

## Comprehensive Area Assessment Trials - the Sector's Evaluation

### 1. Introduction

*This report reflects the experiences of councils involved in the second round of trials to test and further develop the methodology for Comprehensive Area Assessment (CAA). It has been developed jointly by the LGA and IDeA in partnership with officers from the trial authorities:*

- *London Borough of Barking and Dagenham*
- *Birmingham City Council*
- *Hampshire County Council*
- *Kirklees Council*
- *North Tyneside Council*
- *Nottinghamshire County Council*
- *Stockport Metropolitan Borough Council*
- *Thurrock Council*
- *Torbay Council*
- *London Borough of Westminster*

*The Local Government Association (LGA), Improvement and Development Agency (IDeA) and trial councils have welcomed the open approach the Inspectorates have adopted to the development of CAA and in particular their commitment to develop and test the methodology through action learning and trials.*

*We are also grateful for the contributions from Audit Commission colleagues at our regular meetings and we have welcomed the commitment that the Audit Commission has given to our ongoing liaison which has allowed learning to be drawn out to help the sector better understand CAA.*

*We are keen to ensure that CAA development is informed by the sector's comments on the July consultation paper and in the light of the learning and experience of the trials – though it must be recognised that the trials have been undertaken over a relatively short period of time compared to the on-going nature of CAA, and are, as a result, somewhat artificial.*

*This report puts forward our evaluation and learning from the trialling experience and our recommendations for the future development of CAA, which we hope the Inspectorates will take into account as they finalise the methodology. We have also drawn out a number of messages to the sector about CAA.*

## **2. The Trialling Experience – general observations**

*Whilst it is evident that there were differences in approaches and levels of engagement in different areas - which makes it hard to draw firm conclusions from the experience -there was broad agreement amongst the councils that the trials were well organised and effectively project managed.*

*Most councils also felt that the experience was positive, in the sense that they learnt more about CAA, they began to develop good relationships with their CAA Lead (CAAL) and that, where they had been engaged throughout, the trial helped spread understanding of CAA amongst partners.*

*Some felt there was evidence that the Inspectorates were treating the experience as a learning opportunity and were willing to be flexible – conversely others felt that the imperative for the Inspectorates to produce draft assessment reports had stifled the opportunity for discussion and two-way learning during the trials. Councils hoped that the dialogue with their CAAL about the trial experience would continue beyond the formal cessation of the trial and were keen to continue to contribute to the further development of CAA and to the proposed guidance to CAALs.*

*Despite the area and outcomes focus of CAA, the experience from most of the trial sites was, generally speaking, of limited partner understanding or engagement in CAA. Although there were differences in the extent to which the council had been asked to manage/coordinate Inspectorate engagement with local partners, the experience of most of the trial sites was that CAA was more “council centric” than “partner centric”. It is important that partners are fully engaged from the start of CAA and there was a general view that the Inspectorates need to do more to raise the level of knowledge and understanding of CAA with LSP partners.*

*The successful implementation of CAA will necessitate new skills, cultures and patterns of working relationships between councils, partners, the Inspectorates, Government Departments and others. It is apparent from the experience of those areas involved in both the first and second phase of CAA trials that relationships, understanding and patterns of working do appear to develop and mature with experience. We think this is a positive and important point to note.*

### **Recommendations:**

- *that in developing the forthcoming guidance to CAALs the Inspectorates take the opportunity to test their approach with the sector – including the trial sites;*
- *that the forthcoming guidance to CAALs should emphasise the need for CAALs to develop ongoing relationships with individual LSP/LAA partners that go beyond attendance at partnership meetings.*

## **3. Shaping CAA in the light of the trials**

*Outlined below are the issues raised through the trialling experience and our recommendations for how these can be taken forward in the development of CAA.*

### **3.1 Member Engagement in CAA**

*Generally speaking councils were disappointed that there was limited engagement with members during the CAA trials.*

*Whilst we recognise the practical difficulties of engaging senior members during a limited trial over the summer recess it will be essential, going forward, that the Inspectorates understand how local priorities expressed in the LAA and sustainable community strategies have been arrived at. Striking an appropriate balance between competing pressures of customer and citizen expectations, local political priorities, financial constraints and capacity can be a complex and difficult process, but one where members are ultimately those held to account. This needs to be fully understood and taken into account in CAA.*

**Recommendations:**

- that, for the purposes of the area assessment, the CAAL should see the chair of the LSP/LAA Board (and in addition the leader of the council, where he/she is not the chair of the LSP/LAA Board) as a key constituency with whom he/she needs to build strong relationships and that this expectation needs to be made explicit in any future guidance to CAALs;*
- that the CAAL agree with the council how best to develop an integrated approach to the involvement of members in CAA and other performance frameworks impacting on the council and its work with local partners.*

**3.2 Agreed LAA targets and priorities**

*Councils and partners have agreed what were deemed challenging and stretching targets as part of their Local Area Agreements and these have been signed-off by the government office. There was a very strict limit on the number of targets which could be agreed. The target-setting exercise was an exhaustive triangular process involving partner organisations, the regional government offices and the government departments. In most cases the resulting targets represent a balance, a compromise between local and national priorities.*

*As part of the trials some of these targets are now being questioned and Councils and partners alone appear to be being challenged for committing to targets which are deemed not appropriate or not challenging. There is an ongoing action for the Audit Commission and its partner inspectorates to consider the longer term implications of this, to have further dialogue with government departments and regional offices and to consider how this plays into further reviews of the LAA.*

*While CAA should certainly challenge whether agreed priorities are being delivered, it should not question councils and their partners alone as to whether they are the “right” ones. We do not think it is the role of CAA to question the outcome of the LAA negotiations in individual localities without taking the national context into account or for the Inspectorates to “red flag” instances where, they believe, priorities expressed in the LAA do not reflect evident and pressing need. CAALs need to understand that LAAs are the product of negotiation and agreement and Councils should not be 'blamed' if as a result of that process not all the areas of evident and pressing local need are reflected in the LAA itself. However it is of course expected that areas of evident and pressing need will be expressed in other plans and targets.*

**Recommendation:** *the Inspectorates clarify their intention that CAA should be challenging and raise debate, but not question politically determined and agreed priorities. If the Inspectorates plan to raise a flag because it appears to them that an issue of pressing local need is not a priority locally, then this should first be fully discussed with the council and partners.*

### 3.3 The Evidence File and analysis

*We welcome and support the Inspectorates' intention to draw together evidence about individual localities from a range of national and local sources – and that additional work will only be undertaken to fill evidence gaps where necessary. We hope that this will be one of the ways that a more light touch process can be achieved. However the danger of relying on desk based work alone is that the evidence base and conclusions drawn from it may not be robust.*

*Experience during the trials reinforces this concern. In some cases it became apparent that the evidence file contained a broad range of both quantitative and qualitative information, some of which was either very anecdotal or out of date. In other cases councils were not shown the 'evidence file' and had no opportunity to challenge or add to it.*

*Councils and local partners will need to be assured about the quality of the evidence on which assessments are being made. CPA was based upon a commitment to transparency of evidence and process and we believe that this should continue into the new framework.*

*Feedback from those areas where there was an opportunity to “tag” emerging conclusions or issues that needed to be clarified and through further investigation and discussion come to a consensus, suggest that this was a very useful and effective way of reaching agreement about the evidence and the conclusions that can be drawn from it. In some senses a robust discussion about emerging conclusions and the evidence they are based on is a more effective process than simply sharing the complete evidence file.*

*It is essential that if available a locality self evaluation is at the heart of the evidence file and where this is sufficiently robust that this clearly results in a more proportionate assessment experience. Certainly in one of the areas it was used by the CAAL and Inspectorate bodies as a key piece of evidence in determining the story of place.*

**Recommendations:** *that the approach to building the evidence file in each locality is shared between the inspectorates, councils and their local partners; is open and transparent; enables councils and their partners to challenge the currency and value of data and facilitates a dialogue about the interpretation of the data well before the Inspectorates begin to draw conclusions from it.*

### 3.4 The Area Assessment

**Methodology.** *We welcome the proposed emphasis, in the area assessment, on Question 3, about the prospects for future improvement. However this seems to have been the most challenging part of the trials. Some area assessment reports we have seen focus almost entirely on answering Questions 1 and 2 – about understanding community aspirations and about delivery – and don't really have very much of a future focus. The conclusions we draw from this are either that the assessment methodology is not quite right (i.e. answering Qus 1 and 2 does not in fact lead you to the answer to Qus 3) and/or that we need to develop further the capacity of the local Inspectorate teams to make forward looking assessments.*

*Some councils reported the Inspectorates' use of comparative performance information when coming to conclusions about achievements in the area. Whilst this is to some extent signalled*

*in the July consultation paper it does seem somewhat at odds with the area focus of the assessment. We would like further clarity about the role of comparative performance information in the area assessment and some assurance that any comparisons should be confined to very clear evidential areas, such as relevant national indicators.*

*We also have some concerns about Inspectorate engagement in the area assessment. One council reported to us that a particular inspectorate was not fully involved in the area assessment and, it appears had not contributed to the draft report. As a result the report gave a very different picture about the performance of a particular service area to that which might have been expected – and this undermined the value of the area assessment and as a result CAA, to that part of the council.*

**Assessment.** *Most councils felt that the area assessment report was generally a fair picture of the area, but told them little they did not already know. Of more importance to councils, in terms of constructive challenge about progress and improvement, was the dialogue between the Inspectorates and locality.*

*Councils were unclear about the audience for the reports. Most assumed they were aimed at the public, but felt that, if this was the case, the language was often not quite right for the public. Some questioned whether the public would generally be interested in reports of this nature and length. Councils were also concerned that the judgements in the report should demonstrate the evidence on which they had been based.*

*Councils had different experiences of the way the area assessment was structured. Some of the trial sites have experienced the ten subsidiary issues underpinning Question 2 being used as a template for both the assessment in their area and the area assessment report itself. According to the consultation paper this is not how they were intended to be used. For others a more flexible approach was adopted, basing the process around the priorities for the area.*

*Whilst we accept that there may be a high degree of correlation between the ten issues and LAA priorities we do not believe that it would be helpful to apply the questions as some form of national template or to assume that they may be of equal weight or importance. The focus of the area assessment is the LAA and sustainable community strategy. The priorities will therefore differ from area to area and so should the focus of the assessment. Using an assessment and reporting framework that reflects local priorities is more likely to make the report of relevance to local people and engage local partners. Conversely using a national template would only serve to give the impression that this was an assessment against national criteria and would not help engage local partners.*

#### **Recommendations:**

- *further thought be given to the methodology and capacity needed to deliver a forward looking assessment about the prospects for future improvement;*
- *Inspectorates clarify the role of comparative performance information in the area assessment and confirm that any comparisons will be confined to very clear evidential areas, such as relevant national indicators;*
- *further thought be given to how best to communicate CAA to the public;*
- *the ten subsidiary issues underpinning Question 2 not be used as a template for the assessment process and for reporting, but that at the start of the assessment the Inspectorates, council and partners jointly agree both the key issues to be explored in each area under Question 2 (reflecting the area's sustainable community strategy and LAA) and the framework for reporting.*

### **3.5 Red and Green Flags**

*Generally speaking it seems that most areas received a relatively small number of red or green flags – which feels right if they are going to focus activity and not become devalued. However we were aware of one area which received 8 green flags – which seems inconsistent compared to the experience of others.*

*Councils also questioned whether the issues that flags were awarded for were consistent with the intentions in the July consultation paper. So for example some of those areas that received green flags felt they had been awarded for good projects, good processes or strong performance outcomes rather than “innovative or exceptional success”.*

*The same was true for some red flags. Some councils felt that whilst the Inspectorates might have been right to have concerns about outcomes/future prospects, initiatives were in place to adequately deal with them and as a result, a red flag should not have been awarded.*

*Others reported differences in the nature and scale of issues that had been flagged with some 'big' red flags and 'little' red flags and felt that there ought to be clearer expectations and consistency about the weight or significance of issues deserving flags.*

*Some councils commented that if the primary purpose of a red flag was to initiate further improvement activity then the way in which the flag was reported and the language used needed to be carefully balanced in order to avoid criticism/blame and to promote a constructive forward looking approach.*

*Finally councils stressed the importance of discussion between the inspectorates and locality before flags are awarded, in order to ensure that the evidence on which it is proposed flags be raised is accurate and the issues are fully explored.*

#### **Recommendations:**

- *further clarity is needed about the circumstances when red and green flags might be raised and the process for ensuring consistency across areas;*
- *where inspectorates are considering awarding red or green flags this should trigger a discussion with inspected bodies to explore the issues and ensure all the evidence is considered;*
- *the Inspectorates consult on their proposals for challenging the award of red flags before it is finalised.*

### **3.6 Organisational Assessment**

*Whilst we accept that the main focus of the trials was to test the Area Assessment in all areas, we understood that it was also intended that the Organisational Assessment be undertaken in four areas. However from the feedback we have received it appears that it received less attention and we are not clear what has been learnt about the new Organisational Assessment itself, or the links with the Area Assessment.*

### **3.7 Capacity**

*Feedback from the trials is that:*

- CAA requires inspectors to take a fundamentally different approach to judging performance and one that is arguably more complex. Interpreting data to determine areas of focus and making strategic judgements on the likelihood of outcomes being delivered across local partnerships in the future, requires inspectors to develop a completely new set of skills and abilities;
- There is still a variable degree of “sign up” amongst Inspectorates locally to CAA and the Inspectorates need to do more to recognise and manage their different cultures and language in order to tell a consistent and joined up story about assessment in individual areas.

**Recommendations:** *The inspectorates should ensure they have a collective capacity in place to deliver CAA in all areas.*

### 3.8 Burden

*Councils acknowledge, and indeed welcome, the inspectorates' intention to reduce the demands placed on them and their partners by relying firstly on robust local performance data and local self evaluation. Early indications from the trial sites are that the experience has indeed been relatively light touch. This is a positive start, but the trials were undertaken over a relatively short period of time and are therefore somewhat artificial. In some places they were also able to rely on recent or concurrent CPA assessments, which will not be available in the future. As a result it is probably too early to say with any assurance that the burden will be reduced in practice.*

*One issue which will have an impact and which was coming back from the trial sites was the extent to which other assessment frameworks are seen to be integrated with CAA - or as a separate and discrete process, for example the current Ofsted proposals for assessing local authority services for children and young people. The greater the extent to which local partners feel they need to respond primarily to individual assessment frameworks the more CAA will be undermined and the more it will be seen as imposing something additional.*

**Recommendation:** *that the Inspectorates need to work harder to demonstrate how CAA and other performance frameworks will integrate, in order to be able to tell a comprehensive story about performance in individual areas.*

### 3.9 Other Learning

*We are aware that, as well as undertaking the area assessment and organisational assessment, the Inspectorates planned to learn about a number of other aspects of CAA through the trials, including for example: improvement and inspection planning, sustainability, capturing local voice, equalities and diversity, peer involvement, etc.*

*The feedback we have received from the trial sites is that if such learning has taken place it is not evident that most councils have been involved.*

**Recommendation:** *That before reaching conclusions about the additional lessons to be drawn from the trials, any emerging conclusions be shared with councils and their partners, who be invited to comment on them.*

### 3.10 Further development of CAA

*One of the concerns the sector currently has about CAA is that the second consultation paper is still fairly “high level” and is often weaker about what will actually happen in practice. The Inspectorates have already produced guidance to auditors about the Use of Resources assessment and intend to develop guidance to CAALs about undertaking the area assessment. The existing trial sites have a helpful perspective to offer to the development and testing of this guidance and are keen to contribute.*

**Recommendation:** *that in the spirit of openness and shared endeavor, the Inspectorates develop the draft guidance to CAALs in discussion with the trial sites, LGA and IDeA before finalizing it and making it publicly available.*

#### **4. Messages to the sector**

*Councils involved in the second tranche of CAA trials were keen to share the lessons they have learnt with other authorities. Their key messages are:*

- *Understand the ambition and potential of CAA – it is very different to CPA;*
- *Take the initiative locally and promote knowledge and understanding amongst local partners. Try and ensure all partners are working together to respond to CAA;*
- *Develop a positive on-going relationship with your CAAL – and also with the leads for the other Inspectorates;*
- *Undertake a self evaluation. Where councils in the trial sites had done one it was helpful (see IDeA website for more details);*
- *Make sure you have good performance management systems in place across the partnership and are able to evidence your improvement with good quality quantitative and qualitative data;*
- *Make sure publicly accessible information about the council and local partners (e.g. websites) is of good quality and up to date;*
- *Ensure Executive members are aware of CAA and the implications for assessment. Consider how best to keep non Executive members informed.*

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