

**CAA Consultation – November '07 – February '08**

Question	Relevant para	SCC Comment
<p><b>Area risk assessment</b>  <b>Q1</b> 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?</p>	38	<p>The key elements are very similar to CPA, i.e. prioritisation, capacity, achievements, with a clear focus on partnership and the community needs. Another area which could be considered is ambition, i.e. challenging and innovative.</p> <p>The questions are process driven and not clearly outcome focused so should be reworded in the spirit of CAA, e.g. rather than questioning the arrangements for managing risks, it should be asking how we can demonstrate that risk management arrangements will improve outcomes for local people.</p>
<p><b>Q2</b> Do the proposals address the concerns raised in the earlier consultation about areas with county and district councils?</p>	41	<p>No, two tier issues are not adequately covered. It is not clear how district level data will be used or how inspectorates will judge district level partnerships and performance. Clarity is required about the accountability of a county council for a failing or poorly performing district authority. It also needs to be noted that some counties have 3 tiers of local authorities, not just 2. There is concern that pilot areas struggled to manage the LAA and SCS processes with only the involvement of 2 districts, and many counties have many more, up to 12.</p>
<p><b>Q3</b> 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?</p>	45	<p>Yes. The phrase "prospects" has much more positive overtones than "risk", helping to encourage innovation in service delivery, not risk aversion.</p>
<p><b>Performance information</b>  <b>Q4</b> How should we report on the national indicator set for local authorities and their partners?</p>	47	<p>Where suitable, data should be used against the appropriate comparator group, e.g. unitary authority or county etc. Indicators where this would be appropriate, for example, are those included within the Place Survey, assuming the methodology is consistent across authorities (this is still under consultation). League tables and quartiles are a simple way to understand data which is comparable. There will need to be clear</p>

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		definitions of those indicators which are not to be compared nationally due to local circumstances. Family grouping is then appropriate for comparisons.
<b>Q5</b> What is the most helpful way of comparing the performance of local areas?	47	We would question whether it is possible or appropriate to compare local areas – rather the focus should be on local delivery. As with Government Office reviews of the current LAA, there is an opportunity to give a commentary and RAG rating overall for performance. This would be informed by the NIS and performance of the LAA, as well as other inspection activity.
<b>Q6</b> How should we ensure that the performance information we publish is relevant and accessible to councils and their partners, local people and central government?		One CAA website with links from Audit Commission, Ofsted, and the other inspectorate sites. This should be updated quarterly when new reports are added, and annually for NIS results. Following the input from Ipsos MORI on reporting mechanisms, it may be useful to develop a suite of reporting techniques available so authorities can choose options which best suit the local context and resources. It is important to stress that other inspectorates do not impose additional requirements on councils with regard to their own performance assessment frameworks, but that they follow the principle outlined in the CAA consultation document that “beyond the national indicator set they seek to rely on the management information used by local authorities and partnerships to understand the needs and performance of their area”.
<b>Direction of travel</b> <b>Q7</b> Do you agree with our proposals for direction of travel assessments?	51-58	No. There is no need for a DoT judgement as well as a UoR judgement and the ARA judgement – there is clear duplication. We would recommend the DoT but NOT the expanded UoR judgement. As noted in paragraph 52, the sources of evidence for the DoT assessment will be the same as for the risk assessment. The consultation states that the DoT judgment will assess individual authorities’ rate of improvement and the likelihood the improvement will continue. The risk assessment will assess the likelihood that national and local priority outcomes will be achieved. If, as confirmed by the Audit Commission, the ARA will specifically detail individual partners

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		within the judgment when assessing outcomes achievements, risks and barriers, so the question should be asked if there is a need for individual authority DoT statements also.
<b>Q8</b> Are there any aspects of these proposals you would like us to change?	51-58	Should the DoT continue the basic proposals are sound.
<b>Use of resources</b> <b>Q9</b> Do you agree with the proposals for the use of resources assessments?	59-64	No. The proposals for Use of Resources KLOE (which will be annual) have incorporated many of the KLOE from the Corporate Assessment (which was conducted every 3 years), so increasing the burden on local authorities, not reducing it. The UoR annual assessment now looks like a mini corporate assessment and the attachment clearly illustrates this point by correlating the UoR KLOE to the CA KLOE.
<b>Q10</b> Are there any aspects of the proposals you would like to see changed?	59-64	<p>No. The proposals for Use of Resources KLOE (which will be annual) have incorporated many of the KLOE from the Corporate Assessment (which was conducted every 3 years), so increasing the burden on local authorities, not reducing it. The UoR annual assessment now looks like a mini corporate assessment and the attachment clearly illustrates this point by correlating the UoR KLOE to the CA KLOE.</p> <ol style="list-style-type: none"> <li>1. Do all 3 themes need to be assessed annually? Should they not be assessed proportionate to risk based on the self assessment and past performance? The LAA and Spending Review are 3 yearly so there is an opportunity to align the UoR assessment to this time scale too, with a much lighter touch review annually if at all.</li> <li>2. It is not clear how the proposed UoR and the DoT will sit alongside each other. As noted in question 7 above greater clarification is required to ensure there is no duplication.</li> <li>3. Sustainability is a national priority and an area based issue so it is not appropriate for the UoR judgment. This should be part of the ARA or, if chosen, will form part of the LAA.</li> <li>4. It is recognised that the proposed increase in audit fees are required to cover the greater international auditing standards imposed on the Audit Commission, not to cover an increase in inspection duties. Locally in Shropshire we recognise that potentially our fees may actually lower going forward due to our excellent internal audit and grant submission work. However, further details on the breakdown of the fees is required to allay concerns about the increased audit fees and how this balances</li> </ol>

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		<p>with delivering VfM for local services and reducing the inspection burden.</p> <p>5. We have concerns at the abilities of auditors to assess organisational development and HR issues.</p> <p>6. The UoR is a risk based statement and covers similar ground to the Annual Governance Statement, which may become compulsory from June 2008. This will create duplication.</p> <p>7. There are some specific concerns in the detail of the KLOE:</p> <ul style="list-style-type: none"> <li>• KLOE 1.2, level 3 - to “involve” and “consult” external stakeholders and communities in financial planning and e.g. participatory budgeting</li> <li>• KLOE 1.3, level 3 - whole life costing is an expensive process. The expectation should be restricted to <u>key decisions only</u> to ensure VfM.</li> <li>• performance assessment, benchmarking, risk management etc of partnership belongs to CAA not use of resources</li> <li>• KLOE 2.5, level 3 - publicising successful fraud cases can have negative effects on the reputation of the organisation and so it may not be good publicity, yet this is in the KLOE.</li> </ul>
<p><b>How will CAA be reported and scored?</b>  <b>Q11</b> Should there be an overall CAA score?</p>	75	No. A score would create a ranking system which would not be appropriate when reviewing potentially very different areas, local priorities and outcomes.
<p><b>Q12</b> Should the national indicator set be scored?</p>	70	As noted in question 4, by individual indicator only and against suitable comparative group.
<p><b>Q13</b> Are the proposed labels / scoring arrangements for use of resources the right ones?</p>	71-72	Yes
<p><b>Q14</b> What would be the best way of scoring the direction of travel assessments?</p>	73-74	Ideally the DoT judgment will be linked to the Area Risk Assessment and therefore no score will be made at all. The existing categories are backward looking, reflecting on achievements made and so the new options are more

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		in line with CAA, which looks at the prospects going forward. However, the ARA looks at the likelihood of outcomes being achieved so there needs to be much greater clarity to ensure that there is no duplication.
<b>Q15</b> 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?	75-76	One CAA website with links from Audit Commission, Ofsted, and the other inspectorate sites. This should be updated quarterly when new reports are added, and annually for NIS results. As noted above in question 6, a suite of options should be developed for all partners to use as appropriate to the local context.
<b>Q16</b> What is the best way to report CAA in two-tier council areas?	76	From the CAA website where geographical areas (e.g. Shropshire) could be chosen.
<b>Q17</b> How can we try to make sure that our reporting is equally accessible to all people in communities?		Options can be given as part of the Place Survey, with an open feedback section, to ensure communities say what is accessible and what isn't. As noted above in question 6, a suite of options should be developed for all partners to use as appropriate to the local context.
<b>Inspection</b> <b>Q18</b> Do you agree with these proposals about the purposes, principles and benefits of inspection and the circumstances in which inspection might be suitable?	77-84	Yes in principle. The negotiations which are still ongoing around the rolling programme of inspections need to be very stringently managed. There are clear guidelines that inspections will be proportionate to risk and rightly so – should inspections only be triggered by the ARA? The area of concern is that inspections may also be directed by Government Ministers (paragraph 80) and although the role of gatekeepers is welcomed, the direction of Ministers is still an unknown quantity.
<b>How will CAA be experienced by councils and their partners?</b> <b>Q19</b> Will the approach described be an effective and efficient way of working with councils and their partners to deliver CAA?	85-92	No. The self assessment process is not being reduced, and clearly the Use of Resources self assessment is a significant increase in workload. There will be a lot of duplication of information from partners in both the UoR assessments and judgments and the DoT assessments because there is a lot of requirement to review partnership working. There is concern that to date there is little information concerning how CAA

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		will align to other performance frameworks, except to say that efforts are being made to ensure they are joined up and complimentary and that they do not duplicate information. Again it needs to be stressed that an ambition in the White Paper was to reduce the burden on local authorities, yet there is little evidence of this to date with additional performance frameworks being put in place, e.g. VfM, Culture.
<p><b>The respective roles of regional government offices and inspectorates</b></p> <p><b>Q20</b> Have we explained sufficiently clearly the inspectorates' relationships with regional government offices?</p>	100-101	<p>No. There is definitely duplication, with an annual review from the Government Office as well as an annual CAA judgment. It is concerning that Government Offices will negotiate priorities and outcomes for the LAA but the Inspectorates will then review if the LAA is focused on the correct priorities. There is the potential that the Inspectorates will disagree with GO after negotiations and require authorities and partners to go through a renegotiation again. We have concerns at the capacity of GO's to deliver this should it be required. Surely this simply increases the burden for all involved and the Inspectorates should be limited to reviewing priorities and outcomes negotiated?</p> <p>Further clarity is required around field force issues to ensure a reduction in the reporting burden, ensuring for example that there is not duplication between Ofsted, CSCI and Government Office.</p>