

WIRRAL COUNCIL

CABINET – 7TH JUNE 2007

REPORT OF THE DEPUTY CHIEF EXECUTIVE/ DIRECTOR OF CORPORATE SERVICES

**TRANSITION FROM COMPREHENSIVE PERFORMANCE ASSESSMENT (CPA)
TO COMPREHENSIVE AREA ASSESSMENT (CAA).**

1. Executive Summary

- 1.1. In 2009 comprehensive area assessment (CAA) will take over from the existing performance assessment of local government (CPA). Changes to the regime may present significant challenges for the authority. The purpose of this report is to provide an overview of the new performance framework and outline some of the implications for the council and its partners. In order to prepare as fully as possible it will be necessary to start identifying and addressing potential issues requiring attention at the earliest opportunity. Key areas of focus are risk assessments, data quality, citizen experience and achieving outcomes through partnership working.
- 1.2. The audit commission has published a consultation document relating to the new performance framework. The authority's proposed response to the consultation questions is contained in appendix 1.

2. Background

- 2.1. In 2009 comprehensive area assessment (CAA) will take over from the existing performance assessment of local government (CPA). CAA will continue to provide assurance about how well-run local public services are and how effectively they use taxpayers' money. CAA also aims to be more relevant to local people by focusing on issues that are important to their community. It will develop a shared view about the challenges facing an area, such as crime, community cohesion, a sustainable environment or public health issues such as obesity, and is intended to create a more joined up and proportionate approach to public service assessment.
- 2.2. The government believes that performance has improved since 1997, but that there are two key remaining challenges: to address the continuing national decline in public satisfaction; and to drive improvements in discrete areas where performance remains low, such as children in care. The key aims of the proposed new performance framework therefore are to:
 - strengthen accountability to citizens and communities
 - give greater responsibility to local authorities and their partners for securing improvements in services
 - provide a better balance between national and local priorities
 - improve the arrangements for external assessment and inspection

- streamline the process for providing improvement support and intervention.

3. Main changes proposed modifications to the Best Value regime:

3.1. As expected, the Bill

- abolishes Best Value reviews
- abolishes the requirement for Best Value authorities to meet performance indicators and standards specified by the Secretary of State and replaces this with a new framework.
- abolishes the duty on local authorities to create Best Value Performance Plans.
- introduces a duty on best value authorities to consult local people through information, consultation and involvement where authorities deem it to be appropriate

3.2. The removal of the duty to undertake Best Value reviews and the removal of PI sets will provide greater flexibility for councils to develop a more locally owned approach to performance management and improvement. However, this may make it increasingly difficult to assess a council's performance against set criteria.

Primary changes in inspection and audit of local services that will affect local authorities:

3.3. The new framework will include changes which place further emphasis on risk assessment and use of resources, such as:

- Merger of the Audit Commission and the Benefit Fraud Inspectorate (announced some time ago).
- Establish the Audit Commission as the inspection 'gatekeeper', enabling it to prevent inspections by other inspectorates where they believe it would impose an unreasonable burden.
- A new inspection framework, which will have three elements (as expected): a risk assessment, a direction of travel assessment and a use of resources assessment.
- Removes the duty on the Audit Commission to report on categorising councils, but gives Secretary of State the power to direct Audit Commission to do so again in the future.
- Requirement for the Audit Commission to consult on its national studies programme, increased powers to consider information held on computers when undertaking inspection, and powers to produce various reports on local government performance.

Introduction of Comprehensive Area Assessment for 2009:

3.4. Vision for CAA:

- To be more relevant to quality of life of local people (evidence based and accountable use of public resources)
- Area and outcome focused (what rather than how)
- Constructive and forward looking (assessment of, and impact of not addressing risks)
- Joint and participative (shared view of challenges for an area)

3.5. Key elements of new framework:

- 4 inspectorates working together to assess local areas covering:
 - Quality of local services
 - Health and social care
 - Children and young people and justice
 - Community safety and custody
- Securing participation of citizens
- Timely information/ opportunities for citizens to hold delivery partners to account
- Small set of citizen perspective indicators
- Strong focus on citizen experience and outcomes
- 200 national indicators – 35 for local area agreement (+18 education measures)
- Real time performance management information
- CAA to replace CPA, JAR, APA, social care star ratings
- Use of resources judgement for all public sector bodies
- Direction of travel assessment for each local authority
- Risk based approach to inspection with a focus on risk of service failure, risk of not achieving outcomes and management of those risks.
- One of the possible outcomes of risk assessment will be inspection.
- No rolling programme of inspection

Implications for local authorities:

3.6. There will be a wide range of implications for local authorities, focusing on partnership working, with LAAs as the focal point of the new performance framework, increased scrutiny of data quality and systems and greater focus on outcomes and citizen experience. These implications are summarised below:

- The new locality basis for assessments may require councils to review and improve their community leadership role and partnership arrangements.
- CAA will feature the voluntary and community sector. This is an area of influence, not control and it will be a difficult challenge to ensure working and delivery arrangements are reflected in the best way.
- The shift towards desk based risk assessment will mean a greater emphasis on and scrutiny of data quality. This will be a challenge for all areas as few scored well.
- The quality of the relationship between local authorities and the Audit Commission will be critical as assessment shifts towards inclusion of more

subjective judgements, creating the potential for more debate and disagreement.

- The lighter touch inspection regime may have an impact on auditors' fees and potential cost savings will need to be explored.
- The year prior to CAA will be a transition year. Some authorities (including Wirral) will be due for corporate assessment during 2008. There are indications that some of the authorities due for assessment in 2008 will pilot the new methodology – this may well present an opportunity for Wirral, it could alternatively be very challenging.
- LAAs will become the focal point of the new performance framework.
- The requirement to negotiate 35 improvement targets for LAAs will require a much stronger evidence base in order to establish and reassess priorities.
- The increasing focus on improving outcomes will require greater clarity by the authorities and LSPs over what those outcomes are, and a consistent definition for 'outcome', which is applied throughout LAA frameworks, corporate plans and partnership business plans
- The stronger emphasis on citizen experience requires clarification over how this will be measured and reported in a sufficiently robust manner in practice.

Implications for partners:

3.7. There will be a range of significant implications for partnership working including a requirement for partners to have regard to joint targets agreed through the LAA and some elements of performance assessment (such as use of resources) being identical across all partners. These implications include:

- 35 outcomes, of which judgements about partners' contribution will be made through their own inspection regimes, e.g. new assessment of policing and community safety (APACS) and the PCT's new joint assessment of health and social care
- Judgements of these assessments will have to align with CAA judgements
- Some assessment exercises will be identical across all partners, e.g. use of resources assessment for LA, PCT, Fire and Rescue and Police
- Government also intends to amend the bill to require to PCTs to produce a joint strategic needs assessment in partnership with the local authority and that the local area agreement and sustainable communities strategy will need to be based on this needs assessment.

4. Financial & Staffing implications

4.1. None arising directly from this report.

5. Other implications

5.1. There are no equal opportunities, human rights, LA21 or local member support implications arising directly from this report.

6. Background Papers

6.1. Audit Commission; 2007; *The Transition from CPA to CAA*; <http://www.audit-commission.gov.uk/cpa/cpatransition.asp>

7. Planning implications

7.1. None arising directly from this report.

8. Community Safety implications

8.1. None arising directly from this report.

9. Conclusion

9.1. The proposed changes to the performance framework for local authorities will seek to streamline the assessment regime. However, the proposals present a wide range of challenges for the authority and much of the detail is still to be developed. The outputs of the comprehensive spending review 2007 will provide some direction in terms of national policy targets for all local authorities.

10. Recommendations

That the report and the draft response to the consultation attached at appendix 1 be considered and any further comments to this response be considered.

J. WILKIE

Deputy Chief Executive/Director of Corporate Services

Appendix 1: proposed consultation response

Contact Officer:

Russ Glennon

Corporate Policy

Tel 691 8152

russglennon@wirral.gov.uk