

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE:** 26th February 2009

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COMPREHENSIVE AREA ASSESSMENT (CAA) AND LOCAL STRATEGIC PARTNERSHIP (LSP)

PART I FOR INFORMATION

1. Overview

At its meeting on 5th February 2009, the Committee requested an update on CAA prior to implementation on 1st April, 2009 and ahead of a further update presentation by the Improvement & Development Directorate scheduled for April 2009. The April presentation will include an update on the Local Area Agreement (LAA) and the work of the LSP by Naveed Mohammed, I&D's LSP Manager.

2. Background

In 2002, the Audit Commission introduced the Comprehensive Performance Assessment (CPA). CPA measures how well the Council delivers services to local people and our communities. Since inception, CPA has been refined resulting in a more stringent assessment based upon outcomes and how the Council provides "value-for-money". CPA is scored by star ratings from 1-star (inadequate performance) through to 4-star (performing strongly). Slough Borough Council's most recent overall star rating (2007) is **2-star (adequate performance)**.

The final CPA ratings for all local authorities in the country were due to be published on 26th February 2009; this date has recently been revised to 5th March 2009.

As part of the Local Government and Public Involvement in Health Act 2007, from 1st April 2009, CPA will be replaced by the **Comprehensive Area Assessment (CAA)**, the new framework for local public service assessment in England. CAA will help provide local people with information about the quality and impact of public services locally and how well public money is spent in their area and not just look at how well a Council performs.

3. CAA

The CAA framework was published on 10th February 2009. Therefore, this report is based upon an early review of that paper; meetings will continue to take place between the Council and both the Audit Commission and GOSE to refine our understanding and necessary requirements. In addition, further supplementary papers are due to be produced between now and implementation on 1st April 2009, including the approach of “peers and experts by experience” on 31st March 2009.*

CAA reflects public service partnership working. Although there will still be detailed assessments of each the many organisations providing services in each area (such as the Council, the Police, the PCT, RBFERS, etc.), the real change is the new joint inspectorate assessment focusing on partnership outcomes.

The six (formerly seven) inspectorates are:

Audit Commission
Care Quality Commission (formerly CSCI and the Healthcare Commission)
HMI Constabulary
HMI Prisons
HMI Probation
Ofsted

The six inspectorates have produced the joint CAA framework although two have published complementary supplements: “Assessing Children’s Services and Adult Learning” (Ofsted) and “Adult Social Care – Performance Assessment Guide 2008/2009” (CSCI).**

CAA creates a more joined-up assessment approach so that service delivery is seen to be relevant to local people. Whilst each of the inspectorates will still assess and inspect individually, the joined-up approach (with all data and outcomes coming together) will result in the overall CAA rating.

The aim of the Audit Commission is that CAA:

- Should produce better outcomes, more effective partnership working, more responsive services and better value-for-money
- Will be independent thereby providing assurance to all including service users and taxpayers
- Will be an independent evidence base for central government to see area by area progress and whether national priorities are being met
- Will provide a clear indication whether local area services are improving and compare successes area by area
- Is a means of focusing, rationalising and co-ordinating inspections for everyone’s benefit

CAA also brings together different priorities on an area by area basis:

- The Local Area Agreement (LAA) has a three year cycle which underpins the Sustainable Community Strategy's 20-year vision agreed by Members. CAA will consider progress towards these priorities. †

(† Whilst this is the advice contained within the framework document, we have been advised that one of the key factors will be how far the LSP has met its LAA and SCS priorities. Thus, whilst the 198 NIs are important, the 35 LAA priorities may attract disproportionate attention)

- A whole new set of National Indicators (NIs) has been introduced. CAA will report performance against the NI set including statutory education and attainment targets.
- CAA will look at how well local public bodies are working together and the prospects for future improvement.
- CAA will have an emphasis on sustainable development. In times of an economic downturn, The Audit Commission has stated it will also judge how well the Council and our partners understand and are dealing with a recession.

4. **The Two Elements**

CAA has two main elements:

- A) An **Area Assessment**, looking at how well local public services are performing across the whole area
- B) **Organisational Assessments** for the Council, combining the external auditor's value-for-money assessment in the use of resources combined with a joint inspectorate assessment of service performance by the Council

At this stage, it is not clear what weighting is being given to each.

The **Area Assessment** will look at the LAA and SCS priorities. It will be reported as a narrative, not a numerical score, and contain **red and green flags**. A green flag represents "exceptional performance" or "outstanding achievement". A red flag indicates "significant concerns about outcomes and future prospects for outcomes which are not being tackled adequately". It is important to understand that flags will not always be used but only when these extremes are assessed. Therefore, whilst ideally Slough Borough Council would like to receive green flags throughout, the reality is most elements will contain none with only a limited number of flags being employed for either extreme. ††

(†† We have been advised that the Audit Commission are working on a "standardisation mechanism" to ensure consistency across all inspection teams)

The **Organisational Assessments** are undertaken by different inspectorates and will assess the effectiveness of the Council in delivering value-for-money in the use of resources and how well performance is managed. The organisational assessments will be scored according to a matrix*** and there will be a formal procedure for challenging these.

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

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

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

The key lines of enquiry in this part include:

- Managing Finances
- Governing the Business
- Managing Resources
- Managing Performance

Part of the “Managing Performance” evidence includes assessing the performance of children and young people’s services and adult social care as referred to in ** above.

5. Types of Evidence

Six key evidences will be considered initially in the forming of judgements:

- the LAA, SCS and other locally agreed targets
- the National Indicator set and other nationally available data
- inspection findings, regulation and audit plus evidence from other performance frameworks
- local performance management information used to monitor local priorities including self-evaluations and evidence from Scrutiny
- other agency briefings or evidence including GOSE, the strategic health authority, the Tenant Services Authority, the Homes and Communities Agency and regulated development agencies
- the views of local residents, the third sector and local businesses

6. The National Indicator Set

The NIs will provide progress information towards the LAA and other statutory targets. These will compare local performance against the national figure. The Audit Commission has stated they will pay particular attention to those indicators adopted as our LAA targets as well as statutory targets. Further, they will compare performance between areas where the same indicators have been selected as priorities and, it would appear both statistical and geographical neighbours.

7. Inspections

The Audit Commission states there will be three types of inspections:

- Triggered inspections
- Rolling inspections
- Routine Regular inspections

Triggered inspections will come into play under certain circumstances any one of which could be:

- where performance or improvement is unsatisfactory, declining or not deemed not to be improving sufficiently quickly
- where something is deemed to be subject to significant risk
- where it is felt underperformance can be best addressed by inspection; peer challenge or review*; sector-led improvement support; directive action through the Secretary of State, improvement notice or intervention
- where Ministers have directed an inspection should take place
- where performance is satisfactory but declining substantially or rapidly
- where there is an indication of unsatisfactory performance but insufficient evidence as to why

Rolling inspections will be within a three-year cycle. These will be in the areas of **safeguarding children and looked after children** (Ofsted), and **youth offending** (HMI Probation Service).

Routine Regular Inspections will continue as before and where appropriate. For example, Ofsted early years' settings, schools, colleges, adult learning, children's homes, fostering and adoption services. These also include the previous unannounced annual inspections of frontline social care services.

8. **Reporting of CAA**

The Area Assessment

The Audit Commission has stated it will publish a joint area assessment covered by our LAA. It will make reference to underlying information and evidence. It will highlight innovation and significant success as well as any concerns. An initial summary within will provide:

- An overview of the area's key priorities including how well local needs and aspirations are being addressed and progress being made
- An overall summary of successes and challenges in improving outcomes locally
- Details of the prospects for future improvement in key priorities, including red and green flags

Organisational Assessments

Based upon the matrix*** two scores will be given: managing performance and value-for-money. Links, where appropriate, will be made with the red and green flag area assessment. The aim is to ensure that organisational level focus can bring about improved area outcomes.

National Indicator

Performance will be published against each NI. However, the Audit Commission will interpret the data and make a judgement; they will also provide links to underlying evidence and how they have analysed the NIs and, where appropriate, other publicly available data. They advise comparisons will also be made with neighbouring authorities or with areas facing similar challenges.

Report Timing

- Information will be reviewed as it becomes available from **April 2009** onwards
- In **early September 2009** a joint-inspectorate review will take place of the latest information available including summer educational attainment
- By the **end of September 2009**, the joint-inspectorate is due to draft a report which will include: red and green flags and reporting against the NIs
- In **October 2009**, the final report will be shared so that by ...
- **November 2009** any outstanding queries/concerns can be resolved and the first formal CAA report published by **late November 2009**

The Audit Commission advises that once a report is published it is unlikely to be amended until the following annual reporting round.

9. Summary

It is still early days. Colleagues within I&D (Policy, Performance and the LAA/LSP teams) are liaising continually with the Audit Commission and GOSE. We are holding regular meetings with Directors, ADs and departmental heads and are happy to advise and guide elected members, as required.