

AUDIT AND GOVERNANCE COMMITTEE

26 March 2010

COMPREHENSIVE AREA ASSESSMENT - 2009

Report of the Chief Executive

1.0 Purpose of the report

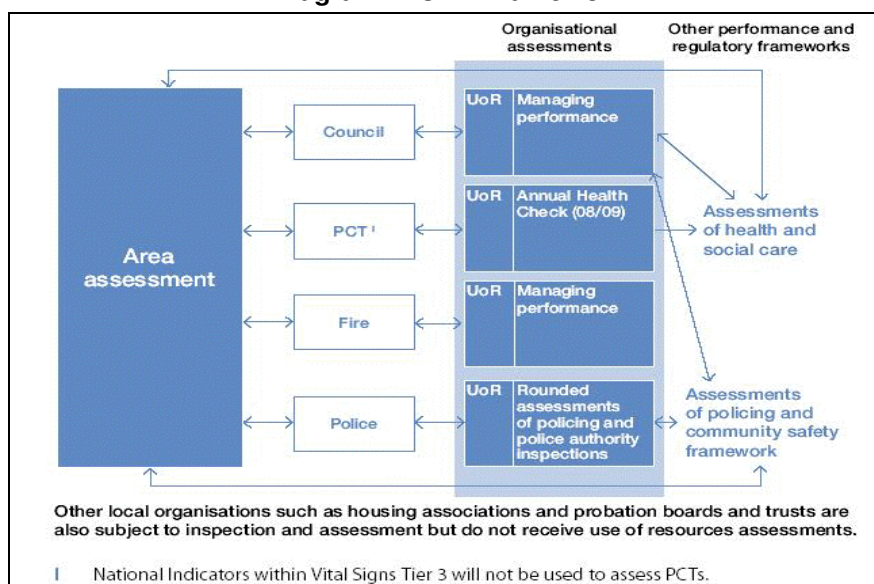
1.1 This report provides the findings from the inaugural Comprehensive Area Assessment (CAA).

2.0 Introduction / Background

2.1 CAA was introduced in April 2009 to provide an independent assessment of how local public services are working in partnership to deliver outcomes for an area. It replaces the Comprehensive Performance Assessment (CPA). The first results were reported on the new Oneplace website (www.oneplace.direct.gov.uk) on 9 December 2009.

2.2 CAA comprises two main elements namely, an area assessment and an organisational assessment for each of the four main public sector organisations (i.e. council, fire, health and police). This is demonstrated in the diagram below.

Diagram 1: CAA Framework



2.3 A new national performance framework was implemented during 2008/2009. This includes 198 new National Indicators, which replaces previous national performance frameworks. As part of this new framework 49 national indicators have been identified as key priorities to be included in the Local Area Agreement. Performance against the priorities identified in the Local Area Agreement and associated improvement targets have been a key consideration in CAA in terms of the extent to which the partnership is improving outcomes for local people.

3.0 AREA ASSESSMENT

3.1 Process and methodology

3.1.1 The area assessment focuses on the prospects for better outcomes on local priorities and is an annual assessment of the work of the public services in the city by a range of inspectorates. It answers three key questions:

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

3.1.2 Between April and September 2009 the CAA Lead assessed the work of the Sunderland Partnership as part of the inaugural CAA area assessment. This was achieved through a series of workshops, interviews and briefing notes and a review of evidence (e.g. key documents, performance indicators, consultation results, etc.). This was an iterative process and the CAA Lead shared the findings at regular intervals throughout.

3.2 Findings – good practice and areas for improvement

3.2.1 The area assessment is a narrative report (attached as **appendix 1**) providing an assessment of progress against key priorities for the area, overall successes and challenges. The area assessment is not scored and unlike CPA does not include a star rating judgement.

3.2.2 However area assessments may award green or red flags. Red flags highlight those areas where there are significant concerns by the inspectorates about outcomes or future prospects, and where more or different actions are required. Green flags highlight exceptional performance or outstanding improvement in outcomes through an innovative approach, from which others nationally can learn. No red or green flags have been identified for Sunderland.

3.2.3 The fact that Sunderland has no red flags demonstrates that the inspectorates have no significant concerns and that the Council and its partners are clear about what needs to be done and have plans in place to secure the necessary impact on outcomes.

3.2.4 Although Sunderland was not awarded any green flags the report recognises the positive impact the Sunderland Partnership is making on quality of life. For example:

- There is a good record of attracting new businesses and investment to the city and this is likely to continue helped by an Economic Masterplan.
- The Sunderland Learning Partnership is helping to improve skills in the city and clear plans are in place for it to continue to deliver improved outcomes.
- There is a good understanding of the health, social care and wellbeing needs of the population.

- Easier access to treatment is reducing some health inequalities and this is likely to continue.
- Access to primary health care at a local level is easier and care services for adults are good.
- Overall crime is lower in Sunderland than similar areas in England and Wales and continues to fall and fear of crime is reducing.
- There are positive outcomes from a range of targeted work including drug treatment programmes, a safer homes programme improving quality of life, youth engagement projects and parenting initiatives.
- Sunderland's local environment is currently ranked joint third best of the UK's 20 largest cities. Social housing and transport are good.

3.2.5 The report highlighted a small number of key areas for improvement, which are already priorities for Sunderland, namely:

- To reduce the number of young people in Sunderland that are not in employment, education or training (i.e. NEETs) from the current levels of one in eight young people.
- To meet some key targets around health inequalities, which are not being met, such as reducing death rates for men to nearer the national average; reducing the teenage pregnancy rate; and smoking rates, particularly smoking during pregnancy.
- To continue to address child poverty, which is reducing faster than in other areas but remains high.
- To address the issue of affordable housing in Sunderland, through the implementation of developed plans.
- To ensure that City Region actions deliver improved actions in relation to transport and skills.
- To ensure the Alcohol Strategy delivers the planned outcomes, particularly in relation to alcohol related hospital admissions.

3.3 Context – national and regional context

3.3.1 Nationally a total of 74 green flags and 62 red flags were awarded, with the following themes most prevalent:

Green flags	Red flags
<ul style="list-style-type: none"> • Sustainability (including dealing with climate change) • Community involvement / engagement • Older people • Prosperous economy (including responding to the recession) 	<ul style="list-style-type: none"> • Housing • Health inequalities • Safeguarding – children • Community safety

3.3.2 As the table below demonstrates, there are major differences between the regions in terms of the numbers of flags awarded.

Region	Number of areas	Green flags			Red flags		
		Number awarded	Number per area (average)	Rank	Number awarded	Number per area (average)	Rank
North East	12	1	0.08	9	2	0.16	3
North West	23	10	0.43	6	18	0.78	9
Yorkshire & the Humber	15	7	0.47	5	10	0.67	7
East Midlands	9	6	0.67	=1	5	0.56	6
West Midlands	14	4	0.29	8	7	0.5	5
East of England	11	7	0.64	6	8	0.73	8
South East	19	7	0.37	7	1	0.05	1
South West	16	10	0.63	4	6	0.38	4
London	33	22	0.67	=1	5	0.15	2
ENGLAND	152	74	0.49		62	0.41	

*NB: Green flag rankings are based upon highest number awarded (1) to lowest number awarded (9)
Red flag rankings are based upon lowest number awarded (1) to highest number awarded (9)*

3.3.3 Of the 12 areas assessed within the region, only one was awarded a green flag (i.e. Newcastle for 'Economic innovation in the recession') and two were awarded red flags (i.e. Hartlepool for 'Tackling the harm caused by alcohol' and North Tyneside for 'Housing').

3.4 Improvement planning approach

3.4.1 The Sunderland Partnership's Delivery and Improvement Board considered the draft area assessment report, and in particular those areas identified as being in need of improvement at its meeting on 11 November, as part of a wider discussion on improvement priorities for the next year. Delivery Plans have been refreshed to ensure that the work programme is targeting the right issues, and outcomes can be demonstrated, minimising the risk of areas for improvement becoming red flags in 2010.

4.0 ORGANISATIONAL ASSESSMENT (INCLUDING USE OF RESOURCES)

4.1 Process and methodology

4.1.1 The organisational assessment covers the performance of the Council and is intended to:

- Support and complement the area assessment's focus on priority outcomes.
- Ensure accountability at an organisational level, including contributions to delivering Local Area Agreements and wider sub-regional or regional strategies, including multi-area agreements.
- Bring together contributions from inspectors and auditors to provide a rounded assessment of organisational effectiveness.
- Inform and focus improvement planning, including inspection programming.

- Help the public hold their local public bodies to account.

4.1.2 The organisational assessment combines a scored use of resources assessment and a scored managing performance assessment into a combined assessment of organisational effectiveness scored on a scale from 1 (lowest) to 4 (highest).

4.2 Findings – good practice and areas for improvement

4.2.1 The Council has scored 3 out of 4 for its organisational assessment and both of its component assessments i.e.

	Score	Assessment	Score
Organisational assessment	3	Managing performance	3
		Use of resources	3

4.2.2 The Council’s organisational assessment report is attached as **appendix 2**.

Managing performance

4.2.3 The managing performance assessment, is designed to determine:

- How well is the organisation delivering its priority services, outcomes and improvements that are important to local people?
- Does the organisation have the leadership, capacity and capability it needs to deliver future improvements?

4.2.4 The managing performance assessment is developed from the findings of the area assessment (particularly those outcomes that are relevant to the Council) and use of resources, as well as the Care Quality Commission Annual Performance Assessment of Adult Social care and Ofsted Annual Performance Assessment of Children’s Services. This has been supplemented by a series of interviews with the Chief Executive, EMT, Leader and Resources Portfolio Holder to consider how the authority is managed and how it performs against its priorities

4.2.5 The overall score for managing performance is 3 out of 4. The inspectorates judged the Council as follows:

- Council services are helping to improve the quality of life for people in Sunderland.
- There is positive achievement in a range of key performance indicators, including health inequalities and crime, increasing employment and education opportunities for young people and improving the environment.
- Ofsted has rated the Council’s children’s services as performing well.
- Care Quality Commission has rated the Council’s adult social care as excellent, because people have good access to services that enable them to live independently within their own homes for longer.
- There is a clear long-term vision for Sunderland in 2025, based on a good understanding of needs and priorities of residents.

Use of resources

4.2.6 The use of resources assessment covers three themes:

- Managing finances
- Governing the business
- Managing resources

4.2.7 The use of resources assessment was a feature of CPA; however within CAA it has been expanded and focuses on different issues, for example there is a much stronger focus on partnerships and outcomes. The two processes (i.e. CPA and CAA) cannot therefore be compared.

4.2.8 The Audit Commission has assessed the Council to be ‘performing well’ in its use of resources and has scored the Council as 3 out of 4. A specific use of resources report detailing the rationale for the score is attached as **appendix 3**.

4.2.9 The overall use of resources score is arrived at through a series of scored Key Lines of Enquiry (KLOEs). These are set out below:

Theme	Score	KLOE	Score
Managing finances	3	1.1 Financial planning	4
		1.2 Understanding costs & achieving efficiencies	3
		1.3 Financial reporting	3
Governing the business	3	2.1 Commissioning & procurement	3
		2.2 Data quality & use of information	3
		2.3 Good governance	3
		2.4 Risk management & internal control	4
Managing resources	2	3.1 Natural resources	2
		3.2 Strategic asset management	2
		3.3 Workforce	Not assessed

4.2.10 The Council scored 4 out of 4 for financial planning and risk management and internal control, which means that it is classed as a national exemplar from which others can learn.

4.2.11 Financial planning was identified as exemplary; the Council manages its finances well and has shifted resources to ensure the achievement of priorities. The Council is also successful at securing external sources of finance. The following examples of notable practice were cited:

- The review of adults social care provision this year has been identified as a notable practice example of how a local authority can challenge established patterns of resource use in consultation with partners. The review has led to a move away from residential provision, greater investment in preventative measures and more home based support.
- Developing the “Sunderland Model” for BSF schools has led to new schools and refurbishments being financed from DES grant rather than loans or PFI credits.

- The joint waste strategy being delivered in partnership with Gateshead and South Tyneside MBCs is another example of the Council exploring new ways to deliver priorities and improve value for money.

4.2.12 Risk management and internal control was identified as excellent and has been used to especially good effect on the Building Schools for the Future project. Effective partnership governance has also enabled partners to improve outcomes and access additional sources of finance. The following examples of notable practice were cited:

- Risk management is fully integrated into all corporate processes and has been used to especially good effect on Building Schools for the Future delivery and formulating the medium term financial plan.
- Demonstrating effective risk management has enabled the Council to reduce insurance premiums, increase insurance cover at no extra cost and extend self insurance schemes.
- Adopting the comprehensive code of practice for partnerships has enabled partnerships to improve outcomes and access additional sources of finance.

4.2.13 Although the Council was able to demonstrate examples of best practice in relation to asset management and natural resources, the Audit Commission identified areas where the Council still needed to improve, for example embedding sustainability into all of the Council's activities and plans. These issues are identified in the Council's use of resources improvement plan and we are already undertaking actions to secure the necessary outcomes.

4.3 Context – national and regional context

4.3.1 The Council's score of 3 (performing well) for its organisational assessment is comparable with others both nationally and regionally - 64% of councils achieved this score. Only ten councils nationally (i.e. 7%) achieved a score of 4 (performing excellently), none of which were in the North East.

Score	Organisational assessment		Managing performance		Use of resources (see also breakdown in table below)	
	Number	Percentage	Number	Percentage	Number	Percentage
4	10	7.04%	10	7.04%	3	2.0%
3	91	64.1%	97	68.3%	76	51.7%
2	39	37.5%	33	23.2%	67	45.6%
1	2	1.4%	2	1.4%	1	0.7%
Total assessed	142		142		147	
Not assessed	10		10		5	
Councils receiving a score of 4	Camden City of London Hammersmith & Fulham Hampshire Kensington & Chelsea Kent Leicestershire Tameside Wandsworth Westminster		Camden City of London Hammersmith & Fulham Hampshire Kensington & Chelsea Kent Leicestershire Tameside Wandsworth Westminster		Camden Stockton Tameside	

4.3.2 This was also the case with the Council's score of 3 for its managing performance assessment – 68% of councils achieved this score. The same ten councils (i.e. 7%) that achieved a score of 4 overall for organisational assessment scored 4 for managing performance. Again, none were in the North East.

4.3.3 The achievement of an overall score of 3 for use of resources was slightly more significant with only 52% of councils achieving a score of 3. Only three councils nationally (i.e. 2%) achieved a score of 4 overall for use of resources - one of which was in the North East (i.e. Stockton). Only 11 scores of 4 were awarded for any of the three themes which inform the overall use of resources score (three of which were awarded to councils in the North East).

4.3.4 In terms of the use of resources themes, councils are clearly higher performing in relation to the managing finances themes than the governing the business theme. Councils are in turn significantly higher performing in both these themes than they are in relation to the managing resources theme. This latter trend is reflective of the position in Sunderland.

Score	Overall	Managing finances	Governing the business	Managing resources
4	3	3	4	4
3	76	92	67	49
2	67	50	75	94
1	1	2	1	0

NB: 147 single tier and county councils were assessed. 5 were not assessed.

Council	Organisational assessment Score	Managing performance Score	Use of resources			
			Overall score	Managing finances	Governing the business	Managing resources
Darlington	3	3	3	3	3	2
Durham	N/A	N/A	2	2	2	2
Gateshead	3	3	3	3	3	3
Hartlepool	3	3	3	2	3	3
Middlesbrough	3	3	3	3	3	4
Newcastle	3	3	3	3	2	3
North Tyneside	2	3	2	3	2	2
Northumberland	N/A	N/A	2	2	2	2
Redcar & Cleveland	3	3	2	2	2	3
South Tyneside	3	3	3	3	3	2
Stockton	3	3	4	4	4	3
Sunderland	3	3	3	3	3	2

4.4 Improvement planning approach

4.4.1 The majority of the improvement priorities for the Council within the managing performance assessment replicate those in the area assessment and so will be addressed through the approach described in section 3.4 above. Those that are within the organisational assessment report only will be addressed within the Council's Corporate Improvement Plan (e.g. recycling and inequalities in school attainment).

4.4.2 A use of resources improvement plan has been developed in an attempt to improve performance further and enhance the prospects to improve the Council's scores. However as section 4.3 above demonstrates this will be particularly challenging as only three councils achieved a score of 4 overall, and only 11 scores of 4 were

awarded for individual themes. The use of resources improvement plan was reported to Cabinet and Management Scrutiny Committee in March 2010.

- 4.4.3 Notwithstanding the challenge, the Council is committed to identifying improvement areas in both the short term and longer term for each KLOE in order to ensure impact on outcomes and to maximise the chances of the Council achieving the improvement in KLOE scores necessary to ultimately achieve a score of 4 overall.

5.0 Recommendations

- 5.1 Members are asked to consider this report and the Council's planned approach to improvement.

6.0 List of appendices

- 1 Area assessment report – Sunderland
- 2 Organisational assessment report – Sunderland City Council
- 3 Use of resources report – Sunderland City Council

7.0 Background papers

- 7.1 Oneplace website - www.oneplace.direct.gov.uk

