

ITEM

ITEM

Executive – 3 December 2009

COMPREHENSIVE AREA ASSESSMENT AND ORGANISATIONAL ASSESSMENT – UPDATE REPORT

Report of Acting Head of Improvement

Statutory Powers: Local Government and Public Involvement in Health Act 2007

Gives legislative effect to many of the proposals contained in the local government white paper (such as Comprehensive Area Assessment), Strong and prosperous communities, published in October 2006.

Financial Implications: None at present

Purpose: The aim of this Report is to update the Executive on the latest position with regard to the operation of CAA and its operation at the local level by the Audit Commission.

Link to priorities: All priorities

RECOMMENDATION

That the Executive note and comment on the Comprehensive Area Assessment (CAA) and the Councils Organisational Assessment.

1. Background/The Issues

Comprehensive Area Assessment (CAA) is the new framework through which the major public service inspectorates will together make independent assessments of how well people are being served by their local public services (CAA introduced April 2009). Its focus is primarily on the prospects for better outcomes locally rather than the internal workings of individual organisations.

The Comprehensive Area Assessment process consists of two main elements:

- The **Area Assessment** reports on how well local public services are delivering better results for local people across the whole area, in our case Devon, in the judgement of the Audit Commission. The Assessment focuses on the agreed and stated priorities of the Devon Strategic Partnership via the Local Area Agreement (LAA) and the contribution of all the partners to better outcomes for the area. It makes an evaluation of how likely things are to improve in the future. The DSP have received informal feedback from the Commission and the final Assessment will be published 9 December.
- The other element is the **Organisational Assessment**. The Commission makes an annual evaluation about how well public sector bodies that contribute

to the Area are performing and how well placed they are to deliver continual improvement in the future. With regard to local authorities the Organisational Assessment will comment on each council's effectiveness as a community leader, appropriate to its circumstances, and will comment directly on the performance of key council services.

The Organisational Assessment is split into two judgements: (i) Use of Resources and (ii) Managing Performance which are scored separately but an overall Organisational score will be given. The South Hams Organisational Assessment will be published 9 December 2009 at the same time as all other public bodies and is embargoed by the Commission until then. The Audit Commission have discussed the Organisational Assessment with the Chief Executive. The Use of Resources report was presented to the Audit Committee on 1 December 2009. The Managing Performance judgement and the overall Organisational Assessment will not be published until 9 December.

The following sections provide more detail about the two judgements.

2. USE OF RESOURCES JUDGEMENT –

The Use of Resources judgement considers how well organisations are managing and using their resources to deliver value for money and better more sustainable outcomes for local people. The judgement comprises three overarching themes: Managing Finances, Governing the Business and Managing Resources.

The themes tested by the Commission are listed below. Each theme has sub criteria which are individually scored; each overarching theme is also scored which forms the basis of an overall Use of Resources judgement. The Use of Resources element of the Organisational Assessment received one overall score of between 1 and 4.

(1= performs poorly, 2= performs adequately, 3= performs well and 4= performs excellently)

The Table below shows the detailed criteria considered in arriving at the Use of Resources judgement.

Managing Finances

1.1	Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?
1.2	Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?
1.3	Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?

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 for money?
2.2.	Does the organisation produce relevant and reliable data and information to support decision making and manage performance?
2.3	Does the organisation promote and demonstrate the principles and values of good governance?
2.4	Does the organisation manage its risks and maintain a sound system of internal control?

Managing Resources

3.1	Is the organisation making effective use of natural resources? (2010)
3.2	Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs? (2011)
3.3	Does the organisation plan, organise and develop its workforce effectively to support the achievement of its strategic priorities? (2009)

The Council has received its scores against each of the elements and the overall score for Use of Resources. The Use of Resources report has been presented to the Audit Committee.

The 2008/09 use of resources assessment is more demanding than previous assessments. The themes and sub criteria are more broadly based than previously and embrace wider resource issues such as workforce planning and the use of natural resources. There is more focus on value for money achievements, outputs and outcomes rather than on processes. The Use of resources scores are not directly comparable with those for the previous year.

The Auditors took into account all the good work and initiatives that are taking place and acknowledged that the council have plans in place for further improvement. The Audit Commission commented that in order for further improvement to be evident, it will need to carry on with initiatives that were not complete or embedded in 2008/09 and ensure that underlying processes remain strong and up-to-date.

3. MANAGING PERFORMANCE JUDGEMENT –

The Managing Performance judgement seeks to assess how effective the organisation is at delivering its priority services, outcomes and improvements that are important to local people. Specifically, the Commission arrive at a judgement about whether the organisation has the leadership, capacity and capability it needs to deliver future improvements.

The Table below shows the detailed criteria considered in arriving at the Managing Performance judgement.

Managing Performance

4.1	How well is the organisation delivering its priority services, outcomes and improvements that are important to local people?
	<ul style="list-style-type: none">• 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
4.2	Does the organisation have the leadership, capacity and capability it needs to deliver future improvements?

The judgement cannot be publicly released at this time due to the embargo. I am sure councillors and officers will be pleased with the results.

4. NEXT STEPS AND PLANNING FOR IMPROVEMENT

A CAA working group which consists of key management and officers have developed an action plan to address the areas of development as identified by the Audit Commission. Consideration will be given to prioritising the actions in relation to what will provide outcomes for the community or improve efficiency and productivity of the council. The Organisational Assessment report will be circulated to all Councillors and made available to officers on 9 December.

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Executive
3 December 2009

Marion Playle
Acting Head of Improvement Unit

David Incoll
Chief Executive

Background Documents:

None