

# Questions underpinning the area assessment

## Main questions:

1. How well do local priorities express community needs and aspirations?
2. How well are the outcomes and improvements needed being delivered?
3. What are the prospects for future improvement?

## Underlying issues:

### **1. How well do local priorities express community needs and aspirations?**

To answer this question inspectorates may explore, for example:

- How well do local partners understand their diverse communities? How well do they engage with, involve and empower local people (including through the third sector)?
- How well do local people feel they are listened to? This will include harder to reach/hear communities, children and young people and those at risk of poorer outcomes.
- 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? Are ambitions appropriately stretching?

Essentially we will be looking for:

- robust decision-making across local partners;
- evidence of effective implementation of the duty to involve; and
- whether local partners are focusing on the right things.

When we seek to identify community needs and aspirations, we may consider various community perspectives, such as those of: the area's citizens, residents and users of public services, as individuals and/or members of diverse communities; specific disadvantaged and vulnerable communities in the area; the national 'community'; and future generations (to take account of sustainability).

## **2. How well are the outcomes and improvements needed being delivered?**

To answer this question, inspectorates will take each area's Local Area Agreement targets and the ambitions set out in the Sustainable Community Strategies as a starting point.

So the following list will look different as we tailor our assessments to each place and the types of information and evidence available (This should also look beyond the Local Area Agreement, especially at those indicators/sources of evidence linked to vulnerable groups.)

To answer this question inspectorates may explore, for example:

- 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?

We will integrate within our assessments judgements about how well outcomes, services and improvements are being achieved where inequality and risk to individuals is greatest.

This may include a wide range of people whose circumstances make them vulnerable and this will vary according to local context. It will specifically include groups at very high risk, such as people who need social care services or are leaving care, people with learning disabilities or receiving mental health services. It will also include those who may make others vulnerable, such as offenders, and including people under probation supervision. Access to settled accommodation and employment are particularly important factors for these groups.

## **3. What are the prospects for future improvement?**

The answers to the main questions 1 and 2 above will provide key sources of evidence for answering this main area assessment question. To answer the third question, and in deciding whether to 'flag' any issues, inspectorates may explore:

- Do the local partners have the capacity and capability to deliver their ambitions, strategies and plans (we will look in greater detail at partnership arrangements where improved outcomes are not being delivered or if other evidence raises concerns)?
- Are local partners taking adequate action to manage, mitigate or address any concerns and risks we may have identified in answering questions 1, 2 and 3 (or which they may have identified in their locality self assessment)?

- 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 is being implemented? Including whether key objectives and milestones are being achieved and whether local partners have robust plans for improving?
- Are there any significant weaknesses in arrangements for securing continuous improvement, or failures in governance, that would prevent improvement levels being sustained?

The focus on reducing inequality across diverse communities, and emphasis on people in vulnerable circumstances, will be followed through to question 3.

# The proposed managing performance KLOE and published use of resources KLOE

## 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