

**REPORT TO:** Business Efficiency Board

**DATE:** 29 September 2010

**REPORTING OFFICER:** Strategic Director Resources

**SUBJECT:** Abolition of Comprehensive Area Assessments and the Audit Commission

**WARDS:** Boroughwide

### **1. PURPOSE OF REPORT**

To advise members of government announcements regarding the Comprehensive Area Assessment and the Audit Commission.

### **2. RECOMMENDATION**

To note the report.

### **3. BACKGROUND**

In May 2010 the government announced its intention to abolish the Comprehensive Area Assessment. On 28<sup>th</sup> May the CAA inspectorates (the Audit Commission, CQC, Ofsted, HMIC, HMIP and HM Inspectorate of Probation) announced that:

- Work on the area assessment and organisational assessment could cease with immediate effect
- There will be no new scores for use of resources or managing performance (the organisational assessment)
- Ofsted will continue with Children's Services assessment for 2010
- CQC will review the arrangements for Adult Social Care. Subsequently CQC indicated it would publish its performance reports on councils on 25 November 2010
- Appointed auditors (in Halton's case the Audit Commission) will continue to deliver the audit in accordance with the statutory code of practice including a value for money conclusion.

On 13<sup>th</sup> August a further announcement was made that the government plans to wind up the Audit Commission. The Commission's responsibilities for overseeing and delivering local inspections and research work will stop, audit functions will move to the private sector and the Council will be free to appoint their own external auditors.

#### **4. IMPLICATIONS**

The general direction of government policy has been made clear:

- Less regulation from the centre, and
- Greater transparency allowing performance to be monitored by the local community.

However, "vital inspection, where public welfare is at risk, such as of Children's Social Services, will remain to protect the vulnerable".

Local authorities are being encouraged to publish frontline performance data and there have been hints that the government will support proposals from the LGA for regular (3 yearly) peer reviews of councils.

No announcement has yet been made about the future of the National Indicator Set.

The most burdensome reporting and inspection requirements are those relating to CQC and Ofsted (Children's and Adults Social Care) and whilst these frameworks will be reviewed, it is clear that they will be retained in some form.

#### **5. NEXT STEPS**

The full picture of government and inspectorate requirements has yet to emerge and it is therefore too early to know what will be required of us. However, it is likely that we will have more freedom to determine our own performance framework. The Local Government Group (formerly known as the LGA) is in discussion with government about proposals for benchmarking, peer challenge and review, and improvement support. Once the picture is clearer the Council will need to consider:

- What information is required to manage and monitor service provision by the Council itself
- What information would be useful to the public

- Whether some form of external validation such as a peer review is required from time to time.

## **6. POLICY IMPLICATIONS**

Whilst there are no direct policy implications, consideration will be required as to how in future we monitor progress towards our policy objectives.

## **7. OTHER IMPLICATIONS**

The financial implications of this are unclear. The government expects to save £50m from the abolition of the Audit Commission but the Council will still have to employ auditors and it remains to be seen how private sector costs will compare.

## **8. IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

There are no direct implications for the Council's priorities from this report but any future changes to individual inspection regimes may have implications for individual priorities.

## **9. RISK ANALYSIS**

The risk associated with these announcements is that the drive to reduce the government deficit will be at the expense of service performance and that it will be harder to assess and compare outcomes for Halton residents. To mitigate this the Council will need to review the performance management arrangements and consider the options for benchmarking, including peer reviews.

## **10. EQUALITY AND DIVERSITY ISSUE**

There are no direct implications from these announcements but it should be noted that the inspection and regulatory requirements have been drivers for progress in developing the Council's approach to equality and diversity.

**11. LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
1. Coalition Agreement	MB 2 <sup>nd</sup> floor	R MacKenzie
2. Letter from CAA Inspectorates 28.5.10		
3. Letter from CQC 5.8.10		