

## THE TRANSITION FROM COMPREHENSIVE PERFORMANCE ASSESSMENT TO COMPREHENSIVE AREA ASSESSMENT

### 1 SUMMARY

- 1.1 The Audit Commission has recently issued a consultation paper setting out how it intends to manage the transition from Comprehensive Performance Assessment (CPA) to the Comprehensive Area Assessment (CAA) framework, which is to be in place from April 2009.
- 1.2 It should be noted that the introduction of CAA is dependent on the Local Government and Public Involvement in Health Bill being approved by Parliament.

### 2 INTRODUCTION

- 2.1 The Local Government White Paper was published in October 2006 and a report outlining the implications for this Authority was considered by the former Policy, Finance & Strategic Performance Committee on 7<sup>th</sup> December 2006. The White Paper outlined a new performance framework of Comprehensive Area Agreements linked to the development of Local Area Agreements.
- 2.2 The consultation document outlines the three key stages of the transition and poses consultation questions on each.

### 3 STAGE ONE

- 3.1 This section deals with proposed changes to single tier and county council CPA, the assessments of which are due to be reported on in February 2008.
- 3.2 The document sets out the minor changes the Commission intends to make for its approach to corporate assessments for single tier and county councils. The aim is to minimise disruption to the existing framework given the proposed development of CAA. Some minor amendments are being proposed to the treatment and thresholds of a small number of Performance Indicators (PIs) which reflect changed national targets or continuing improvement.
- 3.3 Reference is also made to the process whereby district councils can apply for re-categorisation if they are able to demonstrate they have delivered significant and sustainable improvement since their original categorisation – no changes are proposed to this practice.

**Consultation Question 1 - Overall, do you support the proposal not to now introduce most of the performance indicators previously signalled for adding in 2007?**

Suggested Response - This is not applicable as it relates only to the process to be adopted for single tier and county councils.

**Consultation Question 2 – Overall, do you support the much smaller number of proposed additions and deletions set out in the consultation document?**

Suggested Response - This is not applicable as it relates only to the process to be adopted for single tier and county councils. However, some of the PIs are ones that are also collected at district councils and it is likely that future district assessment frameworks will include them. As such, any reduction in the number of indicators is to be welcome. However, it is surprising that there are no Revenues & Benefits indicators within the proposals.

**Consultation Question 3 – Overall, do you support the proposals for minimal change overall to the CPA framework for 2007 (to be reported in February 2008)?**

Suggested Response - This is not applicable as it relates only to the process to be adopted for single tier and county councils. However, it does seem a sensible approach given the significant changes being proposed by the Bill.

#### **4 STAGE TWO**

- 4.1 This section of the document sets out the intention to apply two principles to managing the transition from the current arrangements to the new ones, namely:-
- Keeping changes to CPA to a minimum, reflecting only necessary updating and addressing any significant external factors.
  - Concentrating more clearly on those aspects of CPA that will continue under CAA, for example, by strengthening the focus on citizens and service users and value for money.
- 4.2 The transition will also be informed by the progress made in determining the revised public service agreement priority outcomes, the related new national indicator set and the move to new generation Local Area Agreements (LAAs).
- 4.3 It is intended to continue Use of Resources and Direction of Travel assessments under the new arrangements. The Commission therefore intends to carry them out in 2008 in all councils. At present Direction of Travel assessments are unscored for district councils. Consideration is being given to the introduction of scoring for district councils in 2008.
- 4.4 Some revisions may be made to the Use of Resources key lines of enquiry (KLOE) to reflect developing good practice and to drive up standards. Examples of this are likely to include sustainable commissioning and procurement, asset management and partnership working. It is also intended to make the KLOE more outcome based and reduce those focusing on processes. Some changes are being proposed to the level criteria including

making it a requirement to meet all of the criteria in levels 2 and 3 in order to achieve those scores. Level 4 recognises the best performance and the proposal is to move certain criteria currently in level 4 to level 3 so as to recognise the level of improvement being achieved.

- 4.5 A section of the document then refers to Corporate Assessments which are undertaken alongside joint area reviews of services for children and young people in single tier and counties. These will continue but particular attention will be paid to those issues that are most relevant to CAA, such as partnership working and risk management.
- 4.6 Service Assessments are also part of the current CPA framework for top tier authorities. Level 1 refers to Children & Young People and Social Care (adults). Level 2 assessments are undertaken for Housing, Environment, Culture and Benefits. Options being considered include:-
- Retaining the assessments in their current form.
  - Continuing as at present but introducing an element of local judgement, rather than one based on PIs only.
  - Cease the assessments and rely on the Direction of Travel assessment. This would lead to issues on monitoring progress towards LAA performance targets.
  - Introduce more targeted reporting based on indicators identified in LAAs.

**Consultation Question 4 – If you are from a district council, would you find it more helpful if your direction of travel assessment for 2008 is scored?**

Suggested Response – It is difficult to form a view on this issue without knowing what the performance assessment framework for district councils is likely to be in the light of CAA. Scoring can be useful to make comparisons and measure improvement. However, it can distort local priorities and its introduction should therefore have a clear link to the eventual framework.

**Consultation Question 5 – Which of the options for level 2 service assessments for single tier and county council CPA in 2008/09 would you prefer?**

Suggested Response - This is not applicable as it relates only to the process to be adopted for single tier and county councils.

**Consultation Question 6 – Are there other options for the service assessments that we should consider for 2008/09.**

Suggested Response - This is not applicable as it relates only to the process to be adopted for single tier and county councils.

**Consultation Question 7 – Should we cease making level 2 service assessments for those single tier and county councils that remain at 4 stars and are assessed as improving well or improving strongly in the February 2008 CPA reporting?**

Suggested response – This is not applicable as it relates only to the process to be adopted for single tier and county councils.

**5 STAGE THREE**

- 5.1 The final section of the consultation document is the most relevant to us and deals with the introduction of CAA which is intended to focus on place rather than the individual bodies responsible for local services. It will look across local government, housing, health, education and community safety.
- 5.2 CAA is a different approach to assessment that is area based, risk focused and more forward looking. The framework will need to take account of how services are delivered across areas and focus clearly on outcomes. Specifically, it will be:-
- Relevant to local people – challenging 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 provide local people with assurance about how well run their local services are.
  - Area and outcome focussed – it will try to analyse the things that matter to local citizens and therefore focus more on outcomes than processes.
  - Constructive and forward looking – with a forward looking assessment of risk drawing on current and recent performance.
  - Joint and participative – developed and implemented jointly by all regulators, government departments and sector representatives. The aim will be to develop a shared view about the challenges facing an area, what is being achieved locally and common ownership of the changes that need to be made.
- 5.3 The introduction of CAA will:-
- Replace CPA with an annual risk assessment identifying key risks to outcomes or delivery for each area.
  - Report performance against the national indicator set for each locality.
  - Deliver an annual scored Use of Resources judgement for local public sector bodies and an annual scored Direction of Travel judgement which assesses the progress of each local authority in driving continuous improvement.

- Enable inspection activity to be targeted on the basis of the risk assessment.
  - Support improvement and respond to poor performance.
- 5.4 There will be an increasing emphasis on the role of the Local Strategic Partnership (LSP). Each LSP will be responsible for developing and publishing a sustainable community strategy (SCS). Single tier and county councils will negotiate a LAA with their government office which will reflect how this strategy will be delivered and include up to 35 targets from the national set as well as any chosen local targets. A reward grant will be linked to the LAA and, in single tiers and county councils, the LSP will have to report its performance to local people.
- 5.5 Appended is a diagram which shows how this all fits together, whilst recognising that there are more complex inter-relationships between its different elements than can be shown.

**Consultation Question 8 – Overall, do you support this vision for Comprehensive Area Assessment?**

Suggested response – The vision for CAA has some merit in that it recognises that the well being of an area is dependent on much more than the services provided by the local council. However, it confuses accountability in that it will appear to hold a range of organisations responsible for issues that may be largely out of their control. It also takes no account of the complexity of geographical areas. Many natural communities do not fit within administrative boundaries and may cross county boundaries or regional ones. Neither do the responsibilities of all public agencies fall neatly into these boundaries. The vision does not give any clarity to the role of the district council within this performance framework. LSPs, SCSs and Local Development Frameworks (LDFs) will all happen at a district level within two tier areas and yet it would appear that it is the County Council's SCS that will inform the LAA and the County LSP that will report on performance. Does this mean that County Councils will be held responsible for the performance of the district councils (and parishes) within their boundaries? This blurs democratic accountability yet further. In fact, it would appear that it is the LSP that will ultimately be held to account through public reporting – an unelected body of, largely, paid officials.

**Consultation Question 9 – Does the diagram capture all the key elements of the new performance framework and the key relationships within it?**

Suggested Response – The diagram does not take account of the two tier system of local government.

**6 RECOMMENDATION**

- 6.1 It is proposed that the Executive Board **RESOLVES** to comment on the consultation along the lines suggested.

Paul Warren  
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**Background Papers:-**

Audit Commission Consultation Document

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If you would like this report in large print, braille or another language please contact 01702 546366.

## APPENDIX

## The new performance framework

Improved: Outcomes for people, places, value for money

