



COMPREHENSIVE AREA ASSESSMENT – JOINT INSPECTORATE PROPOSALS FOR CONSULTATION – SUMMER 2008

A RESPONSE FROM SOLACE

About SOLACE

SOLACE (Society of Local Authority Chief Executives and Senior Managers) is the representative body for senior strategic managers working in the public sector. Through its policy and professional development activities, the Society promotes excellence in public service. Its commercial arm, SOLACE Enterprises, provides high quality, customer-focused and practical support to local government and the public and voluntary sectors, both in the UK and internationally. The SOLACE Foundation carries out educational and other work which falls within the charitable aspects of the Society's objectives.

Introduction

SOLACE acknowledges that the 2nd consultation paper provides evidence that the Audit Commission has listened to views on the first consultation paper, including those we submitted. This reflects the “co-design” process, and is welcomed.

SOLACE concerns at this stage are less with the overall concept than with the practical implementation and the capacity of the system to deliver an approach that will be very different from previous interactions between councils and the Audit Commission. This response, therefore, focuses on those issues rather than attempting to answer the questions specifically asked in the consultation.

Inspection and Improvement across local systems as a whole

Our partners, particularly the PCTs and the Police, still have strong concerns about the mixed messages that they are receiving about inspection and improvement. The Audit Commission needs to provide stronger attention to the overall environment in which CAA sits. Whilst the appendices on other sectors are helpful, they do not reflect experienced current approaches by other inspectorates. For example, the section on CAA and the PCTs makes no mention of ‘World Class Commissioning’ which is currently occupying much of their time. Colleagues are confused about the relationship between the two processes.

More work is required to develop mutual understanding of processes and lines of enquiry to ensure both that colleagues understand the system and trust that the ‘COUNT’ principle applies.

The continuing DCFS approach also raises concern over the coherence of the overall relationships between government departments, government regions, inspectors and the CAA framework.

Proposal 1

The Audit Commission, the inspectorates, DCLG, DCSFS, DoH, and the HO set out a single text that locates the various mechanisms for performance management, government assurance over vulnerable groups and floor standards, and improvement processes in a single framework for the local public sector.

Key role of CAA Lead Officers

In its response to the first CAA consultation SOLACE said:

“SOLACE believes the CAA process to have the potential to be a powerful component of a progressive strategy for the delivery of improvements for people and places. It is important that all concerned take care to ensure that the design and implementation processes are of sufficient quality to deliver the potential.

The capabilities of the CAA Area team are crucial to the quality of the CAA product, and to the credibility of the process.”

The further development of the CAA proposals, and the parallel development of the Performance Management Narrative, have increased our belief that the quality of the delivery of both sets of proposals will be dependent on the strengths of the CAA Lead Officer.

We believe that the role is a very challenging one. CAA reports will require a wise and reflective summary of a wide range of information sources. They must provide a balanced focus on key issues, they must be related to the context of each place and the policy priorities of the Council and partners, they must address the interests of vulnerable and disadvantaged groups whilst not losing sight of the interests of the wider community, they must take into account the past trajectories of performance over key issues and the capabilities of local partners to deliver future improvements and meet emergent challenges.

Following each CAA reporting cycle the CAAL will be a key player in the conversation between GOs, AC, Inspectorates and RIEPs over the focus of work to share good practice, drive improvement agendas, and respond to specific weaknesses in each region.

We are not concerned that the CAAL will lack information on which to base this work: s/he will be able to call on inputs from a range of specialist colleagues and draw on the outputs from the improvement cycles of the councils and partners.

But we do have concerns over the difficulties CAALs will face in setting out a fair, balanced, well-evidenced and appropriately challenging summary in each area and organisation assessment. Each CAAL will need to prepare such assessments in parallel for several areas over the late summer and early autumn each year. Each area will be complex and, although the areas will be neighbours, the complexities will differ markedly from area to area.

The quality of the “product” will be vital to the focus of the improvement agendas for each area and to the wisdom of the allocation of attention from RIEPs and GOs. The quality of the product in the first round will also have a major impact on the confidence of the public, Government, and local public sector agencies in the CAA and Performance Narrative approaches.

We are pleased to understand that all the CAALs are now in post, and we are aware that their development will be advanced by both the further local trials and more general development episodes.

Proposal 2

We would like to provide support to this development process. We believe that SOLACE colleagues, local politicians, and senior officers from other local partners can contribute through:

- Contribution to development episodes fro CAALs as a group
- Providing peer points of reference, from outside of each CAAL’s area, during the summative drafting periods
- Providing peer input, again from outside of the relevant region, to the improvement agenda discussion that follow each CAA round

Peer Review

Peer Review has been a fundamental element of the local government improvement journey, maturing from a generalised approach to specialists working in specific areas ranging from Planning, Customer Services and Equalities. Further, IDeA are shortly to publish proposals on the development of 'professional peers', a cadre of experienced councillors who can add additional value to the process. The experience and critical friend analysis that peers apply should continue to play a central role in the new performance framework, particularly so when self evaluation is an integral part of the new framework. The consultation document is quite light on the intended role of peers within the framework, which may reflect a heightened degree of openness about listening to sectoral views on best fit.

There are a number of issues that need to be addressed in relation to Peer Review:

- The improvement landscape within local government is quite complex and the emergence of RIEPs adds to the complexity. The Audit Commission need to work with IDeA to ensure that the use of Peers within the new

framework forms part of a coherent strategy of Peer Review and external evaluation. For example, self evaluation involving Peers may need less external scrutiny than more internal reviews, reducing the further burdens on local councils and partners.

- The use of Peers to support CAA leads is welcome. Such Peer support can be widened to include potential arbitration and negotiation in dispute resolution rather than involving CAA leads in confrontations that may undermine the continued work and relationship management within a locality, though clearly a balance would need to be struck for accountability purposes.
- The use of Peers in ensuring consistency of assessment, bringing sectoral insight and, wider and practical experience of working within a locality, is also a positive development. Care needs to be given to ensuring that the use of such Peers balances the need for consistency in CAA reporting. It will also be important to maintain their external freedom, otherwise the role is compromised and seen simply as an arm of the regulatory authority.

Developing these proposals as part of the continued CAA trials will help ensure that the role of Peers and further external expertise is informed by what works rather than simple theoretical approaches.

Proposal 3

The discussion initiated in the consultation paper is taken forward in the context of a broader review of the contribution of expert peers, including elected members and senior officers from across the sectors, to the overall improvement process for local partnership delivery. There are important roles for peers in self-evaluation, peer review, support to CAA Lead officers in developing area and organisational assessments, subsequent regional performance framework discussions, and the work of RIEPs. The AC and the Inspectorates should work with the LGA and the client Government departments in developing a discussion paper bringing together these areas of peer engagement into a single picture.

Quality Assurance and dispute resolution

The consultation document is light on the issue of assurance and dispute resolution, which may be understandable given a wish not to focus on what happens when things go wrong in what is a new development. Yet these are pivotal matters in a process which moves to a more qualitative, less inspection based approach and where the results are significant for local stakeholders both collectively and individually.

Quality Assurance in a new regime measuring different aspects of performance needs full attention. The need is particularly urgent given that CAA leads are new to the role and the potential for divergence and inconsistency will be high in the early years.

The new assessment process also has some asymmetrical metrics, which will be a potential cause for early dispute: for example the red and green flag reporting are

not different sides of the same coin, yet may be seen as such by the wider public (see next section).

The proposal to consider the use of external peers to maintain continued consistency of assessment is helpful but equally important will be a transparent, clear process for challenge. Experience of a number of councils in the CPA was that the dispute process was not transparent to those seeking review.

The intended timescales for challenge need to be reconsidered as part of the consultation process, which propose less than 2 weeks for partners to challenge the draft report (see next section as well). Given the resources expended by all parties in the CAA process more time for reflection and discussion needs to be built in.

Proposal 4

A more fully considered note on dispute resolution is developed and issued for discussion before the end of 2008. The proposed arrangements need to provide realistic timetables for resolving disputes at both the consolidation of evidence and the drafting of report stages. The proposals need to pay particular care to challenges to the use of red flags (if they are retained – see next section). A role for external peers needs to be built in at both stages.

Proposals for green and red flags

We have concerns about the proposed use of green and red flags.

Initial responses indicate that, particularly for members, these may be seen as a form of scoring and that the relative numbers of green and red flags in each area assessment will be compared by partnerships and by councils.

We think that the use of colours further exacerbates that problem, with red signifying danger or severe problems and green being seen as good or 'approved by the Audit Commission'. In fact, comparing them is like comparing apples and pears. It is clear from the text that the red and green flags are in fact very different from each other, rather than being different sides of the same coin and therefore we believe that it would be helpful to move away from the 'flag' descriptor for the good practice comments or examples. Otherwise there is a strong risk that the red and green flags will both continue to be seen as judgments of equal, but opposite, value.

Red flags

"A 'red flag' will indicate that significant concerns about outcomes, performance or future prospects are not being adequately addressed" ((Paragraph 48, CAA consultation paper)

The sample definitions of what might be red-flagged (Paragraph 64) are really quite wide and leave a great deal of room for subjectivity. It is not clear whether it is concerns within the local context which will result in flagging, or whether it is concerns which are statistically verifiable through the National Indicator Set that are will be more likely to be highlighted. The example which is given in the web-tool is very statistically NIS based, but we believe that any red flag reported should be set very firmly within its local context, rather than reflecting national priorities.

We foresee particular problems where the flag is expressing concern about the capacity or capability of partners to deliver against impending and future challenges. There will frequently be no disagreements about the nature of future challenges in an area, but there may well be disagreement about the robustness or adequacy of a proposed solution. For example Barshire may believe that it does have in place reasonable arrangements to tackle affordable housing, but that it is handicapped by being extremely attractive to second home owners and private developers over whom it has little control.

This leads to our final point on the red flags. The areas which are flagged should not, we hope, come as a surprise to partnerships, but there is a question of how sufficient dialogue can be built into the process to allow partnerships to challenge the judgements before they are published. During the corporate assessment inspection on site there were frequently arrangements for ongoing dialogue or feedback so that councils could have the opportunity to challenge or rebut developing issues or areas of concern where there was disagreement. If the annual area assessment exercise is going to be primarily a desk exercise then there may be fewer opportunities to have that feedback and dialogue.

Green flags

"A 'green flag' will indicate where others may learn from innovative or exceptional success in the area. It will represent more than 'good' performance or steady improvement that will be expected everywhere." (Paragraph 49 CAA consultation paper)

There are times when it seems as if local government has good practice examples coming from every direction and quite simply not enough time to absorb and analyse their usefulness. The Beacon Council scheme, the DCLG and other government departments, IDeA websites, the LGA, academics, the local government press and many others are all seeking to occupy this ground. The RIEPs will undoubtedly be producing similar work in due course. The difficulty is not the lack of examples, but the time to put them into practice. The proposals for green flags in this consultation paper do raise the question of the intention of the Audit Commission in incorporating this suggestion. Is it simply to balance the negative effect of any red flags, or to encourage continued improvement by adding to the growing list of good practice examples. If the latter, there needs to be some attention to the overall portfolio of good practice databases.

It is not clear whether green flags will be moderated in some way, regionally or nationally, to ensure that the examples quoted are outstanding. It is assumed that they will be about national comparators rather than simply a good local initiative which has not previously been tried in that area. What is considered to be outstanding in one area may already be common practice in another. Councils and their partners are sometimes sceptical about case studies featured on conference platforms when the initiatives described have been part of their mainstream working for many years without being similarly heralded. An over liberal use of green flags could lead to irritation on the part of partnerships and a debasing of the currency.

Proposal 5

The use of flags should be dropped, in favour of a simple summary of key findings.

We would expect such summaries to draw explicit attention to key issues of significant concern affecting prospects for an area, and would expect a consolidated regional summary of these to be used to inform both the discussion of focus for improvement attention via RIEPs and GOs, and reports to national government over delivered standards across the local public sector.

We would also expect the summaries to draw attention to excellent and innovative practices. We urge a review of the use of such good practice examples should alongside IDeA summaries, Beacon Council arrangements and the publications of the AC and inspectorates.

Assessing Community Engagement and the Duty to Involve

Section 2 of the consultation document (paras 50 – 55) sets out that a key role of CAA is to assess how well the 'duty to involve' is carried out in each area. Whilst this focus is welcomed, it is essential that the AC assessment is informed by a robust understanding and analysis of the full spectrum of community engagement activity.

Para 53 sets out four questions as examples of how the duty to involve will be assessed. This illustrates the need for that understanding of a spectrum of activity and a mature awareness of the relationships between involvement, participatory democracy and elected democracy. Most approaches to community involvement/engagement are based on an underpinning assessment that it involves a spectrum of activity that starts with information and communication and moves through having clear channels available for responses, to dialogue, to formal consultation, to direct involvement and participation. It is important that the second and third example questions (b – the extent to which the priority outcomes for the area have been defined with the involvement of communities, and c – how well communities have been involved in assessing whether priority outcomes have been delivered) are based on this analysis, otherwise there will be a push for participatory involvement even when not appropriate.

There must also be a careful reflection on the relationships with the elected democratic processes. Paragraph 51 rightly acknowledges the importance of political processes and that, for councils, decisions are made by locally elected politicians who have to weigh up the diverse and complex needs and aspirations of many stakeholders, and a balance of short term and longer term needs. Re-assurance is given that it is not the role of CAA to challenge legitimate political choice but to support democratic decision making by looking at how well these decisions have taken account of these needs and aspirations.

This, though, could be further developed to recognise that the leadership role frequently means triangulating across three dimension: most residents rightly identify immediate priorities that affect them daily, e.g. street-scene and local environment, roads and road safety, local anti-social behaviour; the majority of resources are spent on education and social care of the young and old; 'place-shaping' requires a focus on economic prosperity, regeneration, tackling inequalities and community cohesion. Leadership means shaping public expectation across these dimensions, not just responding to it.

Importance of Political Processes

Whilst paragraph 51 acknowledges the importance of political processes and decisions being made by elected representatives, the document as a whole could do more to recognise that public services, leadership and 'placeshaping' are

political activities and that councils are intensely political organisations influenced quite properly by the role of party politics and the competing political ideology.

It is important to re-state this as, in many ways, CAA itself is a culmination of a number of processes based on the importance of evidence based and rational approaches. CAA needs to more explicitly recognise the inter-play between methodological and rational approaches and the more intuitive and ideological creativity of politics, especially party politics.

CAA also needs to recognise more explicitly the internal political structures of councils, for example the role of overview and scrutiny in providing challenge and review and how this links with external audit and inspection activity.

Proposal 6

The AC and inspectorates should work with DCLG and the LGA to set out a more fully developed picture of the complementary roles of participative and representative democracy, and how they contribute with different balances to issues of immediate concern, longer term area interests, and the balancing of priorities.

Geography

The Audit Commission acknowledges that there is geographical complexity when it comes to an 'area'. The consultation refers to following the geography of an issue which could mean tracking down to neighbourhood level or following it up to MAA level and any combination in-between of district, county, unitary, sub regional and regional levels as appropriate for the priority.

We are pleased that the area assessment will focus on the prospects for better outcomes. This allows local areas to address different geographical responses, as appropriate. We do not believe there is any need for additional guidance, for example, for two-tier areas.

Voluntary Sector

We have concerns over why particular organisations have been singled out as there is no clear rationale why it should be these and not others. There also needs to be understanding that councils sometimes have to address issues of underperformance by voluntary organisations which causes tension in the relationship.

Local MPs

The argument for seeking input to area assessments from local MPs is well made, but care needs to be taken where there are significant political tensions between local Council administrations and sitting MPs. It is not uncommon for leading local councillors and local MPs to be direct opponents over marginal seats. The timing of the first CAA reports, close to the next general election, will increase this tension.

Proposal 7

The CAA evidence base should avoid reliance on a prescribed list of voluntary sector voices; whilst retaining a focus on the importance of the sector.

Details of the proposed “National Survey of Voluntary Organisations” should be shared more widely at the formative stage.

CAA Lead Officers should take care to understand local party political inter-plays as a context for evaluating input from local MPs.

Contact email addresses:

rob.vincent@kirklees.gov.uk

philip.hume@kirklees.gov.uk

mike.bennett@solace.org.uk