ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Corporate Improvement Board
2.	Date:	9th March 2009
3.	Title:	Comprehensive Area Assessment Framework
4.	Directorate:	Chief Executive's Department

5. Summary

Inspectorates have now published the Comprehensive Area Assessment (CAA) Framework which will become effective from 1st April 2009.

This report summarises the key elements of the framework including proposals on what the assessments will look like, how evidence will be gathered and how the CAA will be delivered. It also highlights a proposed way forward on how the authority and partners take forward the new framework

6. Recommendations

Corporate Improvement Board note the content of the summarised detail relating to the CAA Framework.

Corporate Improvement Board discuss and agree the proposals for ensuring the framework is implemented throughout the authority working with our partners.

7. Proposals and Details

The final Comprehensive Area Assessment (CAA) framework was published on 12th February 2009. CAA replaces Comprehensive Performance Assessment (CPA), which has been the inspection and assessment framework for local authorities since 2002 and comes into effect from 1st April 2009.

The new CAA Framework is designed to connect inspection and assessment activity across local government and key partners. As well as sharing the national indicator set and local area agreement targets, partner assessments will all use similar methodologies and be reported through a shared, public facing website.

7.1   <u>The Assessment</u>

The assessment has two elements, separate but connected. The Area Assessment will consider outcomes for the area as a whole. The organisational assessment will consider individuals organisations:

Area Assessment

The Area Assessment takes the area's Local Area Agreement (LAA) a Sustainable Community Strategy as its starting point, along with statutory education and attainment targets. And will look at local priorities, in the context of wider national themes.

The Area Assessment asks three overarching questions:

a)   *How well do local priorities express community needs and aspirations?*

This is about engagement and involvement and will test how effective engagement is in involving communities in defining priority outcomes. There is recognition that agreeing priorities is a political process. The inspectorates' role is not to challenge legitimate political choice but to support democratic decision making by ensuring processes are robust.

b)   *How well are the outcomes and improvements needed being delivered?*

This is about accessing current and recent performance, and assessing how well local partnerships are delivering priorities. This will not just look at performance against LAA priorities. It will include questioning whether data hides inequality and whether priorities need to be reviewed in the light of changes, such as economic downturn.

c)   *What are the prospects for future improvement?*

This builds on the first two questions and reflects the main purpose of the area assessment. Reporting and judgements will focus mainly on prospects for future improvement. The assessment focuses on effective partnership working inspectorates will need to be satisfied that partnership working is effective at managing and improving outcomes but will not routinely inspect partnership arrangements themselves, unless there are serious concerns about achievement or governance.   .

There are no specific Key Lines of Enquiry for the Area Assessment but the types of issues that will be considered when making judgements is detailed at Appendix A.

<u>Scoring the Area Assessment</u>

The Area assessment <u>is not scored but areas will be given green and red flags.</u>

Red and green flags will be kept under review and will be removed from reports when they are no longer relevant, normally when the next CAA assessments are published.

Green flags represent exceptional performance or outstanding improvement which is resulting in proven delivery of better outcomes for local people that are sustainable and which we consider others could learn from. Good or very good practice is not sufficient nor is rapid improvement that the inspectors are not confident can be sustained.

Red flags will be reported where there are significant concerns about outcomes and further prospects for outcomes, which are not being tackled adequately. A red flag means that inspectorates have jointly judged something different or additional needs to happen to improve outcomes.

Red flags are likely to be reported when one or more of the following applies:

- Not enough is being done to tackle the concern;
- Performance is poor, slipping or not improving
- Service or outcome standards are unacceptable
- Improvement is not on track to achieve a target
- Locally agreed priorities do not reflect evident and pressing need;
- Insufficient account is being taken of inequality and;
- Insufficient account is being taken of people whose circumstances make them vulnerable or who are at risk of avoidable harm;

Because red flags reflect significant concerns about prospects for improvement and not current performance before awarding one the inspectorates will consider whether:

- The local partnership is aware of the concern
- Plans to improve the areas of weakness are robust and if there is evidence of improvement and
- Significant weaknesses or failings, such as poor governance are likely to prevent sustained improvement

Organisational Assessment

The effectiveness of authorities will be assessed through an assessment of how well each organisation delivers value for money in the use of resources and how well it manages its performance. This approach will be taken similar across partnerships including Council's, PCT's, Police and Fire and Rescue Services.

It is based on key lines of enquiry (KLOE) across 4 themes:

- Managing finances (Use of Resources)
- Governing the business (Use of Resources)
- Managing resources (Use of Resources)
- Managing performance

KLOE for Use of Resources have been published, to date there are no detailed KLOE for Managing Performance, however the Audit Commission have published some indication of the focus for assessing this theme as detailed at Appendix B.

The results of the statutory assessments of children and young people's services and adult social care will also be reported in the organisational assessment for councils and the outcomes reflected in the area assessment as referenced below.

There will be scores for organisational assessments. The Use of Resources (an average of the scores for the three UOR themes) and Managing Performance scores will be combined into a single score using the table below:

		Managing Performance			
Use of Resources	**Scores**	**1**	**2**	**3**	**4**
	1	1	1	1	1
	2	1	2	2 or 3	2 or 3
	3	1	2 or 3	3	3 or 4
	4	1	2 or 3	3 or 4	4

Where the managing performance theme and the use of resources score are the same the grade will become the overall organisational assessment score. A score of 1 in either the managing performance or the use of resources will lead to an overall organisational assessment score of 1.

Where the managing performance theme score and the use of resources scores are different professional judgement will decide the overall organisational assessment score between the options in the table above.

There will no longer be a separate direction of travel assessment for councils this has been replaced by the managing performance assessment.

Links to Care Quality Commission and Ofsted

For councils with responsibility for children's services and social care the scores for managing performance and the overall organisational assessment score will be agreed jointly with the Care Quality Commission and Ofsted. Ofsted will provide an annual grade for the performance of children's services and the Care Quality Commission will assess the performance of adult social care services.

The organisational assessment will contain an explicit statement on the services provided for children and young people and adult social care.

These contributory assessments will carry significant weight in the collective decision about the managing performance theme score but will be based on local context and significance of the findings rather than a formula or rules approach.

7.2   How CAA will be undertaken

CAA is a joint inspectorate assessment, inspectorates will share information at local and national level. CAA leads (appointed by the Audit Commission) will help co-ordinate local assessment and local teams. Assessments will be prepared using evidence from other inspection work and draw on the information that is available nationally and locally.

Inspectorates will gather evidence from a range of sources including:

- The Local Area Agreement
- The Sustainable Community Strategy and Housing Strategy
- The Local Development Framework
- Joint Needs Assessment
- Views of services users
- Self evaluation and local performance management information including monitoring of local priorities
- National Indicator Set and other nationally available data
- Inspection, regulation and audit findings
- Other intelligence, briefings or evidence from other agencies including the Government Offices, Strategic Health Authorities, the Homes and Communities Agency and Regional Development Agencies

Inspectorates will only undertake additional work to fill evidence gaps where necessary.

7.3   Reporting CAA

The Audit Commission have developed a prototype web reporting tool to report the first CAA reports in November 2009. The tool and other illustrative examples are available on the Audit Commission website at http://www.audit-commission.gov.uk/caa/consultation.asp

National Indicator Set – Performance against the full national indicator set will also be published annually. For each indicator there will be a comparison against the national figure, established comparator groups or statistical neighbours and geographical neighbours.

7.4   Inspections and Improvement Planning

A key aspect of CAA is to ensure that inspection activity is risk based and tailored to local circumstances. Although reduced in volume, inspection will continue to be an important feature of public service and assessment and will be necessary when:

- Performance or improvement levels are not satisfactory or are declining or are insufficiently clear

- It has been identified the service, outcome of service user groups are subject to significant risk

- Where risk and / or underperformance can not be addressed property through other means

- Where ministers have given direction for an inspection to take place

In 2009/10 other inspection activity will be triggered by the emerging findings and reports from the area and organisational assessment and/or informed by assessments under existing performance frameworks reported in late 2008 or early 2009. The inspectorates are committed to undertake joint inspection planning. In addition they will work with Government Offices and Regional Improvement and Efficiency partnerships to ensure inspection planning is coordinated with wider improvement planning and any plans for sector led support.

7.5   CAA Timescales

The timeline below highlights key milestone dates for the implementation of CAA.

Date	CAA	Children's	Adults
Feb 2009 3rd March 2009	Publish final CAA framework by partner inspectorates Local Government Association CAA Conference, London		
March 2009	Formal Procedures to be produced for: challenging flag reporting organisational assessments Inspectorate staff guidance	Final frameworks for the annual, unannounced inspection of local authority contact, assessment and referral centres for children's social care and full inspection of safeguarding and services for looked after children to be published Produced for challenging judgements to be published	Performance Area Notebook content to be formally agreed
Apr 2009	CAA comes into effect		
May 2009			14th - Council's to submit self assessments 27th - Data return Data Analysis
June 2009		First set of performance profiles to be published	
Sept 2009			Data analysis
Sept / Oct 2009	Inspectorates will jointly draft assessments and share with local partners		
Nov 2009	First results under CAA published by partner inspectorates		

In January, March and June each year the Audit Commission will update their view on how well local areas and organisations are meeting the needs of local people, whether outcomes are improving and whether priorities are on target to be achieved. This update will not take the form of a written report but will feed back views to the local partnership as part of routine engagement.

7.6   <u>Next Steps</u>

There is still much work to do which will influence our first CAA judgement in November 2009.

Key Issues

As the prime focus of the area assessment is around delivery of outcomes and prospects for future delivery it is essential to ensure that the council and partners are on track to deliver the priorities in the LAA and Sustainable Community Strategies.

CAA represents a fundamental change in the way councils and partners are assessed – moving away from focusing on past performance towards a forward looking assessment of the prospects for the future. The council has an important role in ensuring that this ambition is properly understood at local level amongst members, officers and partners.

CAA will also place greater emphasis on the quality of local performance management data – therefore it is important that there are effective performance management arrangements across the partnership and council to ensure high quality data. In addition there is clear expectation that partnerships undertake regular and rigorous self assessment. The framework also emphasises the two way relationship between scrutiny and CAA, in that information from scrutiny reviews will provide evidence for CAA and the findings from CAA may also provide a focus for scrutiny review.

CAA will place important on citizen and customer views – it is essential that the council and partnership can demonstrate effective mechanisms are in place to understand community needs, priorities and service delivery expectations and how we are responding to them. The partnership approach to community consultation and involvement (CCI) and the developing CCI database will be a key source of evidence.

Baseline Assessments

To enable the Council and Partners identify which areas of the CAA framework require more focus prior to assessment it is proposed that a similar approach is taken to that used when preparing for our CPA Corporate Assessment.

The Council and partners have already undertaken a self assessment using the IDeA self assessment toolkit which has already identified key areas of strength and some areas for improvement to help inform this process. However this work needs to be developed further to enable us to produce a clearer, honest assessment against the CAA requirements.

It is therefore proposed that by using a template similar to that shown at Appendix C which details the criteria to be assessed as part of the framework, the self

assessment can be developed to provide a robust assessment of the outcomes being achieved, the effective use of resources and what needs to be done to sustain further improvement..

In relation to the Organisational Assessment work is already being undertaken to identify current performance and any issues in relation to the Use of Resources KLOE's.

It is envisaged that by the end of May 2009 that we will have a comprehensive list of strengths and weaknesses against each of the key outcome areas of the area assessment and the organisational assessment.

This will inform the development of a comprehensive action plan ,which will be reported on to CMT, Cabinet, Rotherham Partnership and the Corporate Improvement Board to ensure that the relevant actions are taken to address the issues identified.

Awareness

It is proposed that sessions to raise awareness of CAA and its implications are arranged for the following groups. Briefings to also identify the next steps and inform people of their roles in driving CAA forward:

Group	Date
Corporate Improvement Board	9th March 2009
CMT	2nd March 2009
Service Directors	11th March 2009
Performance Management Group	11th March 2009
Cabinet	25th March 2009
Member Seminar	TBC
M3 Manager Briefing	TBC
Borough Improvement Group	TBC
Rotherham Partnership	TBC

8. Finance

Additional costs maybe incurred by the council and partners in relation to the performance management arrangements relating to CAA and the underlying national indicator set. These will be identified once we have determined through the baseline assessments where we need to focus our efforts and resources to ensure compliance to the framework.

9. Risks and Uncertainties

It is very clear that although we already have a strong LSP and partnership management arrangements in place, improved joint working is required to ensure coherence of specific working practices to meet the requirements of CAA.

The strength of local partnership working will be key in CAA, and organisational performance of all partner agencies will inform the area assessment. It is therefore key that we work with partners and are clear of the focus for all the organisational assessments and are able to identify key areas of risk. To manage this it is important

that the self assessment accurately reflects the issues and implications of all organisational assessments. For example, in assessing NHS organisations inspectorates will consider the extent to which World Class Commissioning (WCC) outcomes, agreed with the strategic health authority, are aligned with LAA priorities.

The current position with our Children's Services presents a risk in relation to the overall CAA judgements. The results of last years APA will closely be examined in both the area assessment and the organisational assessment and it needs to be demonstrated that we are making good progress in tackling all the issues identified.

10. Policy and Performance Agenda Implications

CAA will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. The proposals for CAA will have an impact upon the council's policy and performance agenda.

The focus on outcomes requires CAA to look across all organisations responsible for local public services which are expected to work in partnership to tackle the challenges facing communities. CAA will specifically recognise the importance of effective local partnership working and the enhanced role of the Sustainable Community Strategies and Local Area Agreements.

Joint working across partners to ensure robust arrangements for performance managing the proposed national indicator set is required. This will require individual partner's contribution to individual NI's to be clearly identified.

An underpinning theme of the CAA is how inequality, disadvantage and discrimination is tackled within the borough. The assessors will consider how well we know and understand the nature and extent of inequality and disadvantage within the community and how effectively we are working to reduce or eliminate discrimination. This may include focusing on the particular needs of people who are disadvantaged or discriminated against through age, disability, race, gender or trans-gender, religion or belief and sexual orientation.

The IDeA publication "Measuring equality at a local level (September 2008)" highlights the extent to which equality information is currently available. It illustrates which of the National Indicators has underlying figures for each of the groups identified above. Work is currently ongoing between the Chief Executive's Performance & Quality team, the Equalities and Diversity Team and Research Team to identify the extent to which equality information is gathered in Rotherham in relation to the new national indicators.   However because this information needs to developed further and may not be available in the next few months the IDeA are advising that local partnerships find ways to make the best use of existing data.

Rotherham have been cited as best practice for the work undertaken on developing "Community of Interest Profiles" and in the absence of disaggregated NI data this information may need to be drawn upon more heavily, hence prioritising the need to update existing profiles and produce profiles for other key areas including LGBT etc....

11. Background Papers and Consultation

"Comprehensive Area Assessment" Joint Inspectorate Proposals for consultation (November 2007)

"Comprehensive Area Assessment" Joint Inspectorate Proposals for consultation (Summer 2008)

"Comprehensive Area Assessment" Framework Document (February 2009)

"Measuring equality at a local level" - IDEA (September 2008)"

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Appendix A – Area Assessment Questions

1)   How well do local priorities express community needs and aspirations?

- How well do local partners understand their diverse communities?
- How well do they engage with, involve and empower local people?
- How well do local people feel they are listened to?
- To what extent do local people feel their contributions make a difference to decisions about setting local priorities and are they involved in reviewing progress against them?
- Does this engagement encompass all communities?
- Are priorities in the sustainable community strategies and Local Area Agreement sufficiently appropriate and ambitious to meet the locality's challenges and context?
- 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?

2)   How well are the outcomes and improvements needed being delivered?

-       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?

3)   What are the prospects for future improvements?

-       Do the 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 and concerns, risks identified in questions 1 and 2?

-       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 improvement planning has been implemented?

-       Have local partners got robust plans for improving?

-       Are there any significant weaknesses in arrangements for securing continuous improvement, of failures in governance that would prevent improvement levels being sustained?

<u>Appendix B – Organisational Assessment Questions</u>

Use of resources:

Managing finances: How effectively does the organisation manage its finances to deliver value for money?

1.1 - Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?

KLOE focus, The organisation:
• integrates financial planning with strategic and service planning processes on a medium- to long-term basis;
• engages local communities and other stakeholders in the financial planning process;
• manages spending within available resources and is financially sound over the medium term; and
• recognises individual and collective responsibilities for financial management and values and develops financial skills.

1.2 - Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?

KLOE focus, The organisation:
• understands its costs, including whole life, transaction and unit costs, the main factors that influence these and how they link to performance;
• takes account of this understanding of its costs and performance in decision making and commissioning; and
• identifies the scope for making efficiencies and is on track to achieve planned efficiencies.

1.3 Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?

KLOE focus, The organisation:
• produces relevant, timely and reliable financial monitoring and forecasting information;
• uses financial and related performance information to monitor performance during the year;
• produces financial reports that are clear, relevant and concise to support strategic decision making;
• prepares accounts that meet statutory requirements, financial reporting standards and present fairly, or give a true and fair view of, the financial performance and position; and
• publishes reports that provide an objective, balanced and understandable assessment of the organisation's performance in the year.

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?

2.1 - Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money?

KLOE focus, The organisation:

- has a clear vision of intended outcomes for local people which shapes its commissioning and procurement, and is based on an ongoing analysis and understanding of needs;
- involves local people, partners, staff and suppliers in commissioning services;
- seeks to improve the customer experience, quality and value for money of services through service redesign, making effective use of IT;
- understands the supply market and seeks to influence and develop that market;
- evaluates different options (internal, external and jointly with partners) for procuring services and supplies; and
- reviews the competitiveness of services and achieves value for money, while meeting wider social, economic and environmental objectives.

2.2 - Does the organisation produce relevant and reliable data and information to support decision making and manage performance?

KLOE focus, The organisation:
- produces relevant and reliable data and works with partners to ensure the quality of partnership data;
- understands the needs of its decision makers and provides them with information that is fit for purpose and is used to support decision making;
- ensures data security and compliance with relevant statutory requirements; and
- monitors performance against its priorities and targets, and addresses underperformance.

2.3 - Does the organisation promote and demonstrate the principles and values of good governance?

KLOE focus, The organisation:
- has adopted, promotes and demonstrates, the principles of good governance;
- maintains focus on its purpose and vision;
- demonstrates a strong ethical framework and culture; and
- applies the principles and values of good governance to its partnership working.

2.4 - Does the organisation manage its risks and maintain a sound system of internal control?

KLOE focus, The organisation:
- has effective risk management which covers partnership working;
- has a clear strategy and effective arrangements, including allocation of appropriate resources, to manage the risk of fraud and corruption; and
- has a sound system of internal control including internal audit.

Managing resources: How well does the organisation manage its natural resources, physical assets, and people to meet current and future needs and deliver value for money?

3.1 - Is the organisation making effective use of natural resources?

KLOE focus, The organisation:
• understands and can quantify its use of natural resources and can identify the main influencing factors;
• manages performance to reduce its impact on the environment; and
• manages the environmental risks it faces, working effectively with partners.

3.2 - Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?

KLOE focus, The organisation:
• has a strategic approach to asset management based on an analysis of need to deliver strategic priorities, service needs and intended outcomes;
• manages its asset base to ensure that assets are fit for purpose and provide value for money; and
• works with partners and community groups to maximise the use of its assets for the benefit of the local community.

3.3 - Does the organisation plan, organise and develop its workforce effectively to support the achievement of its strategic priorities?

KLOE focus, The organisation:
• has a productive and skilled workforce;
• knows in the medium to longer term what staff it will need, with what skills, and has plans to achieve this;
• engages and supports staff in organisational change; and
• has policies that support diversity and good people management.

Managing Performance:

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

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

KLOE focus, The organisation is:

• effective in identifying and delivering priority services and outcomes;
• improving the services and outcomes for which it is responsible;
• contributing to wider community outcomes; and
• tackling inequality and improving outcomes for people in vulnerable circumstances.

Appendix C – Example of Self Assesment Template to be used to identify strengths and areas for improvement

KLoE / Criteria	Current Position	Evidence	Areas For Improvement
Question 1 - Area Assessment - How well do local priorities express community needs and aspirations?			
How well do local partners understand their diverse communities?	▪		
How well do they engage with, involve and empower local people?	▪		▪
How well do local people feel they are listened to?	▪		▪
To what extent do local people feel their contributions make a difference to decisions about setting local priorities and are they involved in reviewing progress against them?	▪		▪
Does this engagement encompass all communities?	▪		▪
Are priorities in the sustainable community strategies and Local Area Agreement sufficiently appropriate and ambitious to meet the locality's challenges and context?	▪		▪
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?	▪		▪

KLoE / Criteria	Current Position	Evidence	Areas For Improvement
Question 2 - Area Assessment - How well are outcomes and improvements needed to be delivered?			
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?	▪		▪

KLoE / Criteria	Current Position	Evidence	Areas For Improvement
Question 3 - Area Assessment - What are the prospects for future improvements?			
Do the 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 and concerns, risks identified in questions 1 and 2?	▪		▪
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 improvement planning has been implemented?	▪		▪
Have local partners got robust plans for improving?	▪		▪
Are there any significant weaknesses in arrangements for securing continuous improvement, of failures in governance that would prevent improvement levels being sustained?	▪		▪