

**Corporate
Scrutiny and Performance Panel**

**Agenda
Item No.**

DATE: 25 February 2010

XX

Title of the Report: CAA- Organisational Assessment outcomes and improvement actions

Ward(s) All

Portfolios: Cllr M Arif- Business Support Services

Summary of report:

This report outlines the findings of the Council's first Organisational Assessment under the new Comprehensive Area Assessment (CAA) framework, which rated the Council as 'performing adequately.' It also looks forward at how the Council could achieve an improved rating of 'performing well' and the risks associated with this.

The Organisational Assessment is an external, independent judgement of how the Council is performing against the delivery of its priorities and as such provides a useful insight to Members of where we are and where we need to improve. The judgement also impacts on public perceptions of the Council, as well as perceptions of existing and potential partners and employees and so has a direct bearing on the Council's ambition to build 'pride in Walsall.'

Improving the rating from 'adequate' to 'well' is not an end in itself but will be a key success measure of the delivery of the Council's priorities as articulated in the Corporate Plan. As such it is important that the Council's engagement in the inspection process is done in a way so as to enable us to give a positive, yet honest and accurate account of our achievements to ensure that future judgements continue to be fair and balanced.

Background papers:

All published. Primarily the report of the Joint Inspectorates available from the 'One Place' website www.direct.gov.uk/oneplace

Reason for scrutiny:

To inform Members of the outcomes of the 2009 Organisational Assessment and to provide an opportunity for input into and critical friend challenge of, steps being taken to improve outcomes for the 2010 judgement.

Resource and legal considerations:

Financial

There are no financial issues as a consequence of this report or the recommendations it contains. Activity targeted to improve the inspection ratings will need to be covered by existing budgets and work streams managing these improvements will need to consider and manage financial implications as they occur.

People

There are no direct people issues as a consequence of this report or the recommendations it contains. Inspection judgements can have an impact on staff morale, recruitment and retention.

Legal

The Organisational Assessment is a part of the regulatory framework of the Comprehensive Area Assessment and as such there are statutory requirements to work with auditors and respond to requests for information from them. However this report advocates work in excess of basic minimum requirements to ensure the best possible outcome.

Citizen impact:

There is no direct impact as a result of this report, however inspection judgements do impact on public perceptions of the Council and are also reflective of our ability to positively impact on the lives of Walsall citizens.

Environmental impact:

There is not direct impact as a result of this report, however as 'improving the quality of our environment' is one of the Council's stated priorities, current and future inspection judgements will be reflective of our success in this area.

Performance management:

CAA is the national performance framework applied to all councils and all areas and so the outcomes for areas and councils are comparable. Being able to respond effectively to this process and demonstrate the Council is delivering local priorities and improving services in response to inspection judgement is key to ensuring we meet our customer needs and ultimately to improving customer satisfaction.

Equality Implications:

There are no direct equality implications as a result of this report, however the Council's approach to equality and diversity is a key theme running throughout the inspection process and as such inspection judgements do reflect our success in


this area.

Consultation:

Members, Managers and Partners are involved throughout inspection process including in the submission of evidence and the publication of results.

Contact Officer:

Helen Dudson- Acting Manager, Corporate Performance Management

 . 01922 653524

dudsonh@walsall.gov.uk

Signed

Rory Borealis
Executive Director (Resources)

1. How the Organisational Assessment is scored

- 1.1 The Organisational Assessment for Walsall Council is formed of two elements- Use of Resources (how well the Council manages its finances, manages its resources and governs its business) and Managing Performance (how well the Council delivers its priority services and the leadership and capacity to deliver future improvements.) These two elements are each scored on a rating of 1-4 and the results combined to give an overall judgement statement. The table below shows how the two scores are combined to give an overall rating. To be confident of achieving a 3 overall we would need to score 3 for both Managing Performance and Use of Resources, though if one scores 2 and the other 3 it would be possible to achieve an overall 3 at the discretion of the inspectors dependant on a rounded professional judgement of overall performance.

1.2

	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

- 1.3 The Use of Resources Element was led by Grant Thornton on behalf of the Audit Commission and the Managing Performance Theme by the Audit Commission themselves in conjunction with the other joint inspectorates. The annual performance ratings for Adult's Social Care (led by the Care Quality Commission) and Children's Service (led by Ofsted) have a significant bearing on the managing performance score.

2. Use of Resources

- 2.1 Use of Resources was assessed as part of the old Comprehensive Performance Assessment but has a completely new look under the new framework, with the bar raised significantly and more focus on outcomes, value for money and partnership arrangements rather than the old style process 'tick box.'
- 2.1 The Use of Resources judgement is made up of three key elements- Managing finances, Governing the Business and Managing Resources- all of which combine to give an overall judgement of the value for money the council provides. Evidence against the three elements was provided to our auditors, Grant Thornton, who also carried out field work and liaised with key officers within the Council in order to formulate their judgements
- 2.2 The scores for each individual theme are outlined below

Managing Finances

1.1	Financial Health	3
1.2	Costs and Performance	2
1.3	Financial reporting	3
	Overall	3

Governing the Business		
2.1	Commissioning and Procurement	2
2.2	Use of information and data quality	2
2.3	Good governance	3
2.4	Risk management and internal control	3
	Overall	2
Managing Resources		
3.1	Managing natural resources	2
3.2	Asset Management	2
3.3	Workforce management	N/A*
	Overall	2

* Workforce Management was not assessed for single tier councils in 2009 but will form part of the 2010 judgement.

- 2.3 Taken together this gave Walsall Council an overall score of 2 for 2009, but it was noted that we came very close to achieving a 3. Key achievements noted by Grant Thornton in their assessment include-
- a) Impressive management response to early key messages arising through this year's review process
 - b) Strong arrangements and outcomes in many areas, good direction of travel and a commitment to improve
 - c) Good arrangements for financial planning and financial reporting
 - d) Good partnership arrangements in place for securing good governance and risk management
 - e) Moving towards the culture of a 'VFM Council'
- 2.4 Grant Thornton also highlighted a number of development areas which, if achieved would help give is an overall score of 3 for Use of Resources. This development areas are:
- a) Demonstrating more reductions in costs and / or improvements in services as a result of the decision-making process (e.g. benefits derived from the rollout of the Council-wide LEAN reviews in 2009/10)
 - b) Demonstrating outcomes, outputs and achievements for local people as a result of the arrangements in place to commission and procure quality services and supplies tailored to suit local needs
 - c) Developing further partnership arrangements to identify and resolve data quality issues
 - d) Developing a strategic approach to sharing assets with partners that extends beyond individual initiatives and buildings
 - e) Ensuring that it has sound arrangements in place to demonstrate that it is 'getting the basics right' for workforce management in 2009/10
- 2.5 A and b relate to our ability to track and evidence outcomes and in part could be addressed by joining up our response to inspections to ensure outcomes captured for evidence elsewhere are provided to Grant Thornton. However, fundamentally it requires the continued delivery of actual service improvements in line with our stated priorities.
- 2.6 C and d relate to working arrangements with our partners. Work has begun to

develop these approaches but requires further progress and buy-in across the partnership in order to achieve.

- 2.7 The last point (e) relates to the fact stated above, that Workforce Management was not assessed in 2009 so the coming year will be the first year Grant Thornton have looked at in any detail. We need to ensure we submit a strong case for how we meet the requirements for workforce management.

3. Managing Performance

- 3.1 The Managing Performance element of the Organisational Assessment is a new strand for the CAA framework, though it does have some similarities with the Direction of Travel, Capacity and Performance Management themes of the old CPA framework. It is important to note that this is not a judgement of our performance management processes (though this is an element of it) but of how well the Council delivers its priority services and the leadership and capacity to deliver future improvements.
- 3.2 In arriving at their judgement for Managing Performance, the Audit Commission considered a Self Assessment submitted by the Council, carried out field work involving speaking to officers and members and also liaised with other joint inspectorates to reach their final decision.
- 3.3 Running parallel to the Organisational Assessment, there are two specific judgements formed for Adult Social Care (led by Care Quality Commission) and Children's Services (led by Ofsted) both of these receive individual published scores but the judgements also have a large bearing on the overall score for Managing Performance.
- 3.4 The annual Adult Social Care Services performance assessment process requires the Care Quality Commission (CQC) to publish an annual report identifying performance strengths, recommendations for further improvement, an overall grade for delivering outcomes with a separate grade for each of seven outcome areas and a commentary on the two domains of leadership and Use of resources/Commissioning. The CQC judgement is the one area of the new inspection which has remained similar enough to the previous regime to allow useful comparisons of performance to be made. In 2009, Walsall Council's Adult Social Care improved from a rating of 'adequate' to 'well' with specific measured improvement in: *Improved quality of life* and *Freedom from* discrimination and harassment.
- 3.5 Ofsted previously formed their rating of Children's Services from the Annual Performance Assessment (based on performance data) and the Joint Area Review (JAR.) Both of these ended with the introduction of CAA but Ofsted still publish an annual rating for Children's Service. This judgement is largely based on the results of statutory inspections of specific services (e.g. children's homes or fostering) and so is a different methodology on which previous judgements have been based. Ofsted have judged Children's Services in Walsall to be performing adequately. Under the previous system of inspection Walsall was judged to be 'performing well' with regard to children's services which would seem to indicate a deterioration in performance, however, changes to the way in which these judgements are formed make any comparisons misleading. The CAA area assessment confirms that there

is little or no evidence of a decline in performance since our last rating was awarded and in indeed the Council was able to evidence strong improvement in some key areas which were vindicated by the Area Assessment.

- 3.6 Our overall score for Managing Performance was a 2. The two key factors cited for this were the overall public satisfaction measures and the Ofsted rating of Children's Services. The report did acknowledge a number of strong areas of performance for the council, including waste and recycling, customer contact and our approach to housing and homelessness.
- 3.7 The complexity of the Managing Performance theme, including links to other inspections processes makes it more challenging to improve than the Use of Resources theme. Appendix One highlights proposed actions that would help improve the rating but that need to be balanced against available resources and the likelihood of success.

Appendix One

Summary of 2009 Position	Action being taken	Impact and risks
<p>Managing Performance was rated as a 2 overall, this was significantly influenced by public perception measures, and the Ofsted judgement of Children's Services. Improvements within Adult Social Care and strong performance in other areas (e.g. waste and recycling, and customer access) were positives for the council but need to be sustained and we need to be able to evidence outcomes to inspectors.</p>	<ul style="list-style-type: none"> • Individual services are aware of the need to measure outcomes and are actively working towards this. Individual initiatives are being identified so impact can be measured. • Embedding of changes to performance management framework and communication to staff • A new corporate plan has been produced with priorities more closely aligned to the Sustainable Community Strategy and receiving political ownership • Communication plan developed to inform council employees of new priorities including emphasis on 'pride in Walsall and 'working smarter' 	<p>Tracking outcomes is challenging, resource intensive and will not necessarily evidence improvements</p> <p>Changes to performance management processes, whilst representing improvement, mean that they are not yet well embedded and understood across the organisation.</p>
<p>The CQC judgement of Adult Social Care highlighted significant improvement, however if this is not sustained in 2010 it will prevent us from improving our score of 2 for managing performance.</p>	<ul style="list-style-type: none"> • Project plan developed for delivery of next assessment • Personnel within project team aligned to ensure formalised links made into the organisational and area assessments 	<p>Capacity within the directorate and within the performance team supporting the directorate is stretched and risks our ability to make deadlines. This risk is being managed through the project management approach</p>
<p>Within Children's services, changes to the way in which judgements are formed resulted in the outcome of 'adequate' compared to a previous label of 'well' when the reality was that performance had been sustained and improved in some areas. Decision was appealed but</p>	<ul style="list-style-type: none"> • Submission of a self assessment to highlight improvements in areas where previous inspection judgements are outdated but still used is being considered. • Officers responded to the requirements of the unannounced safeguarding 	<p>There is a resource implication to the maintenance of a state of 'inspection readiness' however this is less significant than the impact of not being prepared and having to carry out work at the last minute.</p> <p>Given recent national criticism of Ofsted</p>

the original judgement was upheld. Since then, the Council has undergone an unannounced inspection of contact, referral and assessment services. The outcomes will be published on the Ofsted website and in part informs the timing of the full 3 yearly safeguarding and looked after children inspection this year.	<p>inspection and work is underway to identify learning from this and ensure readiness for future unannounced inspections</p> <ul style="list-style-type: none"> • Officers preparing for the planned safeguarding and looked after children inspection during 2010, including completion of a gap analysis 	(e.g. Local Government Association and the Association of Directors of Children's Services) there is a strong possibility the inspection framework for Children's services will change.)
As cited above, relatively low levels of public satisfaction within Walsall compared to other local authorities. This is evidenced mainly through the Place Survey which is carried out every two years and is not due again until 2011. However inspectors will also consider local consultation results where these are considered to be statistically relevant	Work on collating information from additional consultation work across the partnership is in train. This includes 'conversation with a purpose' (Walsall Partnership) 'Feeling the Difference' (police), Citizens Panel (Council) and other notable consultations logged on the Viewfinder database.	<p>This could be a resource intensive piece of work which may still not provide evidence of improvement.</p> <p>There is inevitably a time lag between improvements to services and public perception of these services so activity to improve public satisfaction can only be a long term aim and difficult to improve within the year.</p>