

Report of the Assistant Director of Resources (Customer Service & Governance)

## **Comprehensive Area Assessment & Use of Resources Assessment 2009**

### **Summary**

- 1 This report provides an overview of the Comprehensive Area Assessment (CAA), including the new Use of Resources Assessment and internal preparations which seek to address any risk areas that could affect the first assessment result in November 2009.

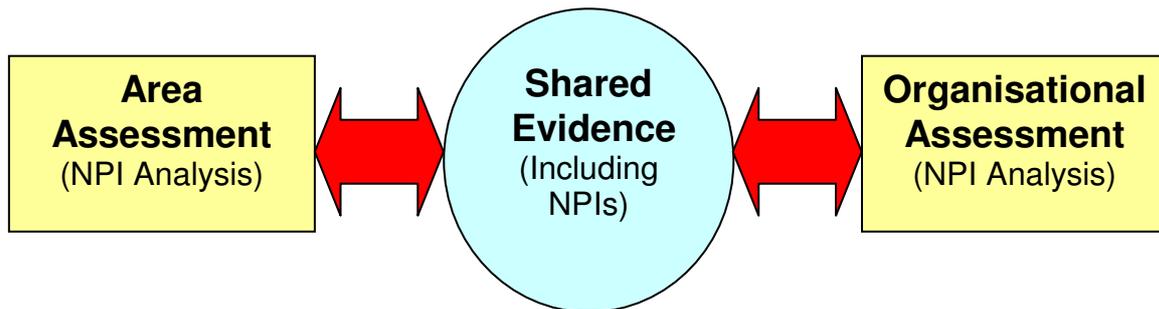
### **Background**

- 2 CAA comes into effect from April 2009 onwards and will be the main external assessment process which the government will use to assess local authorities and the effectiveness of their Local Strategic Partnerships (LSPs). It will bring together seven inspectorates to provide an overview of how successful the council and LSP are working together to improve the quality of life in York – in particular those priority areas of improvement set out in the city's Local Area Agreement (LAA) and Sustainable Community Strategy (SCS).
- 3 Other key features of CAA are that:
  - it will replace CPA, JARs, APAs and social care star ratings with an annual assessment identifying key risks to achieving priority outcomes or service delivery;
  - the assessment will all draw on the new national indicator set, and will be heavily influenced by the views of residents and those using services (mainly through the 'Place Survey'). The new performance framework is made up 196 national performance indicators (NPIs), which are very different to the old statutory indicators (e.g. BVPIs, PAF, HIP), They are much more outcome focused and concentrate on what it's like to live and work in York.
- 4 The main change CAA brings compared to CPA is a shift away from service related performance to a focus on the local authority. CAA is more about delivering outcomes in partnership and:
  - is about people and places;
  - will give people a snapshot of life in York each year;
  - will help improve quality of life in the York area;
  - will help citizens understand if they are getting value for money from the Council and other partners.

5 Although the CAA process does not formally commence until April 2009, in reality it has started already as the 2008 LAA and the 35+ targets will be the main focal point for the assessment and the national performance indicator results for 2008/09 will be used in next year's inspection. The new Use of Resources assessment will cover the current financial year with fieldwork commencing in the spring of 2009.

### The two assessments of CAA

- 6 CAA will have two main assessments that will (through shared evidence), inform each other to produce an overall set of results for the council, its LSP partners and the area they manage. The first is called the **Area Assessment**, which will examine how effectively local services are delivering priority outcomes for local people (e.g. economic prospects, community safety, etc), and how these are likely to improve in the future.
- 7 The second is called the **Organisational Assessment** and is primarily aimed at the council, although other key LSP partners will also be assessed separately. This assessment is made up of two themes (**Use of Resources and Managing Performance**), which examine the council's organisational effectiveness using 12 KLOEs (Key Lines of Enquiry). Where appropriate, additional risk-based assessments may also be carried out in areas where performance or improvement levels are not satisfactory or declining.



8 Working closely with LSP partners, the council will be expected to produce evidence to help support both assessments. Failure to do this effectively will extend the inspection process and place a reliance on the external inspectors to investigate further on the council's behalf.

### The Area Assessment

- 9 The area assessment will focus on three main questions:
1. How well do local priorities express community needs and aspirations?
  2. How well are the outcomes and improvements needed being delivered?
  3. What are the prospects for future improvements?

Further detailed questions underpinning these main themes are listed in Annex 1 to this report.

10 The broad canvass that these three questions give the inspectors, and the more free flowing approach to the inspection process that CAA provides, with a shift away from policy/process and compliance to a more outcome focused approach, is reflected in the following extract from the recent consultation document:

*"Taking the area covered by the LAA as the starting point, by 'area' we mean the scope of any outcomes the council is delivering alone or in partnership with other public, voluntary, community or business organisations. The assessment will trace the focus and scope of any agreed local target. It will 'shrink' to trace progress in particular neighbourhoods or communities, or expand to cover MAAs and sub-regional agendas, as appropriate."*

- 11 The Area Assessment aspect of CAA will be reported in two ways. Firstly by a narrative/report that is web based and publicly accessible that focuses on: key priorities, overall successes and challenges, and a summary of prospects. Secondly by giving 'flags' to an area as follows:
- Green flags – to recognise exceptional successes and achievements of local partnership.
  - Red flags – to indicate where current arrangements are inadequate to deliver the necessary improvements and that more or different action is needed AND where the inspectors are not satisfied that sufficient corrective action is being taken.

#### Organisational Assessment

- 12 The organisational assessment will focus on how well the council delivers value for money in the way it uses its resources and manages performance. The assessment is designed to ensure councils are held accountable for contributing effectively towards the delivery of the Local Area Agreement and other regional improvements (e.g. the MAA).
- 13 The assessment uses 12 KLOEs under 4 key themes :
- 1. Managing finances – looking at how effectively the council manages its finances to deliver VFM:**
    - 1.1 Planning for financial health.
    - 1.2 Understanding costs and achieving efficiencies.
    - 1.3 Financial reporting.
  - 2. Governing the business – examining how well the council governs and commissions services that provide VFM and deliver better outcomes for local citizens:**
    - 2.1 Commissioning & procurement.
    - 2.2 Use of information.
    - 2.3 Good governance.
    - 2.4 Risk management & internal control.
  - 3. Managing resources – examining how well the council manages its natural resources, physical assets and people to meet current/future needs and deliver VFM:**
    - 3.1 Natural resources.
    - 3.2 Strategic asset management.

### 3.3 Workforce planning and management.

#### **4. Managing performance – examining how well the council delivers services, outcomes and sustainable improvement according to local priorities, including whether it has the leadership, capacity and capability to meet future improvement requirements:**

4.1 Delivery of priority outcomes.

4.2 Leadership, capacity and capability.

- 14 Although some of the criteria above are similar to the previous Use of Resources assessment and some Corporate Assessment KLOEs previously covered under CPA, many are considered to be new or have been changed to focus on delivery from a wider partnership perspective (e.g. KLOE 1.1 asks the council to engage local communities and other stakeholders in the financial planning process).
- 15 There will still be scored judgements in a familiar format of Levels 1 to 4 used previously, however there will be clear expectations and standards set that mean a Level 2 reflects that the council has 'got the basics right' and at Level 3 the Council is 'performing well'. It is anticipated that many councils that previously scored '3' in the old Use of Resources assessment will score a Level 2 in the new assessment.

#### **Timetable**

- 16 The table below shows the timetable for introducing CAA.

<b>What</b>	<b>When (2009)</b>
First Place Survey results for York available	February
Final CAA methodology published	Late February
CAA inspection process starts	April
York's 2008/09 NPI results are collected and reported	May
First CAA judgement for York	November

#### **Preparations and next steps**

- 17 Advice received to date suggests that the council should:
- Start preparing early.
  - Carry out a locality self assessment as soon as possible
  - Prepare an information base that tells a 'Story of Place' that is recognisable to all key stakeholders.
  - Understand that this is a new process for all and build positive and constructive relationships with inspectors early.
  - Make sure that there is a mind set that allows councils and partners to performance manage themselves and build the infrastructure needed to support this.
  - Check now the likelihood of outcomes in the SCS and LAA being delivered.
  - Improve partners and elected members understanding of CAA.

18 The steps that are being taken include the following:

- A senior level CAA Steering Group has been established by the Director of Resources, including key partners, to oversee progress associated with achieving the requirements of the two assessments.
- Directorates are making the transition to monitoring the new national performance indicator set, in line with a recently revised corporate Performance indicator schedule.
- CMT and the Executive will receive performance and finance reports on a regular, consistent and timely basis, which will demonstrate performance of critical performance indicators, particularly those associated with council and SCS priorities.
- Corporate officers will be working with directorate based officers to start reporting more contextual data about the city and the improvement outcomes the council is wanting to achieve. This includes the following:
  - all Place survey data (satisfaction & perception);
  - high-level equalities data, which directorates may also need to collect at a disaggregated level;
  - other data about the city and communities (in addition to that collected for priorities). This might include key areas of quality of life in York .
- The Assistant Director of Resources ( Customer Service & Governance) is in the process of identifying responsible officers and reviewing performance against all KLOE areas in the new organisational assessment. An action plan to help address low scoring areas will be developed over the short-medium term.

## **Consultation**

19 CMT have received a version of this report. This is the start of the member consultation process and the report will be presented to the Executive in early February 2009.

## **Options**

20 Not relevant for the purpose of the report.

## **Analysis**

21 Not relevant for the purpose of the report.

## **Corporate Priorities**

22 This report contributes to the overall effectiveness of the council's governance and assurance arrangements, and its particular relevance to the new Organisational Assessment (Use of Resources) within the CAA process.

## **Implications**

23 There are no financial, HR, equalities, legal, crime and disorder, IT or property implications arising from this report.

## Risk Management

- 24 By not complying with the requirements contained in this report, the council's CAA and Use of Resources scores in future assessments could be adversely affected

## Recommendations

- 25 To note the requirements of the new Comprehensive Area Assessment and recognise the work ongoing to meet the requirements of the new process.

### Reason

*To ensure the Committee is aware of new corporate inspection processes and associated requirements, in order to ensure that future assurances can be gained in relation to, in particular, the Organisational Assessment (Use of Resources).*

## Contact Details

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**Report Approved**



**Date** 31 December 2008

## Specialist Implications Officers

Not applicable

**Wards Affected:**

All



**For further information please contact the author of the report**

### **Background Papers:**

None

### **Annex:**

Area Assessment Questions

### Area Assessment Questions

**To answer the question “How well do local priorities express community needs and aspirations?” inspectorates will explore:**

- How well local partners understand their diverse communities ?
- How well do they engage with, involve and empower local people (including the third sector)?
- How well do local people feel they are listened to?
- Does engagement encompass all communities?
- Are priorities in the SCS and LAA sufficiently appropriate and ambitious to meet the locality’s challenges and context?
- Are ambitions appropriately stretching?
- Do they take account of national priorities and standards, inequality in the area, the needs of the most vulnerable members of the community, local needs analyses and weigh up the views of local stakeholders?

**To answer the question “How well are the outcomes and improvements needed being delivered?” inspectorates are likely to make their assessment and judgements based on 10 critical questions/judgements for the area. Namely:**

- How safe is the area?
- How healthy and well supported are people?
- How well kept is the area?
- How environmentally sustainable is the area?
- How strong is the local economy?
- How strong and cohesive are local communities?
- How well is inequality being addressed?
- How well is housing need met?
- How well are families supported?
- How good is the well-being of children and young people?

These questions will primarily focus on the SCS and LAA but also integrate judgements about how well outcomes, services and improvements are being achieved where inequality and risk to individuals is greatest.

**To answer the question “What are the prospects for future improvement” inspectors will combine evidence from questions 1 and 2 to explore:**

- Whether local partners have the capacity and capability to deliver their ambitions, strategies and plans?
- Are local partners taking adequate action to manage, mitigate or address any concerns and risks that may have been identified either by locality self assessments or inspectorates?
- Are local partners engaged in any exceptional innovative practice, which has been, or promises to be successful and which others might learn from?
- How well is improvement planning being implemented (including whether key objectives and milestones are being achieved)?
- Are there any significant weaknesses in arrangements for securing continuous improvement, or failures in governance, that would prevent improvement levels being sustained?

