.
- 10 If you have any enquiries about this consultation, then please contact us at caa@audit-commission.gov.uk. Telephone: 0845 052 2616. Fax 0845 052 2602.

Publication of responses

- 11 We intend to publish a summary report of the responses to the use of resources consultation in summer 2008. Respondents may be named in this report although we will not link specific findings with individuals or organisations.
- 12 Please note that responses will automatically be considered as in the public domain unless they are clearly marked as being confidential. Responses may be published or disclosed in accordance with access to information regimes such as the Freedom of Information Act 2000 and the Data Protection Act 1998. The Commission will make every effort to consult with you before disclosing any of the information should a request be received.

Chapter 2

Context

- 13 The purposes of regulation and inspection include providing assurance to government, to local people and to other key stakeholders; helping to stimulate improvement; and protecting the interests of citizens, communities and taxpayers. In particular, regulation and inspection seek to safeguard those who are most in need or whose voices are hardest to hear.
- 14 *Strong and Prosperous Communities* requires the annual CAA to include:
- an annual joint inspectorate risk assessment for each area;
 - use of resources judgements for councils; police authorities; primary care trusts; and fire and rescue authorities;
 - direction of travel judgements for each council and fire and rescue authority; and
 - local performance against the national indicator set.

Working together to understand local needs

- 15 The new performance assessment framework is being introduced to provide a clearer focus on the quality of life for local people. Most existing frameworks have looked at individual organisations, such as councils; primary care trusts; housing organisations; police and fire and rescue authorities; and how well they deliver or commission their services. However, the way local services are organised has changed and more than ever they are working together to solve problems, improve services and increase efficiency. Challenges such as improving public health; making communities safer and stronger; regenerating economies; regenerating neighbourhoods; widening participation; tackling climate change; safeguarding adults and promoting their autonomy and well-being; and ensuring that children and young people have a promising future, all require local services to work together more. In doing so, local services are being challenged to demonstrate that their priorities and decisions are genuinely shaped through a real understanding of the needs of citizens, people who use services and taxpayers.

- 16 The Local Government and Public Involvement in Health Act (LGPIH Act) provides the statutory basis for a stronger approach to local partnership working. It puts Local Area Agreements at the heart of a new deal between central government and local authorities and their partners: government will agree fewer but clearer priorities with local authorities and their partners and substantially reduce the extent of its information demands on local services. Local strategic partnerships will ensure that local services work together, along with their communities and the third and business sectors, to identify and address local priorities and improve services.
- 17 The LGPIH Act puts a 'duty to cooperate' on the key public bodies¹ that need to work together to agree the Local Area Agreement targets. It also places on local authorities a duty to involve private and third sector bodies such as housing associations, charities and key local employers. All local services have an obligation to understand and act on the needs of the community they serve. If, for example, reducing childhood obesity is agreed as a local priority, then the local strategic partnership will coordinate the contributions of primary care trusts and other NHS bodies, the council, and schools all working in partnership towards this end. All local bodies, which will have a duty to have regard to such a target, will need to work together. This could be by providing personal support and help for individuals, promoting healthy eating and exercise, or organising fitness activities for children and young people in schools, colleges and sports centres.
- 18 The primary care trust and council for each area will carry out a Joint Strategic Needs Assessment for health and well-being. This will need to demonstrate public bodies' shared understanding of the needs of all their local communities in order to agree priorities for health and social care. Similarly, the Children Act 2004 requires councils and their partners to work together to plan and deliver services for children and young people. Local services in each area will also need balanced and robust evidence and analysis on social, economic and environmental issues to underpin their Sustainable Community Strategy. Joint working is also necessary to ensure people in institutions such as those for young offenders have fair access to services they need. The CAA will look at how well these arrangements are working overall and help to identify any barriers to delivering the desired improvements.

¹ Section 106 of the Local Government and Public Involvement in Health Act 2007 imposes a duty on a 'responsible local authority' to prepare a local area agreement which specifies local improvement targets in cooperation with 'partner authorities'. Section 103 defines 'responsible local authorities' and section 104 'partner authorities'.

Engaging with communities and protecting vulnerable people

- 19 Councils, in particular elected councillors, have a crucial role in representing their constituents, making difficult choices between competing priorities and deciding how money is best spent. This community leadership role requires high-quality engagement with all local communities. Councils have an obligation to understand and act on the needs of the communities they serve and to promote equality and tackle inequalities. The LGPIH Act places a new duty on best value authorities to involve local people in decisions. This will include the third sector's role both in representing specific communities and in contributing their contextual knowledge.
- 20 Public bodies have a responsibility to act in a way that does not breach the human rights of individuals, including their right to dignity and fairness. They also have a responsibility to promote equality of opportunity, good relations and positive attitudes; and to eliminate harassment and unlawful discrimination. CAA will reflect this strong link between human rights and diversity.
- 21 CAA will pay particular attention to how well people whose circumstances make them vulnerable are engaged with their local services. This will include the needs and interests of people who are at greater risk of lower quality of life outcomes. This will be reflected in how well-matched services are to their needs and the means available to those people to influence decisions and service provision.
- 22 CAA will reflect this growing leadership role of councils and provide an independent judgement on how well local people's interests are being served. We recognise, however, that quality of life and opportunities to improve it often depend on personal action by individuals, not just on the quality of services available. We will take account of the opportunities to influence those services and how access to services is supported. We will develop CAA in a way that ensures that it measures what matters to local people. We will also look to test different ways of making CAA-related information available to people.

- 23 CAA, when implemented, will help to engage citizens and people who use services by:
- concentrating on what local people care about most;
 - gathering intelligence about their experiences in order to assess local services. Some of this evidence will be gathered via the proposed new place-based survey,¹ the replacement for the three-yearly best value performance indicator customer satisfaction surveys, and other surveys, and some will be gathered from councils' and their partners' own monitoring of the views of people who use and pay for services. Such information will carry significant weight in CAA so that local people feel they have real influence in how local services are assessed;
 - assessing the quality of involvement of local people, including those in vulnerable circumstances, to check whether their voices are heard and heeded; and
 - providing information to people about the findings from CAA so that they can be better informed about the quality of local services and be better placed to exercise choice and influence.
- 24 We will also draw on the best experience among inspectorates of involving the people who use local services. We are looking at the experience of tenant advisers in housing inspections; Ofsted's annual Tellus survey of children and young people; CSCI's Experts by Experience and other examples.
- 25 We want to make CAA of at least as much interest and use to local people as, for example, Ofsted's schools inspections are to parents. As part of our overall action learning during 2008, we will test different approaches to help decide which work best. We have set up a group of citizens and service users from diverse backgrounds to advise us on how to develop CAA to achieve these aims.

¹ Consultation on the new place-based survey is due to be published by the government in November 2007.

Value for money

- 26 The Comprehensive Spending Review for 2008 to 2011 increases the pressure on public services to achieve more from the resources available. CAA will reflect this through a revamped use of resources assessment carried out by the appointed auditor of each local public body. This will place an increased emphasis on how well public sector organisations are managing their financial and other resources to achieve and improve value for money. It will also look at how well organisations are working with their partners to share resources where that improves efficiency and effectiveness. Long-term value for money requires the sustainable use of resources. This means taking account of the long-term impact on costs and wider implications, including for the environment.
- 27 The impact of commissioning activities on services and outcomes for local people will be a necessary part of a value for money judgement in all use of resources assessments. This reflects a requirement of *Strong and Prosperous Communities* and the centrality of effective commissioning to delivering value for money.
- 28 The same requirement to demonstrate that more is achieved with fewer resources applies to the inspectorates. We are jointly committed to reducing the cost of public service inspection by March 2009 by 30 per cent compared to our 2003/04 costs.

Chapter

3

The CAA framework

- 29 The CAA will draw together evidence and information from a wide range of sources. Much of it will be the very information that local service bodies and the local strategic partnership have used to draw up their Sustainable Community Strategy and will be using to manage their own performance. This will include information drawn from the new national indicator set and will take account of progress being made towards targets in their Local Area Agreement. The new Local Area Agreement¹ lies at the centre of the government's new performance framework. It is the means by which the local strategic partnership will agree with regional government offices, by June 2008, up to 35 improvement targets, plus 16 statutory Department for Children, Schools and Families targets, drawn from the set of national indicators.
- 30 Self-evaluation will be a key source of evidence for the inspectorates making their judgements under CAA. Inspectorates will work with stakeholders such as the Local Government Association to help make sure that annual locality self-assessment is sufficiently rigorous and useful.
- 31 The next sections explain in more detail how key parts of the overall process might work. The key components of CAA will be:
- for areas, a joint inspectorate annual area risk assessment and reporting of comparative performance on the new national indicator set;
 - for councils, a joint inspectorate annual direction of travel assessment and an annual use of resources assessment;
 - for fire and rescue authorities, an annual direction of travel assessment and annual use of resources assessment; and
 - for other bodies in the locality, ie, primary care trusts and police authorities, a use of resources assessment.

¹ *Negotiating New Local Area Agreements Guidance*, published by the government in September 2007.

- 32 Using the locality's own assessment as a starting point, the work to compile the direction of travel and risk assessment output will be undertaken as one integrated stream of work by the inspectorates collectively. The direction of travel assessment will report on the council's contributions to the partnership and its achievements in relation to its own services.
- 33 Triggered inspections by the inspectorates, either singly or in partnership, will inform the CAA assessments, where these have taken place.
- 34 We aim to bring together both the area based and institutional assessments, as well as the national performance information in an accessible website, which will allow the user to locate information about places and public services.
- 35 Where there are concerns about the prospects for future improvement, identified through the area risk assessment, there are a wide range of options available. CAA judgements will be used to help decide what action is most appropriate. Depending on the nature and seriousness of the concerns, these may range from support within the public service sectors, such as peer review, through inspection or, in more serious cases, government intervention. This was set out in *Strong and Prosperous Communities*.

Chapter

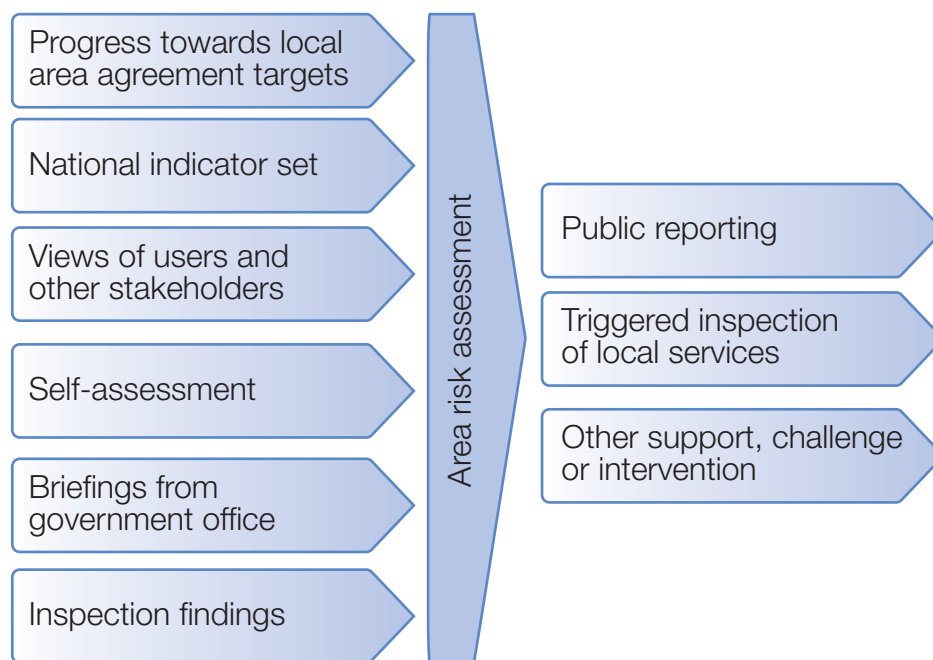
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Area risk assessment

- 36 The inspectorates will publish an annual joint risk assessment for each area covered by a Local Area Agreement. In essence, this will be an assessment of the prospects for the area and for the quality of life for local people. The assessment will look at the likelihood of local and national priority outcomes being achieved. We will focus on the priorities identified in the Sustainable Community Strategy and related documents such as the Local Development Framework and those agreed with government through the Local Area Agreement. However, the risk assessment will not be limited to the contents of the Local Area Agreement. For example, it will consider how well the needs of vulnerable people and the need to minimise harm to the public will be met, whether or not this features as a target in the Local Area Agreement. To maximise its value and provide support for continuous improvement, the assessment will clearly indicate where barriers to achieving the desired improvements exist.
- 37 We will not conduct a detailed analysis of systems and processes and it will be the responsibility of the bodies forming local strategic partnerships to demonstrate that they have the capacity to draw up realistic plans; the means to implement those plans; and that they can achieve their aims.
- 38 The inspectorates' area risk assessment is likely to address the following key questions:
- How well does the partnership understand and assess the needs of its communities now and in the future?
 - Does it use this understanding to inform its local priorities?
 - Does the partnership organise itself and ensure it has the capacity to deliver these priorities?
 - Has it secure and effective arrangements to identify and manage the risks to achieving successful outcomes?
 - Are improved outcomes likely to be achieved?
- 39 An important principle is that the inspectorates will jointly make and agree this assessment. It will be more than a bringing together of separate judgements into one place, but will be a pooling of evidence and conclusions into a shared assessment (**Figure 1, overleaf**). It aims to identify the challenges to achieving better outcomes

across traditional service boundaries, rather than in individual sectors. Individual organisations will be held accountable, but accountability may need to be shared on particular issues. Our judgements will reflect this and be clear about the nature of any challenges or barriers and who needs to act on them.

Figure 1
Area risk assessment



- 40 The area covered by a Local Area Agreement will be the basis of the risk assessment, because it is through the Local Area Agreement that local and national priorities will be agreed between central and local government. However, performance on the priority outcomes is likely to vary within the area covered by the Local Area Agreement. Action may need to be taken at more local levels in order to improve the relative position of the most disadvantaged people, for example to reduce health inequalities or to target high-crime neighbourhoods or localities suffering severe deprivation.
- 41 This has particular significance in relation to partnership working within two-tier council areas. In these areas, local strategic partnerships exist at district as well as at county council level and the county’s Sustainable Community Strategy and Local Area

Agreement can only be successfully delivered if its priorities reflect the range of communities' needs across districts. District local strategic partnerships and crime and disorder reduction partnerships must be involved actively in developing and agreeing the Sustainable Community Strategies and the Local Area Agreement priorities. The area risk assessment will take account of how well counties, districts and their partners including the private and third sectors are working together to address the priorities for their communities.

- 42 Similarly, priorities may need to take account of wider sub-regional or regional strategies, for example where economic development, housing supply or sustainable transport need improving. Where several areas have entered into a Multi-Area Agreement (MAA), we will also report specifically on the priorities identified as part of this. As set out in the government's review of sub-national economic development, we will also consider whether councils are taking into account the potential benefits of a sub-regional approach to help drive outcomes such as transport, housing, employment and skills.
- 43 City-wide issues in London and metropolitan areas will be drawn together from our sources of information, such as the area risk assessments at borough level. We do not propose to do separate risk assessments for London or metropolitan-wide areas, except where an MAA has been agreed.
- 44 In the Audit Commission's recent discussion document on the transition from CPA to CAA, concern was expressed that the risk assessment might encourage risk-averse behaviour. Yet if the negotiation of the Local Area Agreement results in challenging improvement targets, it will in many cases be necessary for the local strategic partnership to be innovative and take well-managed risks to achieve them. The inspectorates, therefore, will ensure that the area risk assessment recognises the positive benefits of using innovative approaches where appropriate; will support the use of stretching targets; and will challenge the level of ambition where necessary.
- 45 When communicating the CAA assessments, we are proposing that what *Strong and Prosperous Communities* describes as 'the risk assessment' could instead be entitled 'the prospects for the area and the quality of life for local people'. We believe that this is a more accessible description of this assessment, but would like to hear other suggestions.

Consultation questions

- Q1** Do you agree with the key questions, for the risk assessment, as the basis for the area risk assessment? Are there any others that should be added?
 - Q2** Do the proposals address the concerns raised in the earlier consultation about areas with county and district councils?
 - Q3** Should we adopt the term: 'the prospects for the area and the quality of life for local people' instead of 'the risk assessment' when reporting CAA results, or can you suggest a better description?
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Chapter

5

Performance information

- 46 A core element of the new performance framework for local services is a single set of national indicators to measure the progress of local authorities and their partners in achieving national priority outcomes. The set of indicators has been defined by government as part of the Comprehensive Spending Review. CAA will include the annual publication of the comparative performance of all areas against all the measures. Some of these indicators are taken from the new national survey of public views on local services. This will replace the current three-yearly best value satisfaction surveys, and give local people more say in determining how well local services are meeting their needs.
- 47 We will report performance against the national indicator set in a manner that informs citizens, people who use services and central government. In deciding the format of this, we will consider what comparative information might be useful and on what basis. We are committed to ensuring that all inspectorates use a consistent basis for this analysis. Among the different factors we will consider in deciding how best to report the national indicator set are:
- the most appropriate comparator groups, for example, all councils of similar types, nearest neighbours;
 - the most helpful way to organise how the information is presented; and
 - whether any adjustment for local factors should be made, for example, deprivation.
- 48 As well as reporting performance against the national indicator set, we will use this data to inform the area risk assessment, the direction of travel assessment and the use of resources assessments.
- 49 Beyond the national indicator set we will be seeking to rely on the management information used by local bodies and partnerships to understand the needs and performance of their areas.
- 50 Accurate and reliable data is important to support sound analysis and good decision making. Because of this, auditors of local public bodies will continue to look at the quality of data, with emphasis on local arrangements for ensuring the accuracy of data, while inspectorates develop ways of using data that are much more up to date and reduce the demands of data collection.

Consultation questions

- Q4** How should we report on the national indicator set for local authorities and their partners?
 - Q5** What is the most helpful way of comparing the performance of local areas?
 - Q6** How should we ensure that the performance information we publish is relevant and accessible to councils and their partners, local people and central government?
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Chapter

6

Direction of travel

- 51 The direction of travel assessment will reflect the effectiveness of each council or fire and rescue authority in driving continuous improvement. It will assess the council's or fire and rescue authority's rate of improvement and the likelihood that improvement will continue. This assessment will make a significant contribution to the area risk assessment.
- 52 For single tier and county councils, the inspectorates are intending to make a joint assessment and publish an annual scored direction of travel judgement. We are also considering the degree to which a joint assessment would be suitable for district councils. The sources of evidence for this assessment will be the same as for the risk assessment, so that they inform both our conclusions about the council's improvement and the wider prospects for the area. By keeping in touch with what is happening locally, the inspectorate representatives will be able to develop and maintain an understanding of the council's contribution to improving the quality of life working with local partners.
- 53 For fire and rescue authorities, the direction of travel assessment will focus on progress on the modernisation programme set out in the Fire and Rescue Service National Framework.
- 54 We believe that the current methodology for the direction of travel assessment is broadly appropriate for its future role as part of CAA. We therefore propose only to make changes to the approach and methodology to bring it up to date and reflect the developing role of local government in community leadership and delivering solutions in partnership. The changes we propose to make are to:
- provide district councils, as well as single tier, county council and fire and rescue authorities, with a scored judgement;
 - reflect the community leadership role of councils; and
 - place a stronger emphasis on partnership working and the leadership role of councils in delivering improvement through local partnership, including with the private and third sectors.
- 55 Inspectorates will work together to assess the council's record of achievement of delivering and driving improvements, both on its own and with partners. This will include its engagement with local people and organisations; and the plans and capacity it is putting in place to sustain and strengthen improvement for the future.

- 56 The direction of travel assessment will continue to focus on the local authority and its contribution to achieving local priorities for the area and will:
- assess improvement made, if any, over the previous year and the likelihood that this will continue;
 - provide assurance each year about whether each authority is complying with its statutory duty to make arrangements to secure continuous improvement;
 - help keep up momentum and focus in delivering on priorities for improvement;
 - signal where further support and improvement work will be helpful;
 - inform the risk assessment, future audit work and inspection or other assessment to ensure they target the right areas;
 - for fire and rescue authorities, assess how they are fulfilling their duties to deliver the expectations of the Fire and Rescue Service National Framework; and
 - identify areas of innovation that might be shared as good practice.

57 Therefore, the key questions we will look at are:

How well is the authority delivering improvements?

- What is the rate of improvement in services and outcomes the authority has identified as priorities and issues local people say are important?
- Is the authority improving both access and quality of service for all its communities and tackling inequality?
- How effectively is the authority contributing to wider sustainable community outcomes and using its community leadership role to drive improvement in the area?¹

What are the prospects for future improvement?

- Does the authority have robust and ambitious plans for delivering future improvement?
- How well is improvement planning being managed and implemented? Are key objectives and milestones being achieved?
- How effectively is the authority engaging with, and empowering, local communities to identify priorities and shape local services?
- Does the authority, working with local partners and the community, have the capacity to deliver its plans?

¹ We will not look at the community leadership role of fire and rescue authorities.

- 58 We will consult on the detailed methodology as part of our next joint consultation document in summer 2008.

Consultation questions

- Q7 Do you agree with our proposals for direction of travel assessments?
- Q8 Are there any aspects of these proposals you would like us to change?
-

Chapter

7

Use of resources

- 59 The Audit Commission carries out use of resources assessments annually, based on the work of appointed auditors. Assessments based on a common approach are currently carried out in all councils; primary care trusts; police authorities; fire and rescue authorities; and non-foundation hospital trusts. The assessments challenge these bodies to deliver better value for money, promote effective financial management, and demonstrate high standards of governance and accountability. Making further improvements in efficiency will be critical in responding to the major challenges facing public services. These include the changing demographic profile of communities; the increasing public expectations of public services; and expected constraints on funding from government.
- 60 The Audit Commission proposes that the current general approach to use of resources assessments should continue, but with an enhanced focus on assessing the achievement of value for money and strengthened financial management. The Audit Commission will also broaden the scope of the assessment to strengthen it and to reflect current concerns and priorities, for example, in relation to commissioning and procurement and by using a wider definition of resources covering natural resources, people and information technology. The Audit Commission will strengthen its focus on how bodies use their resources sustainably, to include whether they have a strategic approach to managing and minimising their impact on the environment, and how they consider sustainability in commissioning and procurement.
- 61 Although the general approach will be the same across all of the local bodies that this assessment covers, there will be some differences reflecting their different funding and financial management arrangements. The Audit Commission will improve the assessment through the better incorporation of contributory work from all inspectorates and other bodies such as the Standards Board for England, and by putting more emphasis on how bodies work in partnership. For example, the auditor will receive information from Ofsted about the use of resources in relation to children's services and from the new health and adult social care regulator¹ in relation to social care and public health. This will reduce duplication; improve the quality and relevance of the assessment; promote a common understanding of the issues; and so make a significant contribution to the risk assessment.

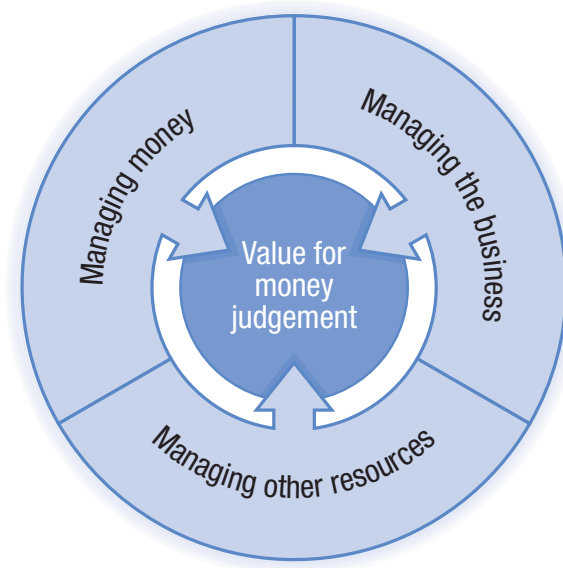
¹ Subject to legislation, the HCC and CSCI will be replaced by the Care Quality Commission by April 2009.

62 While broadening the scope of the assessment, the Audit Commission will make it proportionate by focusing on bodies' key issues and outcomes for local people. The Audit Commission also proposes to simplify the structure of the assessment into three themes covering:

- **Managing money**
 - Financial health
 - Financial planning
 - Understanding costs and achieving value for money
 - Financial monitoring and forecasting
 - Financial reporting
- **Managing the business**
 - Leadership
 - Performance management
 - Commissioning services
 - Risk management and internal control
 - Ethical behaviour and counter fraud
- **Managing other resources**
 - Natural resources
 - Physical assets
 - People and information technology

63 These will be brought together into a single scored judgement that reports on value for money in the use of resources (**Figure 2, overleaf**).

Figure 2
Value for money judgement



- 64 The Audit Commission's proposals for use of resources 2008/09, including the detailed key lines of enquiry for 2009 assessments, are set out in a separate consultation document available from www.audit-commission.gov.uk/uorconsultation which also closes on 15 February 2008.

Consultation questions

- Q9** Do you agree with the proposals for the use of resources assessments?
- Q10** Are there any aspects of the proposals you would like to see changed?
-

Chapter

8

How will CAA be reported and scored?

Reporting

- 65 The inspectorates intend to report CAA on a joint basis. This might involve a separate website for reporting our joint findings under the new performance framework, with links to the detailed material on our respective organisational websites. We are aiming to report in a manner that is easily accessible to the public and in a way that allows people to hold their council to account for the quality, range and delivery of services. We hope to take advantage of the rapid development of websites allowing users to access data via their postcode. A web-based approach using mapping technology would allow most people to access information about assessments of an area, as well as information about the organisations in the area through one entry point. Diagrams suggesting how these might look are below (**Figures 3 and 4, overleaf**).
- 66 We will also develop reporting approaches designed to meet the needs of those without web access, using straightforward, plain language and visual presentation.
- 67 Our aim is for people to be able to find out, through a variety of means, information that they want to know about the quality of life in their local area; how well local services are working together to improve it; and how well key public services are performing. We are working with a group of people who use local services and have a wide range of experiences and views to work out how we can achieve this.
- 68 We would welcome your views on this approach or other ways of presenting the information clearly to inform citizens about the issues and performance of their local area. We particularly welcome views on the application of this approach in two-tier areas and how we can best reach all sections of communities.

PHOTO REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES



PHOTO REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES



Scoring

- 69 We propose that CAA, unlike CPA, will not provide an overall star rating for an area or an authority. The different elements of CAA will be treated differently for scoring purposes.
- 70 The new national indicator set is not intended to be scored but will be analysed and reported in a consistent manner.
- 71 It is proposed that the use of resources assessments will continue to be scored on a 1 to 4 basis:
- 4 – well above minimum requirements, performing strongly
 - 3 – consistently above minimum requirements, performing well
 - 2 – at only minimum requirements, adequate performance
 - 1 – below minimum requirements, inadequate performance
- 72 The scored use of resources judgement will be supported by a concise summary of our reasons, supported by evidence to illustrate the judgement, for reaching that conclusion within the annual audit letter for each body, as at present.
- 73 The direction of travel assessments could be scored using the existing four categories:
- improving strongly;
 - improving well;
 - improving adequately; and
 - not improving or not improving adequately.
- 74 Alternatively, the four categories for the direction of travel assessment could be:
- excellent prospects for improvement;
 - promising prospects for improvement;
 - uncertain prospects for improvement; and
 - poor prospects for improvement.
- 75 We believe that the issue of whether the joint inspectorate area risk assessment should be scored is a complex one. On the one hand, a clear and unambiguous single score has been found to be a useful means of focusing attention on improvement. There is a risk

that without a score the area risk assessment will receive less attention than the scored direction of travel and use of resources assessments. On the other hand, the fact that risk assessments will be focusing on different priorities in different areas and reaching forward-looking judgements, means that it will be difficult to reach a consistent and robust overall score for each risk assessment. We are also concerned that a single score for the risk assessment could present a meaningless average, disguising important areas of strength or concern.

- 76 Our current view on how best to balance these competing arguments is to present the risk assessment in narrative form, but to highlight issues of particular strength or concern, where they exist, with a simple traffic light type rating . So, for example, in a county we would set out the overall view of the prospects for achieving the Local Area Agreement targets and other priorities for the area, but may flag as red particular risks around reducing health inequalities across the county and perhaps concerns about anti-social behaviour in one district. On the other hand, we may recognise particularly rapid progress being made in relation to educational attainment across the county area or give a green flag to a particularly successful housing initiative in a district. Our overall narrative would summarise our conclusions about the situation across the full range of local priorities, but if we were to adopt this flag approach it would only be used for those issues of particular concern or merit.

Consultation questions

- Q11** Should there be an overall CAA score?
- Q12** Should the national indicator set be scored?
- Q13** Are the proposed labels / scoring arrangements for use of resources the right ones?
- Q14** What would be the best way of scoring the direction of travel assessments?
- Q15** How should we ensure that the reporting and scoring of the area risk assessment is relevant, accessible and meaningful to the council and its partners, local people and central government?
- Q16** What is the best way to report CAA in two-tier council areas?
- Q17** How can we try to make sure that our reporting is equally accessible to all people in communities?
-

Chapter

9

Inspection

- 77 There will be an overall reduction in the costs of public service inspection of 30 per cent by March 2009 from a baseline of 2003/04. However, inspection will continue to be an important feature of public service assurance, set within a framework which will place greater emphasis on sector-led improvement. The statutory basis and activity of inspectorates varies, but inspection normally involves inspectors visiting an organisation or service; carrying out interviews; reviewing documents; and assessing the impact and delivery of local public services.
- 78 The purpose of inspection may vary from inspectorate to inspectorate and from time to time. Typically the purpose of inspection will be to provide independent:
- **assurance** – for example, to assure that a minimum level of service quality is universally available to a group of people in particularly vulnerable situations; to verify self assessment information; or to cover important information gaps when the information available is not sufficiently robust for the risk assessment;
 - **diagnosis** – for example, to enable deeper investigation where there is evidence of weakness or failure, or a high risk of performance slippage or failure. The diagnosis would be tailored to inform improvement support;
 - **accountability** – for example, to support the public’s right to know about the performance of local authorities and their partners including issues relating to the sound management and protection of public funds; and
 - **promotion of improvement** – for example, to stimulate action to ensure continuous improvement in service quality and value for money.
- 79 For those public services provided directly by councils, or jointly in partnership with others, inspections will primarily be triggered by the joint area risk assessment and other elements of CAA. Rolling programmes of inspection will only continue for a limited number of services for people whose circumstances make them vulnerable and to minimise the risk of harm to the public by people who offend. The only rolling programme agreed by government ministers to date is in relation to looked after children.

- 80 We may consider an inspection to be necessary in the following circumstances:
- Where performance or improvement levels are not satisfactory, are declining or are insufficiently clear.
 - Where we have identified the service, outcome or service user groups as being subject to significant risk.
 - Where risks and/or underperformance cannot be addressed properly through other means, such as local improvement activity, peer challenge or review, sector-led improvement support, directive action through the secretary of state, improvement notices or intervention.
 - Where ministers have given directions for an inspection to take place.
- 81 We may carry out inspections as single inspectorates or as a partnership of two or more inspectorates, depending on the scope of the inspection. Inspectorates are committed to working together to coordinate our activity effectively. We will:
- focus our inspectorate capacity where it is needed most;
 - maximise the impact of our inspections;
 - ensure that organisations and areas do not experience unnecessary inspections; and
 - communicate our combined programme clearly.
- 82 A gatekeeper has been identified for each of the main sectors to ensure we manage the impact of inspection on inspected bodies. The gatekeepers will be:
- for schools, colleges, early years providers, adult learning and children's social care providers: Ofsted;
 - healthcare bodies: the new health and adult social care regulator;¹
 - police forces and police authorities: HMIC;
 - probation boards (and trusts): HM Inspectorate of Probation;
 - young offender institutions, prisons and immigration detention facilities: HM Inspectorate of Prisons; and

¹ Subject to legislation, the HCC and CSCI will be replaced by the Care Quality Commission by April 2009. Some gatekeeping arrangements for adult social care are still to be clarified.

- for councils and fire and rescue authorities: Audit Commission.¹

83 As well as coordinating inspections for their respective sectors, the gatekeepers will work together to develop coherent inspection programmes for each area as part of the new arrangements. The Audit Commission and the new health and adult social care regulator, working in partnership as part of their duties to cooperate, will need to agree the application by both in the area of adult social care. We will also expect to:

- agree how we will carry out inspections by publishing inspection frameworks;
- clarify to inspected bodies and the public the purpose of any inspections we undertake; and
- identify the impacts that we expect our inspections to have.

84 We will look for opportunities to join up inspection activity to rationalise our approach. Tailoring inspections to the specific context of each local area, we aim to manage the relationships between inspection planning and the regional government office's role in supporting improvement and agreeing Local Area Agreements.

Consultation question

Q18 Do you agree with these proposals about the purposes, principles and benefits of inspection and the circumstances in which inspection might be suitable?

¹ Gatekeeping arrangements for housing associations and private social housing providers are still to be clarified.

Chapter 10

How will CAA be experienced by councils and their partners?

- 85 CAA will build on the progress made by the inspectorates in ensuring that assessment activity is proportionate to risk. Where sound arrangements are in place, and are delivering improving outcomes, our activity will be reduced.
- 86 The shift from CPA to CAA represents a fundamental change in the mode of engagement between inspectorates and local bodies. The move away from large-scale rolling programmes of inspections offers the opportunity to take a different approach to gathering evidence and making assessments. This presents an opportunity to deliver more effective assessment in a way that is less intrusive than current methods. Reflecting this shift and the need to take an area focus, the inspectorates are reviewing their operational structures and the way we work with local areas. For example, the Audit Commission is establishing a new post, the CAA Lead for each area. This will replace the current relationship manager role for local authorities and fire and rescue authorities. Each inspectorate will be considering its own requirements for staffing and implications for its structure.
- 87 Through regular contact with the CAA Lead, local strategic partnerships will have the opportunity to discuss and tackle any concerns as they arise. Moreover, there will often be time for action taken in response to any concerns to have had an impact before the risk assessment is published in the autumn each year. In this way, the final assessment can take account of concerns raised and the actions taken in response. This allows for fairer and more up-to-date judgements, ensuring that the risk assessment is a stimulus for improvement and of direct benefit to the local strategic partnership and local people.
- 88 Inspectorates will need access to relevant plans, performance management information and other documentation as these are produced by the bodies to manage their activities. In this way they will be able to acquire an increasingly clear understanding of the effectiveness of the partnership's operations, and the likely progress towards achieving local goals, without making demands for additional information. Keeping them informed will be a by-product of the ordinary business of management and will not require additional effort and resources to support inspection visits. Inspectorates other than the Audit Commission will also maintain engagement with local authorities and their partners

in their particular areas of expertise. For example, the new health and social care regulator staff will maintain contact with Directors of Adult Social Services, and Ofsted with Directors of Children’s Services, in a proportionate manner.

- 89 Proceeding in this way will also help the CAA to become an effective and constructive catalyst for improvement. Evidence will be accumulated throughout the year, and the CAA Lead will be able to discuss with the local strategic partnership the development of the assessment. Areas of concern, or the interpretation of data or events, will be discussed with the partnership as they arise. This will ensure a shared understanding both of the issues facing the local strategic partnership, and of the likely contents of the assessment. By the time the annual assessment is published it should contain no surprises and its contents should have been discussed with the local strategic partnership during the course of the year.
- 90 Our aim is also to add value through the CAA process by providing greater access to our collective knowledge about successful approaches elsewhere in similar contexts. We intend to trial these approaches over the next year in order to ensure that we implement a streamlined and effective approach.
- 91 The overall administrative impact that assessment activity has on the operation of local service bodies will reduce significantly, while the results of that assessment will strongly support continuing improvement. Some of the key ways in which local services will notice less intrusive assessment activity are:
- no more rolling programmes of corporate assessment of councils, joint area reviews and Annual Performance Assessments of children and young people’s services or star ratings for social care;
 - a reduced national performance indicator set with a single collection and reporting system;
 - a single set of local targets agreed with government;
 - Local Area Agreement reviews led by government offices which will take account of CAA judgements, removing the need for additional performance assessment;
 - streamlined data collection and data sharing to avoid multiple requests;
 - reduced levels of self-assessment; and
 - reduced overlap in inspectorate contact, information gathering and reporting.

- 92 We are currently developing proposals to work in an action learning format with four areas to develop and test all the various elements of our methodologies and the way we will need to work together in different circumstances. This includes linking to the Local Area Agreements testing and Improvement and Development Agency/Local Government Association proposals for a locality self-assessment. There will be a second round of action learning in a larger number of areas alongside the second round of consultation starting in the summer of 2008.

Consultation question

- Q19** Will the approach described be an effective and efficient way of working with councils and their partners to deliver CAA?
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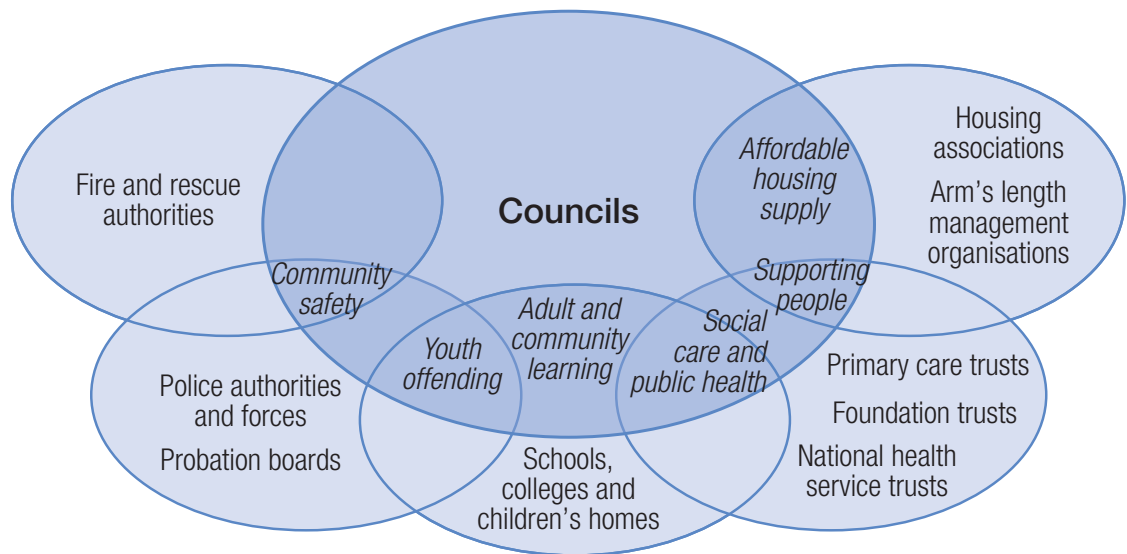
Chapter

11

CAA and other performance frameworks

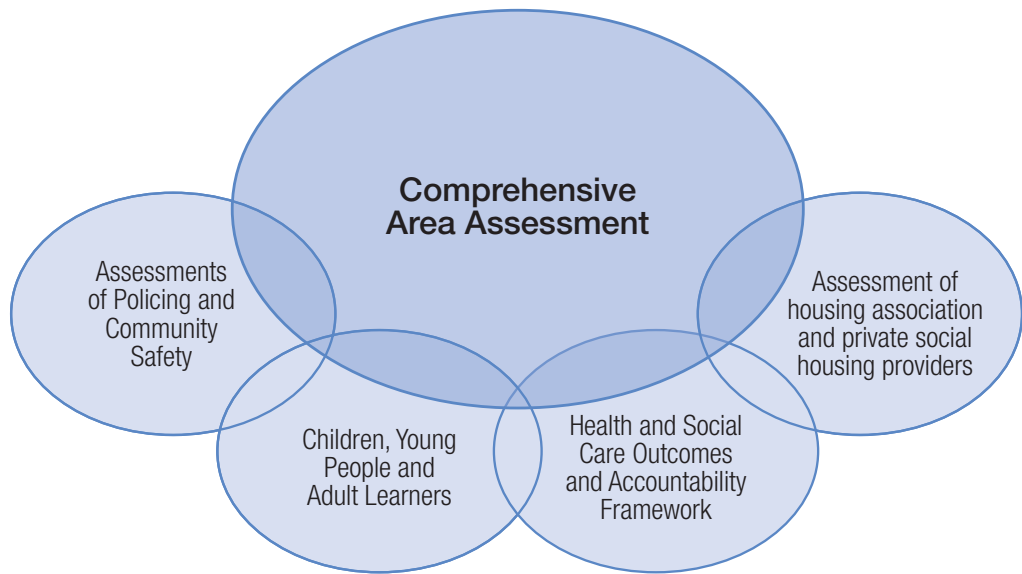
- 93 CAA will cover all local services for which councils, alone or working with partners, are responsible. As well as councils' own discrete functions, CAA will encompass aspects of health and well-being; housing; community safety; and children's services, among others. Other sectors will continue to have their own performance frameworks, such as the Assessments of Policing and Community Safety (APACS), and the Health and Social Care Outcomes and Accountability Framework. Social housing organisations will continue to be subject to risk-based inspections, the results of which, together with other performance information, will be integrated into the overall CAA reporting framework.
- 94 Until now, the precursors to these frameworks have often been subject to only limited coordination. This has sometimes resulted in overlap, duplication or even conflicting requirements. The government and the inspectorates are committed to streamlining approaches. For example, the new national indicator set includes indicators that will be used by primary care trusts and councils in assessing the performance of health and adult social care services, and by police and councils in relation to community safety. There will be no need for different data or for different collection arrangements. Data will be collected once and shared. We also aim to use more up-to-date information in our assessments and to make our judgements available to the public in a more accessible and timely way.
- 95 **Figure 5** illustrates how councils work in partnership with other organisations to improve a range of important outcomes.

Figure 5
The inter-relationship between local services



96 **Figure 6**, overleaf, shows how the main assessment frameworks align with the area focus of CAA. For example, adult social care will be a key issue for CAA in relation to its focus on vulnerable people in an area, as well as a key component of the health and social care accountability framework. The key point is to ensure that both use consistent evidence sources, treated in the same way, and that the inspectorates coordinate their activity so that evidence is only collected once.

Figure 6
The inter-relationship between performance frameworks



-
- 97 These proposals do not affect how inspectorates regulate those services that are subject to registration and inspection by law, such as care homes for older people; children’s services; pre-schools; and residential settings. The findings from these inspections will help inform the CAA, as they provide important evidence about councils’ commissioning practices, and approaches to safeguarding children and adults living in circumstances that make them vulnerable.

Chapter 12

The respective roles of regional government offices and inspectorates

- 98** It is important to make clear the respective roles of regional government offices and the inspectorates. The roles are distinct and complementary. There is a fundamental link between the achievement of performance through Local Area Agreement indicators and achieving national Public Service Agreement targets. Regional government offices are required to provide assurance to central government on the regularity and probity provided by councils in relation to the funds channelled through Local Area Agreements. The National Audit Office then provides assurance to Parliament about the value for money of this system.
- 99** It is vital that the inspectorates and regional government offices work together to review performance across all national indicators and jointly identify risks. Priorities in an area will not be static and there will be a need to share intelligence about performance in as near real-time as possible.
- 100** Regional government offices will:
- negotiate and agree the Local Area Agreement with each county or unitary council and their partners to recommend to the Secretary of State;
 - coordinate development and delivery of government policy in an area;
 - manage central government's relationship with each local area, including carrying out an annual review of the LAA;
 - share with the inspectorates any data and intelligence relevant to the CAAs;
 - help decide in the light of the CAAs and other evidence, whether improvement action or intervention might be appropriate and, if so, coordinate any government-led improvement action; and
 - re-negotiate Local Area Agreements with local authorities and their partners as necessary, to reflect changing priorities for improvement and the assessments of independent inspectorates provided through CAAs.

101 Inspectorates will work together in an area to:

- conduct the CAA (taking into account regional government office intelligence) to include an independent assessment of the prospects for achieving Local Area Agreement priorities;
- assess the arrangements for securing the quality of the data on which CAAs reporting depends, including financial information;
- discuss the results of CAA with the regional government office to inform the improvement planning process in each area, including proposals for inspections where they are considered appropriate; and
- help identify trends and issues that might cause a risk to performance or achieving outcomes as well as to share best practice.

102 Regional government offices and inspectorates will also work closely with Regional Improvement and Efficiency Partnerships to ensure that a coordinated sector-led response to the CAA is made where the need for remedial action is identified.

Consultation question

Q20 Have we explained sufficiently clearly the inspectorates' relationships with regional government offices?

Appendix

1

2008/09 assessment and inspection programme

This Appendix sets out the assessment activity by all the inspectorates represented on the CAA Strategy Group for the year 2008/09, leading up to implementing CAA.

Ofsted

- a) There are two main elements to the work proposed by Ofsted in respect of 2008/09:
- the remainder of the three-year programme of Joint Area Reviews (JAR) until the end of December 2008; and
 - the Annual Performance Assessment (APA) of local council services for children and young people in 2008.

Joint Area Reviews (JARs)

- b) New JAR arrangements were introduced from 1 April 2007 and around one-third of local areas nationally will have a new style JAR. The main purpose of the new JAR is to focus on areas of underperformance. The second function is the inspection of vulnerable groups, focusing on safeguarding, children and young people with learning difficulties and/or disabilities and children in public care. The 'new' JAR is proportionate, investigating areas needing most improvement as identified by the APA, and through any other available evidence in the public domain. Better performing areas, with higher APA grades, will have fewer inspectors and fewer areas for investigation. It is also expected to place less burden on areas, and to be differentiated to reflect the local area and its issues. The youth inspections, aligned with the JAR, will continue as planned until the end of December 2008.
- c) It is not anticipated that there will be further major changes to the JAR in 2008/09 as a result of the transition to CAA, other than to make necessary and small-scale improvements to the methodology and the reporting processes.

Annual Performance Assessments (APA) 2008

- d) The APA in 2007 has been altered to reflect some of the changes to JAR. It draws on a new Tellus survey (Tellus2), which provides the views of a representative and wider sample of children and young people than Tellus 1, both locally and nationally. It will provide graded judgments on each of the five Every Child Matters outcomes and on the local council's capacity to improve its services. It will also provide the grade for the local council's children's services, which will be carried forward to the Audit Commission's CPA reporting in February 2008.

- e) There may be minor modifications to APA in 2008. These will be subject to the findings of a review of APA 2007, changes to CPA and the resources available within Ofsted. No alterations will be made to the 2008 APA that weaken the rigour and reliability of inspection or render graded judgements insufficiently robust for CPA purposes.
- f) No major revision to the grade descriptors is planned for 2008, although some minor revisions may be made, as in 2007.

Commission for Social Care Inspection (CSCI)

- a) In November 2008, CSCI will be awarding the last star ratings for adult social care for performance in 2007/08.

Last star ratings (November 2008)

- b) Major re-engineering of the framework used in adult social care assessments has taken place for the 2007 round, in relation to councils' performance during 2006/07. The framework's structure now reflects the seven Department of Health White Paper outcomes rather than a previous set of national standards. In addition to the seven outcomes, evidence is being assembled on council performance relating to leadership and commissioning/use of resources. This will allow CSCI to continue to conclude both on the extent to which councils are serving people's adult care needs and their capacity for improvement.
- c) In broad terms, there will be few changes for the 2008 assessment in the framework used. This is to provide the sector with a degree of stability given that the framework will change again in 2009 (for performance in 2008/09) when CAA comes into effect.
- d) What is likely to evolve for the 2008 assessment is the nature of evidence that is collected to populate the framework.
- e) Under consideration for changes in the evidence used for the 2008 assessment are:
 - A further slimming down of the information collected as part of the self-assessment survey, due for completion by councils by the end of May 2008 for activity in 2007/08.
 - Formalised use of CSCI information about the quality of regulated services to make judgements about the commissioning approach of councils in relation to adult care services.
 - Greater use of relevant information from the work of other inspectorates. For example, the Learning Disabilities Audit being carried out in 2007 by the Healthcare Commission.

- Inclusion of other evidence such as mystery shopping exercises to test the accessibility of councils for people needing help and advice about care services.
- Use of evidence from new style service inspections which, from September 2007, will be more focused on particular outcome areas / core groups depending on the risk issues for different councils.
- Greater sharing of information and intelligence between CSCI and the Healthcare Commission on matters of common interest.

Healthcare Commission

- a) In autumn 2008 the Healthcare Commission will publish the results of the annual health check in relation to performance of the 394 NHS trusts during 2007/08. The publication *The Annual Health Check 2007/08: Assessing and Rating the NHS* outlines the types of assessment that will be carried out.
- b) In summary: the Healthcare Commission will:
 - Assess performance against the core standards set out in *Standards for Better Health*.
 - Assess performance on both the longstanding national targets and the Public Service Agreement targets for 2005/06 – 2007/08 (plus an additional one on healthcare associated infection).
 - Use the results of the Audit Commission and Monitor to provide an assessment on use of resources.
 - The results on core standards and on targets will be aggregated into an overall score on Quality of Services. This score plus the use of resources score provide the rating of an organisation.
 - There will be two service reviews – one on urgent and emergency care, and one on substance misuse. Two further reviews, based on available data, will be carried out – one on mental health services for older people, and one on race equality in health care. There are national reviews covering all relevant trusts. For example, the urgent and emergency care review will cover all local health systems with primary care trusts as the unit of assessment.

The current annual health check is due to be replaced with a new framework for assessing health and social care with the creation of the Care Quality Commission, which

will take over the responsibilities of the Healthcare Commission and the Commission for Social Care Inspection from April 2009. The final annual health check results will be published in October 2009. A consultation paper on the annual healthcheck for 2008/09 will be published in the winter of 2007.

HM Inspectorate of Constabulary

Background

- a) Between 2003 and 2006, the annual Baseline Assessment of all 43 police forces of England and Wales was at the core of HMIC's programme of work. Baseline Assessments were conducted in respect of around 25 individual areas of police service delivery, for example call handling; volume crime reduction; and forensic management. In the case of each service area, there was a process of self-assessment, validation, through a mix of interview and inspection, and grading of service. Each service area was subsequently graded as excellent, good, fair or poor, and allocated to a category for direction of travel (for example, deteriorated).
- b) In 2004/05 and 2005/06, the Baseline grades were co-presented with assessments by the Home Office Police Standards Unit (latterly renamed Police and Crime Standards Directorate – PCSD) within a joint performance assessment of all forces, published around October in each year. Each force received aggregated grades and directions of travel against such categories as promoting safety, investigating crime, and citizen focus.
- c) In 2006/07 HMIC did not inspect or assess across the full range of 25 areas. Based on the benchmarks provided by previous assessments, and the findings from the *Closing the Gap* report,¹ inspection and assessment has been focused on the protective services and strategic services (for example, performance management and HR and diversity). In addition, there is a specific focus on neighbourhood policing.

Inspection programme for 2007/08 and 2008/09

- d) The core focus for inspection in 2007/08 will be the first tranche of the subjects as set out in c) above (which will be delivered in four phases over two years), namely:

¹ *Closing the Gap* report – examining the capacity and capability of forces in dealing with the 'protective services' such as counter terrorism, serious and organised crime, civil contingencies, critical incident management, homicide, public order and strategic roads policing.

- Phase 1 – protecting vulnerable people; performance management and neighbourhood policing; and
 - Phase 2 – major crime; serious and organised crime and counter-terrorism.
- e) In addition, there will be thematic inspections and a programme of work in conjunction with the other Criminal Justice inspectorates on issues such as frontline policing and airports.
- f) The core programme for 2008/09 will continue the scrutiny of protective and strategic services, namely:
- Phase 3 – critical incidents; public order and civil contingencies; and
 - Phase 4 – professional standards; strategic roads policing leadership and information management.
- g) Again, this core programme will be supplemented by thematic and CJS joint criminal justice inspection activity.

Assessment post 2007/08

- h) From 2007/08 HMIC will be moving from a four-band assessment approach (excellent, good, fair and poor) to one which has three categories (below required standard, meets required standard, and exceeds required standard).
- i) For the published assessments derived from the Policing Performance Assessment Framework (PPAF) for the year 2006/07, there was a set of HMIC assessments covering the Phase 1 subject areas as above in d), plus a small number of previously reached Baseline Assessment grades rolled forward. By the time of the 2007/08 assessment (which will be based on the current system rather than the new ARACS system), this is likely to be extended to include grades from Phases 2 and 3 (with the potential for Phase 1 grades to be rolled forward).
- j) By the end of Phase 4 inspections (summer 2009) there will be a complete set of assessments across of the protective and strategic services plus neighbourhood policing which are intended to stand for up to two years (on a rolling basis).

General comments

- k) In general terms, HMIC will continue to provide the largely qualitative assessments of policing performance that is important to provide the contextualisation and validation of the purely statistical performance assessments provided by PCSD. Within PPAF this was important because there were 'domains' of policing activity where there were few quantitative measures available.
- l) Although the previous Baseline Assessment across the full spectrum of policing activity will no longer be undertaken, HMIC continues to support and contribute to the Home Office-led Police Performance Steering Group and Joint Performance Review group, which look at the police-only and partnership performances, respectively. The latter focuses in particular on Crime and Disorder Reduction Partnerships (CDRPs) and will presumably continue to form the core of their assessment.

HM Inspectorate of Probation

- a) The programme for 2008/09 will comprise four elements:
 - The key element that is relevant to CAA is the Youth Offending Team (YOT) inspections. HMI Probation expect just to do 16 in England in 2008/09, (and three in Wales), completing the five-year programme. They will be at the locations where there is scheduled to be a JAR that year, except where a YOT inspection has already previously been done.
 - HMI Probation will undertake 15 Offender Management Inspections (OMI) in that year, completing the three year programme. These focus on Criminal Justice Areas in the Government Office Regions of Yorkshire and Humber, North East, and West of Midlands – plus all the Welsh areas. Both of the above are led by HMI Probation, but carried out jointly with other CJS inspectorates.
 - HMI Probation will also do any follow-up Supporting People reviews that Communities and Local Government / Audit Commission request.
 - Other thematic inspections are also being planned jointly with other inspectorates.

Audit Commission

- a) The Audit Commission's possible range of approaches is set out in our recent consultation document *The Transition from CPA to CAA*. The consultation responses show that there is a desire on the part of councils for as much stability as possible in relation to CPA in 2008/09. The exact nature of the methodologies used will be considered in the autumn alongside the joint inspectorate CAA consultation process.
- b) It is likely therefore that the following elements will be undertaken in 2008/09:
- Use of resources assessments in councils, primary care trusts, non-foundation health trusts, police and fire and rescue authorities.
 - Direction of travel assessments in councils,¹ and fire and rescue authorities.
 - Service assessments (combining an analysis of specified performance indicators and other information such as inspections to produce a 1 – 4 score) in 150 single tier and county councils for each of:
 - (a) children and young people;
 - (b) adult social care;
 - (c) environment;
 - (d) housing;
 - (e) culture;
 - (f) benefits, and where applicable; and
 - (g) fire and rescue.
 - Twenty-five corporate assessments in single tier and county councils, being those remaining to be undertaken within the agreed and published three-year programme started in 2005 alongside JARs and YOTs (as outlined above). Some corporate assessments will also be undertaken in district councils and fire and rescue authorities to determine CPA re-categorisation where evidence exists of potential significant improvement or deterioration from the first published assessment.
- c) We will also be undertaking about 100 service inspections (on-site activity averaging 40 inspector days) in housing, environment and culture as well as cross-cutting areas

¹ Discussions are ongoing with the Department for Communities and Local Government and government offices with regard to the possible alignment of the direction of travel work with the government office Local Area Agreement review process for 2008/09 to ensure they are complementary and add value to each other.

of regeneration, community safety and access to services. In the vast majority of cases these are focused in areas of underperformance or in the case of district councils where no inspection activity in these areas has been undertaken to date. In some cases (ie, housing, environment and culture) these contribute to the service assessments outlined above and in others they are beginning to be undertaken on an area basis, for example, on regeneration.

- d) In addition, we are proposing to undertake up to 18 arm's length management organisation (ALMO) inspections in housing alongside an inspection programme of housing associations in conjunction with the Housing Corporation. We are in discussion with the Department for Communities and Local Government concerning the level of follow-up activity that might be required in respect of the supporting people inspections and market renewal assessments. We are also discussing with the Department for Work and Pensions the level and type of benefit service inspections that may be required. It is likely we will conduct 35 benefit service inspections in 2008/09.
- e) Corporate Governance Inspections remain an option open to the Commission should significant governance or corporate performance issues be found in any Best Value authority. There are none currently scheduled.

Appendix

2

List of consultation questions

Area risk assessment

- Q1 Do you agree with the key questions, for the risk assessment, as the basis for the area risk assessment? Are there any others that should be added?
 - Q2 Do the proposals address the concerns raised in the earlier consultation about areas with county and district councils?
 - Q3 Should we adopt the term: 'the prospects for the area and the quality of life for local people' instead of 'the risk assessment' when reporting CAA results, or can you suggest a better description?
-

Performance information

- Q4 How should we report on the national indicator set for local authorities and their partners?
 - Q5 What is the most helpful way of comparing the performance of local areas?
 - Q6 How should we ensure that the performance information we publish is relevant and accessible to councils and their partners, local people and central government?
-

Direction of travel

- Q7 Do you agree with our proposals for direction of travel assessments?
 - Q8 Are there any aspects of these proposals you would like us to change?
-

Use of resources

- Q9 Do you agree with the proposals for the use of resources assessments?
 - Q10 Are there any aspects of the proposals you would like to see changed?
-

How will CAA be reported and scored?

- Q11 Should there be an overall CAA score?
- Q12 Should the national indicator set be scored?
- Q13 Are the proposed labels / scoring arrangements for use of resources the right ones?

- Q14** What would be the best way of scoring the direction of travel assessments?
- Q15** How should we ensure that the reporting and scoring of the area risk assessment is relevant, accessible and meaningful to the council and its partners, local people and central government?
- Q16** What is the best way to report CAA in two-tier council areas?
- Q17** How can we try to make sure that our reporting is equally accessible to all people in communities?
-

Inspection

- Q18** Do you agree with these proposals about the purposes, principles and benefits of inspection and the circumstances in which inspection might be suitable?
-

How will CAA be experienced by councils and their partners?

- Q19** Will the approach described be an effective and efficient way of working with councils and their partners to deliver CAA?
-

The respective roles of regional government offices and inspectorates

- Q20** Have we explained sufficiently clearly the inspectorates' relationships with regional government offices?

Appendix

3

Bibliography

- 1 *Strong and Prosperous Communities – The Local Government White Paper*, October 2006.
www.communities.gov.uk/localgovernment/currentagenda/strongprosperous/
- 2 The Local Government and Public Involvement in Health Act 2007. [[Will be available on HMSO website following Royal Assent – check www.opsi.gov.uk/acts/acts2007a.htm for specific link]]
- 3 *Developing and Implementing the New Comprehensive Area Assessment and Associated Inspection Arrangements*, April 2007. Letter to the inspectorates from the Secretary of State for Health and Ministers of State from DCLG, the former DfES, and the Home Office. www.communities.gov.uk/documents/localgovernment/pdf/321482
- 4 *An Introduction to the Local Performance Framework – Delivering Better Outcomes for Local People¹*, November 2007.
- 5 *Negotiating New Local Area Agreements*, September 2007.
www.communities.gov.uk/publications/localgovernment/negotiatingnewlaas
- 6 [Local Area Agreement Operational Guidance Phase 2], November 2007. [[Likely to be published shortly after this document, so weblinks not yet available]]
- 7 *Creating Strong, Safe and Prosperous Communities* (statutory guidance for consultation), November 2007. [[Likely to be published shortly after this document, so weblinks not yet available]]
- 8 *National Indicators for Local Authorities and Local Authority Partnerships: Handbook of Definitions*, Consultation paper, November 2007.
www.communities.gov.uk/publications/localgovernment/indicatorsdefinitions
- 9 *The Regulation of Health and Adult Social Care in England: Response to Consultation*. October 2007.
www.dh.gov.uk/en/Consultations/ResponsestoConsultations/DH_078227

¹ A series of overview documents for partners from various sectors are being published over the autumn and winter by various government departments, with the aim of putting the new local performance framework, and the package of documents currently being published, into context for local authorities and partners.

