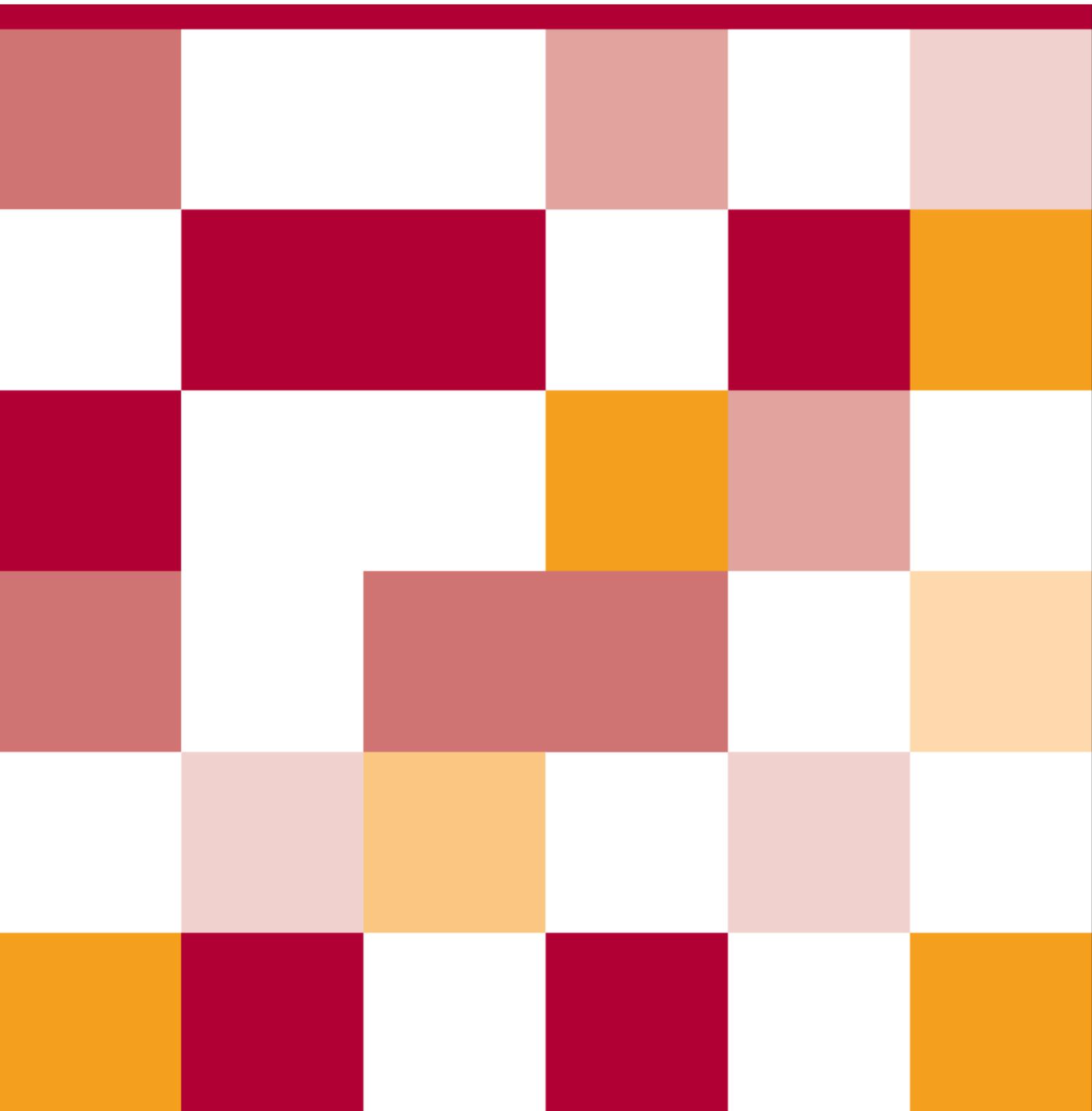




CabinetOffice
Office of the **Third Sector**

Comprehensive Area Assessment: Briefing for the third sector



Introduction

This document provides a brief overview of the Comprehensive Area Assessment (CAA) and relevance to the third sector.

The CAA is a framework for independent assessment of how well people are served by the public bodies in their area. It started on 1 April 2009 and is a rolling assessment. It looks at the whole area and how well local bodies are working in partnership to deliver agreed priorities such as those set out in Sustainable Community Strategies¹, Local Area Agreements (LAAs)² and the wider National Indicator Set³.

The third sector is an essential member of the Local Strategic Partnership⁴ and is recognised as having key roles in local decision-making; in delivering services, and in holding local government to account⁵.

Importance of CAA to the third sector

All indicators in the National Indicator Set, including NI6 (participation in volunteering) and NI7 (the environment for a thriving third sector) will be assessed in all areas, not just in localities where third sector indicators are included in the LAA.

CAA aims to provide clear and impartial information about how well local public services are performing. For the third sector it can provide information on whether progress is being made towards the development of an environment for a thriving third sector; whether third sector expertise feeds into decision-making, and whether the third sector is able to play its full role in delivering services for the whole community, including disadvantaged or vulnerable groups.

The CAA is an important opportunity for the third sector in holding local government to account and it will be important for the sector to take a coordinated approach to engaging with the CAA locally, in order to most effectively have their contribution heard.

*'Successful implementation of CAA will necessitate collaborative working between local councils, local partners (including the third and private sectors), the inspectorates, government offices in the regions, regional improvement and efficiency partnerships and others.'*⁶ Audit Commission

Timelines for CAA

The inspectorates⁷ will use a public website (and other methods) to report CAA assessments each year in November. In year one (2009-10) there will be a shortened cycle of assessment commencing in April and May with inspectorates engaging with stakeholders. Throughout the summer the inspectorates will agree a joint emerging picture with local partners and by mid autumn a cut-off will apply to most sources of evidence. In October inspectorates and CAA leads will make their final adjustments to area assessment reports and engage further with local partners prior to publication of joint assessments for every area in November. The detailed timeline for CAA is set out in the Guidance for Inspectorate Staff⁸

Elements of the CAA - Area Assessment

This is a narrative report looking at prospects for future improvement against local priorities. The Area Assessment uses two initial questions to provide underlying evidence and support the judgement on a third question:

- How well do local priorities express community needs and aspirations?
- How well are the outcomes and improvements needed being delivered?
- What are the prospects for future improvements?

The first question is clear third sector territory and inspectors will be looking for evidence of robust decision-making across local partners and evidence of effective implementation of the duty to involve (see below).

In understanding this it will be necessary to explore how well local partnerships engage with, involve and empower local people, including through the third sector⁹.

Some issues identified through the area assessment may be 'flagged'. The joint inspectorates may report a red flag where there are significant concerns about outcomes, which are not being tackled adequately, or a green flag where there is exceptional performance or outstanding improvement, which is resulting in proven delivery of better outcomes for local people that are sustainable and others could learn from. Green flags will also be used to highlight innovative practice.

Elements of the CAA - Organisational Assessment

Local public services are assessed by different inspectorates in ways which reflect the context and organisation of each sector. The Audit Commission assesses value for money through a Use of Resources Judgement. This contributes to the organisational assessment for local authorities, PCTs, police, and fire and rescue authorities.

The Use of Resources Judgement covers how well the organisation manages finance, the business and resources. These themes are supported by detailed questions called Key Lines Of Enquiry (KLOEs) on three main questions:

1. How effectively does the organisation manage its finances to deliver value for money?
2. How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for local people?
3. How well does the organisation manage its natural resources, physical assets, and people to meet current and future needs and deliver value for money?

These questions may look quite general, but the KLOEs include a series of questions on different aspects of how the organisation is managed. Detailed guidance for assessors and inspectors is provided, which reflects third sector role and issues. Just two examples of this are:

KLOE 1.1 is about engaging local communities, including third sector organisations in the area, in the financial planning process. It states that Councils will need to be innovative in how they approach this, particularly in reaching their diverse communities, and that Councils will need to develop and keep under review an understanding of the third sector operating in their locality¹⁰.

KLOE 2.3 looks at involvement of the third sector in commissioning practice. It states that supporting the third sector in its provider role will be an important aspect of developing the market and consideration should be given to whether there is appropriate use of grants as well as contracts to achieve required local outcomes.¹¹

For local authorities and fire and rescue authorities, the Organisational Assessment also includes a managing performance theme that looks at how the organisation improves services and contributes to wider community outcomes. The Area Assessment and Organisational Assessment will not happen in isolation but will inform each other.

CAA Lead

CAA Leads work in local areas for the Audit Commission and are responsible for coordinating the contributions of the joint inspectorates and providing a focal point for the CAA process in each area. They work with area support teams to get to know the LSPs in their areas, including the third sector. When

engaging with local partners, for example about draft CAA reports, the CAA Leads represent all the inspectorates.

Evidence

A 'Shared Evidence File' locally will include all the data from the National Indicator Set. Information from a range of local sources including third sector sources will also be in the evidence file. Views of local people, the third sector and local businesses will be considered as evidence by the CAA local lead as they make their judgements.¹²

The National Survey of Third Sector Organisations measures performance against NI7 and the Place Survey measures performance against NI6. Data from these surveys will be placed in the local evidence file.

The Compact

The Compact is an essential element of local partnership working and as such will be taken into account in CAA. It is included in Guidance for Inspectors¹³ and Compact principles are embedded throughout the Use of Resources Judgement. The Audit Commission provides guidance for CAALs and Area Support Teams that cover the third sector, including information on local Compacts.

Duty to Involve

Councils have a duty to involve local people and the organisations that represent them in decision making¹⁴. Information from the National Survey of Third Sector Organisations and the Place Survey will contribute to evidence on meeting the duty to involve. By considering how well local partners engage local people, CAA will assess how well this duty is carried out¹⁵.

More information

www.audit-commission.gov.uk/caa - Audit Commission.

www.nstso.com – National Survey of Third Sector Organisations, including full analysis of results.

<http://www.communities.idea.gov.uk/c/843393/home.do> - Third Sector Indicators Community of Practice, to discuss the CAA framework and how this is working in your area.

¹ Sustainable Community Strategy – sets out the overall strategic direction and long-term vision for the economic, social and environmental well being of an area – typically 10-20 years – in a way that contributes to the sustainable development of the UK. p.26, *Creating Strong, Safe and Prosperous Communities Statutory Guidance*, Communities and Local Government, 2008

² Local Area Agreements – set out the 'deal' between central government and local authorities and their partners to improve services and quality of life for local people. p.34, *Creating Strong, Safe and Prosperous Communities Statutory Guidance*

³ National Indicator Set – set of streamlined indicators that reflect national priority outcomes for local authorities working alone or in partnership <http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/nationalindicators/>

⁴ p.18, *Creating Strong, Safe and Prosperous Communities Statutory Guidance*

⁵ Third sector role in all 3 elements

⁶ p.42, *Comprehensive Area Assessment Framework Document*, Audit Commission and Joint Inspectorates, 2009

⁷ Audit Commission, Care Quality Commission, Ofsted, HM Inspectors of Constabulary, Prisons & Probations

⁸ Insert link to guidance for inspectorate staff

⁹ p.54, *Comprehensive Area Assessment Framework Document*, Audit Commission and Joint Inspectorates, 2009

¹⁰ KLOE 1.1, *Use of Resources Guidance*, Audit Commission, 2009

¹¹ KLOE 2.1, *Use of Resources Guidance*, Audit Commission, 2009

¹² p.34 & 37, *Comprehensive Area Assessment Framework Document*, Audit Commission and Joint Inspectorates, 2009

¹³ p.156, *Comprehensive Area Assessment Guide for inspectorate staff*, 2009

¹⁴ p.20-24, *Creating Strong, Safe and Prosperous Communities Statutory Guidance*

¹⁵ p.17, *Comprehensive Area Assessment Framework Document*