
**OUTCOME OF COMPREHENSIVE AREA ASSESSMENT AND ANNUAL AUDIT
AND INSPECTION LETTER**

**Responsible Cabinet Member - Councillor John Williams, Leader,
Councillor Chris McEwan, Efficiency and Resources Portfolio and all Cabinet Members**

Responsible Director – Chris Sivers, Assistant Chief Executive

SUMMARY REPORT

Purpose of the Report

1. To provide Members with an update on the outcome of the Area Assessment and Organisational Assessment under the new Comprehensive Area Assessment (CAA) inspection regime, and to present the Annual Audit Letter.

Summary

2. Comprehensive Area Assessment is the new external assessment of how well local public services are performing. From April 2009 it replaced Comprehensive Performance Assessment (CPA). CAA results are published annually, with the first year published on 9th December 2009.
3. Comprehensive Area Assessment includes two elements, an Organisational Assessment and an Area Assessment. The Organisational Assessment focuses on the Council and involves two assessments; managing performance and use of resources. This assessment is scored from 1 to 4, with a rating from 'performs poorly' to 'performs excellently'. The Organisation Assessment is attached in **Appendix 1**, and the Council has been assessed as 'Performing Well'.
4. The Area Assessment is a combined inspectorate judgement, assessing how the Council and other partners are delivering improvements on issues that matter to local people. The Area Assessment is attached in **Appendix 2**. This Darlington-wide assessment is not scored; rather an Area Assessment may include red flags or green flags. Green flags highlight exceptional performance or outstanding improvement from which others can learn. Red flags represent significant concerns about outcomes or future prospects where more or different actions are required. Darlington received no flags of either colour in this year's assessment.
5. Darlington Borough Council's Annual Audit Letter is attached in **Appendix 3** and provides a high-level summary of the results of the 2008/09 audit work Pricewaterhouse Cooper have undertaken for the Council.

6. The Area Assessment, Organisational Assessment will be presented at the meeting by Philippa Corner from the Audit Commission. The Annual Audit Letter will be presented by a representative from Pricewaterhouse Coopers.

Recommendation

7. It is recommended that the Area Assessment, Organisational Assessment, and the Annual Audit Letter be noted.

Reasons

8. The recommendation is supported to enable Cabinet to receive the results of external assessments.

Chris Sivers
Assistant Chief Executive

Paul Wildsmith
Director of Corporate Services

Background Papers

- (i) CAA Area and Organisation Assessments – December 2009
(ii) Annual Audit Letter – December 2009

Andy Robinson: Ext. 2014

S17 Crime and Disorder	This report is for information to members and requires no decision. There are no issues in relation to Crime and Disorder.
Health and Well Being	This report is for information to members and requires no decision. There are no issues in relation to Health and Wellbeing.
Sustainability	This report is for information to members and requires no decision. There are no issues in relation to Sustainability
Diversity	This report is for information to members and requires no decision. There are no issues in relation to Diversity.
Wards Affected	This report affects all wards equally.
Groups Affected	This report is for information to members and requires no decision. There is no impact on any particular group.
Budget and Policy Framework	This report does not recommend any change to the Budget or Policy Framework.
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
One Darlington: Perfectly Placed	There is no specific relevance to the Strategy beyond a reflection on the Council's and wider area's achievements.
Efficiency	There is no specific efficiency impact

MAIN REPORT

Information and Analysis

Organisation assessment

9. The Organisation Assessment focuses on the Council and involves two assessments: managing performance and use of resources, which in turn consists of three themes: managing finances, governing the business, and managing resources.
10. In the Organisational Assessment the Council has been assessed as ‘Performing well’.

Overall Darlington Borough Council performs well

Managing performance	3 out of 4
Use of resources	3 out of 4
Managing finances	3 out of 4
Governing the business	3 out of 4
Managing resources	2 out of 4

Description of scores:

1. An organisation that does not meet minimum requirements, Performs Poorly
2. An organisation that meets only minimum requirements, Performs Adequately
3. An organisation that exceeds minimum requirements, Performs Well
4. An organisation that significantly exceeds minimum requirements, Performs Excellently

11. The Commission stated that the Council is delivering improvements for local people and is performing well, and went on to say that people who live in Darlington are generally happy with the local area, and in particular its parks and open spaces. Crime levels are reducing and anti social behaviour is being successfully tackled through joint work with the police. The Commission also said that the Council works well with the local Primary Care Trust, that educational standards are improving and that the standard of council housing is very high. The Commission noted the impact of the recession, but added that the council has been successful in bringing new employers and jobs into Darlington.
12. The Care Quality Commission has assessed Darlington Borough Council's Adult Social Care Services as performing well. Ofsted's assessment of children's services for Darlington Borough Council is that it performs well and there are many good schools and sixth forms. The Audit Commission further stated that:

‘the Council provides good leadership across the borough and partnership working with other organisations is strong. It works well with local people to understand their needs, and reflects these in the plans it makes and the way it delivers services. Performance is well managed and the Council provides good value for money.’
13. The Use of Resources assessment covers three key themes: Managing Finances, Governing the Business and Managing Resources. Value for Money is inherent through all three themes. Managing Finances and Governing the Business achieved scores of ‘3’. Managing Resources included the sub areas of sustainability and managing assets, and achieved a score of ‘2’, with action planning being developed to improve these areas.

Area Assessment

14. The Area Assessment is reported as a narrative and does not receive a numerical score or other overall rating. If in the Audit Commission's view action being taken to improve an important outcome is unlikely to deliver the improvement sought, it may be highlighted as a significant concern using a red flag. Where exceptional performance, improvement or innovation has been identified, the Commission may highlight this as a source of learning for others using a green flag. Darlington has received no red or green flags as part of this year's CAA. Whilst the Commission had always stated that the allocation of flags 'wouldn't be like bunting' the absence of any green flags for initiatives such as LocalMotion has been questioned. There is no ability to appeal over the non-award of a green flag, only for the receipt of a red flag. The Commission are keen to state that the absence of flags does not signify that there are no areas of good practice, or conversely no areas of concern. Key messages raised by the Audit Commission in terms of the area assessment are as follows.

One Darlington positives

15. New employers and new jobs have been brought into the area, and the Into Work programmes have improved employment rates in the most deprived areas. Educational standards are improving with better exam results and fewer exclusions, and more mothers are breastfeeding their babies and action to tackle child obesity is having results.

Perfectly Placed Positives

16. Council housing is of a very high standard, services for homeless people are good and there have been improvements to facilities for Gypsies and Travellers. People are happy with the local area, parks and open spaces and Local Motion has succeeded in encouraging people to choose more environmentally friendly transport and travel. Overall crime levels are reducing.

Areas where partners need to stay focused

17. The Commission report states that unemployment is increasing because of the recession, although action is being taken to make sure local people have the right skills to improve job opportunities. Similarly, it commented that health inequalities are a big challenge, with action being taken to tackle the main causes for the gap in life expectancy. The Commission have stressed a need for partners to be clear on action to reduce the high number of hospital admissions for under 18s, and maintaining action to tackle alcohol abuse, the high numbers of teenage pregnancy and domestic violence. The Commission state that key challenges in moving forward are focused around improving public health and narrowing the gap in life expectancy, holding on to the economic gains made before the recession and reaping the benefits from Tees-wide joint working.

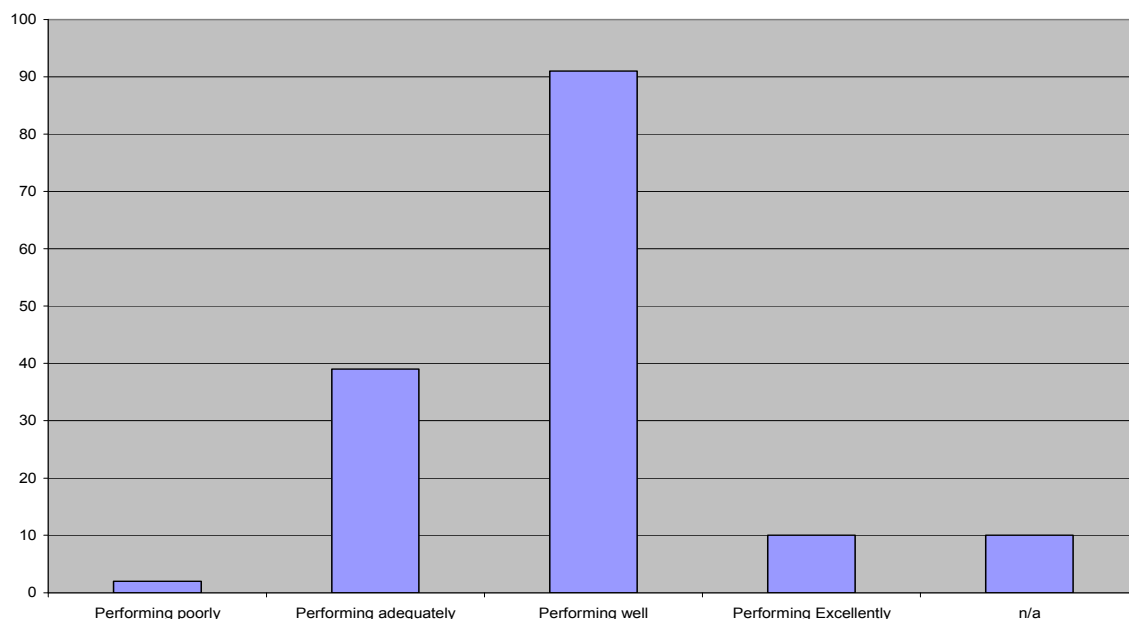
Annual Audit Letter

18. The purpose of this letter is to provide a high level summary of the results of the 2008/09 audit work Pricewaterhouse Cooper have undertaken for the Council that is accessible for members and other interested stakeholders. Some key messages include:

- (a) The Council’s system and processes for managing finances are robust and performing well. Budget setting and financial planning are generally sound and financial reporting is timely and accurate;
- (b) The Council has comprehensive arrangements in place to govern the organisation. Procurement processes are generally robust, arrangements are in place to secure data quality and systems of governance and internal control are sound;
- (c) In terms of managing resources, PwC state that the Council’s approach to managing natural resources and public assets was adequate;
- (d) PwC carried out various other programmes of work, including the Annual Governance Statement, targeted audit work encompassing the strategic partnership with Stockton and the new General Ledger system, Treasury Management, Members Allowances and the National Fraud Initiative. No significant issues resulted from these programmes of work.

Comparisons with other areas and Councils

19. Of 152 Single Tier and County Councils, ten were awarded the highest organisation assessment of ‘performing excellently’. Six of these authorities are from London, two from the South East, one from East Midlands and one from the North West. Ninety one have been classified as ‘performing well’, 39 as ‘performing adequately’ and two, Doncaster and Haringey, as ‘performing poorly’. The ten new Unitary Authorities, including Durham and Northumberland did not receive scores due to them having recently gone through Local Government Review.



- 20. Regionally, out of the 12 North East authorities, North Tyneside was classified as ‘performing adequately’ with all others ‘performing well’, bar the two new Unitaries which were not assessed.
- 21. A total of 74 green flags were awarded across all areas, with only one awarded in the entire North East: Newcastle for economic innovation in the recession. Sixty two red flags were received, including two in the North East. Hartlepool received a red flag for the theme of tackling the harm caused by alcohol, and North Tyneside received a red flag for Housing.

Outcome of Consultation

22. The issues contained within this report do not require formal consultation.