

Governance and Constitution Committee

1.0 Purpose of Report

2.0 Background

- Comprehensive Area Assessment, or CAA, is a new way of assessing local public services in England. It examines how well councils are working together with other public bodies to meet the needs of the people they serve. It's a joint assessment made by a group of six independent watchdogs. The assessors are:

- CAA consists of two main elements: Area Assessment
Organisational Assessment

- Area Assessment is about how well public services are delivering better results for people in the area. Cheshire East was assessed in Summer 2009 with results published in December 2009.

The assessment shows key findings for Cheshire East against each of our local priorities. The report goes into more detail to explain the findings and the headline opinion is shown below :

- Crime and Disorder: Most areas of Cheshire East are safe
 - Children and Young People: Prospects for children and young people in Cheshire East are good
 - Health and Well Being: Most residents in Cheshire East enjoy good health but life expectancy in some less well-off areas is significantly worse
 - Ageing Population: Good progress has been made in developing social care services for adults
 - Learning, Skill and Economic Development: Cheshire East has a traditionally stable local economy with low numbers of people out of work and higher qualifications than elsewhere
 - Environment and Sustainability: Cheshire East is mostly clean and many people recycle waste but only half of local residents are satisfied with the standard of cleanliness in the area
 - Housing: Housing is a significant challenge in Cheshire East. House prices are high, which makes buying homes out of reach for many people and this is unlikely to improve enough in the short-term. Homelessness has not been well managed in the past but is getting better and the condition of private sector rented housing is mixed.
- The Audit Commission issue green or red flags where they think there are examples where significant improvement is required or where there is particularly good practice. Cheshire East received no green or red flags at this first assessment.
 - CAA is seen as a continual process and results are issued annually in December.

2.3 Organisational Assessment

- Organisational assessment has two elements :
 - (1) How good services are (the 'managing performance' assessment)
 - (2) How the organisation is using its resources (the 'use of resources' assessment).
- Cheshire East was assessed in Autumn 2009 on the managing performance element only and the following summarises the findings:
 - Since April 2009 the Council has made good progress in developing and carrying out plans.
 - The key challenge facing the Council is to ensure that these plans are carried out and progress against its performance targets is checked and challenged
 - The Council plays a large role in developing and supporting the local economy
 - It also works effectively with health colleagues to safeguard and support vulnerable people
 - The Council has started to carry out improvements to services

- It has started to set up arrangements for consulting with local people to strengthen communities.
- The Council has improved levels of waste and recycling
- Housing is a challenge. There are some significant issues remaining such as affordable housing and the condition of private housing in parts of Crewe and Congleton
- Prospects for children and young people in Cheshire East are good.
- There are inequalities for those children and young people whose circumstances make them vulnerable.
- Good progress is being made with the provision of adults services

2.4 Use of Resources

- This is broken down into 3 areas:

Managing finances

How well does the organisation use and manage its money?

Does it consult with local communities and other bodies in the area over its spending plans?

Is it efficient?

Governing the business

How well does the organisation manage itself in an open and accountable way?

Does it know what people in the area need and arrange services that meet these needs?

Does it make soundly based decisions, take action to prevent fraud or corruption and manage risks properly?

Managing resources

How well does the organisation use its staff, land, buildings and equipment?

Is the organisation making good use of natural resources and minimising its impact on the environment?

- We are currently being assessed and scores will be published in September 2010 with the Statutory accounts. However, indicative scores will be known in May.
- Within each of the three broad areas there are Key Lines of Enquiry (known as KLOEs). Each KLOE is then broken down into sub questions relating to that area in order for an opinion to be formed across the KLOE and the broad area. Appendix A shows the 10 summary KLOEs.

- The Organisational assessment score is a combination of the Score for Managing performance and Use of Resources. There is an individual score for each KLOE, then a summary score for each of the three areas (finance, governing, resources) and then an overall Use of Resources Score.
- The possible scores are:
 - Performs poorly (1)
 - Performs adequately (2)
 - Performs well (3)
 - Performs excellently (4)
- Cheshire East is unlikely to be able to score an overall level 3 for 2009/10 as many of the KLOEs relate to embedding processes and demonstrating measured outcomes from the plans put in place. In many areas we have a good story to tell but are being assessed against a national framework in the same way as established authorities.
- Initial feedback suggests that the areas where we need to focus are on our data quality, performance management systems and on our procurement and asset management plans.

2.4 Key Lines of Enquiry relating to this Committee's work

- Whilst the remit of this Committee covers all the authority's activity there are two particular lines of enquiry that have very specific links:
- **Does the organisation promote and demonstrate the principles and values of good governance? (KLOE 2.3)**

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

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

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.

3.0 Recommendations

3.1 That the Committee

- (1) note the findings and discusses monitoring mechanisms to ensure timely action in relation to CAA reports by the Audit Commission; and
- (2) note in particular the link between this Committee and the Use of Resources assessment key lines of enquiries (2.3 and 2.4) and links to strategic risk register.

4.0 Financial Implications for Transition Costs

4.1 None.

5.0 Financial Implications 2009/10 and beyond

5.1 No specific financial consequences relating to this report.

6.0 Legal Implications

6.1 None relating to this report

7.0 Risk Assessment

- 7.1 Strategic risks should be inextricably linked to the achievement of corporate priorities. Findings from CAA are likely to impact on the emphasis required for each priority and should be used to inform the strategic risk discussions.
- 7.2 Key Line of Enquiry 2.4 within the Use of Resources assessment specifically reviews the authority's risk management practices and assesses their effectiveness.

8.0 Training

8.1 A programme of awareness raising relating to CAA and other external assessments will form part of the member development programme for 2010/2011.

9.0 Reasons for Recommendations

9.1 To ensure that the Committee fulfils its Terms of Reference in relation to receiving reports on external inspection and to allow the Committee to understand and comment on the Audit Commission findings and assessment processes.

For further information:

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Background Documents:

CAA Inspection report

Organisational Assessment report

Audit Commission guidance documents on CAA and Use of Resources Guidance to Auditors

Use of Resources

Appendix A

List of Key Lines of Enquiry (Summary Level)

Managing Finance

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

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

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

Governing the Business

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

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

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

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

Managing Resources

Is the organisation making effective use of natural resources?

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

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