

Executive

COMPREHENSIVE AREA ASSESSMENT (CAA) OVERVIEW

6 April 2009

Report of Chief Executive

PURPOSE OF REPORT

To provide an overview of the Audit Commission's Comprehensive Area Assessment (CAA) which comes into effect from 1 April 2009

This report is public

Recommendations

The Executive is recommended to:

- (1) Note this overview of the Comprehensive Area Assessment.
- (2) Take the opportunity of the attendance of our Comprehensive Area Assessment Lead at the meeting to ask him any further questions about this new assessment.
- (3) Endorse Cherwell's participation in a county-wide officers group working to ensure that the Oxfordshire Local Authorities, Thames Valley Police and NHS Oxfordshire are best-placed for the first inspection of their work *together* to tackle local issues.

Executive Summary

Introduction

- 1.1 Comprehensive Area Assessment (CAA) comes into effect from 1 April 2009 and the first round of CAA reports will be published this November. The assessment will rely in the main on evidence of activity undertaken during 2008/09.
- 1.2 CAA is a joint assessment made by a group of independent inspectorates about the performance of local public services and the prospects that they will achieve improvement in their local priorities. The participating inspectorates are the Audit Commission, Ofsted, Her Majesty's Inspectorates of Constabulary and Probation and the Care Quality Commission. The last of these takes over the former work of the Commission for Social Care Inspection, the Healthcare Commission and the Mental Health Act Commission from next month.

- 1.3 Each assessment will be made up of two elements:
- An **Area Assessment** considering how Local Authorities, the NHS and the Police are addressing needs and delivering services collectively in the defined area. Area Assessment reports will be produced for each of the 152 Local Area Agreement areas.
 - An **Organisational Assessment** considering how each individual organisation is delivering its specific services, using its resources and providing value for money.

1.4 Area Assessments will ask three key questions:

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

1.5 Area Assessments will be judgements of partnership working which the Audit Commission recognises as “all the more important” in areas with district and county councils. The assessments will investigate how well local partners work together, covering:

- The sustainability and co-ordination of arrangements
- Empowerment of local people, sensitivity to needs of minority and marginalised groups, feedback arrangements and the response to feedback
- The extent to which partnerships are focussed on outcomes and value for money and how they approach the management of risks.

1.6 There will be a written report for each area but these assessments will not be scored. The assessments will use green flags for areas of exceptional performance and red flags where the Audit Commission has significant concerns about the partners’ ability to deliver against a priority area.

1.7 Organisational Assessments will consider three key lines of enquiry linked to Use of Resources and a fourth linked to Managing Performance. Although the key lines of enquiry build to some extent on the current Use of Resources assessment and the current Comprehensive Performance Assessment (CPA), this is a revamped assessment with a strong emphasis on outcomes. The key lines of enquiry are:

Use of Resources:

- *Managing Finance*: How effectively does the organisation manage its finances to deliver value for money?
- *Governing the Business*: How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for local people?
- *Managing Resources*: How well does the organisation manage its people, natural resources and physical assets, to meet current and future needs and deliver value for money?

Managing Performance:

- How well does the organisation manage and improve its services and contribute to wider community outcomes?

The annex to this paper lays out the sub-areas for each key line of enquiry.

- 1.8 The organisational assessment will be scored on a 1-4 scale where 1 is “not meeting minimum requirements” and 4 is “performs excellently”. The overall score is based on a value for money assessment derived from looking at the three Use of Resources themes, combined with an assessment of how well a council manages its performance. Where these two assessment scores differ, auditors will use their judgement to derive an overall organisation score.
- 1.9 National indicator performance data for 2008/09 will be used in both Area and Organisational Assessments. The final reports will compare local performance against national data, statistical neighbours and geographical neighbours.

Proposals

- 1.10 It is proposed that a cross-county group be established in order to ensure that the Oxfordshire Local Authorities, Thames Valley Police and NHS Oxfordshire are all best-placed for the first Area Assessment.

Conclusion

- 1.11 The Audit Commission’s judgements of areas and individual organisations will be powerful influencers of Councils’ reputations and we need to be aware of and ready for the new assessment of partnership working in Oxfordshire and of our own continuing performance.

Document Information

Appendix No	Title
1	CAA Key Lines of Enquiry
Background Papers	
None	
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CAA Key Lines of Enquiry

USE OF RESOURCES

Key Line of Enquiry		Sub Areas
KLOE 1 – Managing Finances		
1.1	Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?	<ul style="list-style-type: none"> • Integrated financial planning • Medium-to long-term financial planning • Engages with stakeholders • Financial governance and leadership
1.2	Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?	<ul style="list-style-type: none"> • Understanding costs • Decision making • Making efficiencies
1.3	Is the organisation’s financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?	<ul style="list-style-type: none"> • Financial monitoring and forecasting • Using Fit-for-purpose financial reports to monitor performance and support strategic decision making • Preparation of accounts • Publishing reports
KLOE 2 – Governing the Business		
2.1	Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value or money?	<ul style="list-style-type: none"> • Clear Vision of expected outcomes • Extensive involvement in Commissioning • Improvement through service redesign • Understanding the supply market • Evaluation of procurement options • Reviewing service competitiveness and achieving value for money and wider objectives
2.2	Does the organisation produce relevant and reliable data and information to support decision making and manage performance?	<ul style="list-style-type: none"> • Produces relevant and reliable data and works with partners to secure data quality • Provides information which supports the decision making process • Ensures data security and compliance with statutory requirements • Monitors performance against priorities
2.3	Does the organisation promote and demonstrate the principles and values of good governance?	<ul style="list-style-type: none"> • Principles of good governance • Purpose and Vision • Ethical framework and culture • Partnership Governance
2.4	Does the organisation manage its risks and maintain a sound system of internal control?	<ul style="list-style-type: none"> • Risk management (covering partnership working) • Counter fraud and corruption arrangements • System of internal control
KLOE 3 – Managing Resources		
3.1	Is the organisation making effective use of natural resources?	<ul style="list-style-type: none"> • Understanding and quantifying the use of natural resources • Managing performance to reduce impact on the environment

		<ul style="list-style-type: none"> • Managing environmental risks
3.2	Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?	<ul style="list-style-type: none"> • Strategic approach • Managing assets to provide VFM • Partnership and community working
3.3	Does the organisation plan, organise and develop its workforce effectively to support the achievement of its strategic priorities?	<ul style="list-style-type: none"> • Productive and skilled workforce • Workforce planning • Organisational change • Diversity and good people management

MANAGING PERFORMANCE

KLOE 4.1

How well is the organisation delivering its priority services, outcomes and improvements that are important to local people?

KLOE 4.2

Does the organisation have the leadership, capacity and capability it needs to deliver future improvements?

The KLOE assessments for managing performance are

- Effective in identifying and delivering priority services and outcomes?
- Improving the services and outcomes for which it is responsible?
- Contributing to wider community outcomes?
- Tackling inequality and improving outcomes for people in vulnerable circumstances?