

SOLACE RESPONSE ON THE AUDIT COMMISSION CONSULTATION DOCUMENT

“DELIVERING COMPREHENSIVE PERFORMANCE ASSESSMENT FOR DISTRICT COUNCILS”

1. INTRODUCTION

- 1.1 The Society of Local Authority Chief Executives and Senior Managers (SOLACE) welcomes the consultative approach being taken by the Audit Commission to the development of the CPA process in District Councils. SOLACE has already responded to the consultation papers for single-tier and County Councils. While we were pleased to see that a number of our concerns and suggestions have been taken into account in the final methodology for those authorities, we were disappointed to see that a number of major considerations were not. In particular we remain concerned that the process still fails to deal adequately with tensions resulting from the democratic political process, especially where local and national political priorities may not be in harmony; that some technical aspects of the process do not bear close scrutiny; that the arbitrary 'rules' will have a demonstrably unfair effect on some individual Councils; that the quality of Assessment Teams needs to be more consistent; and that the 'moderation' process needs to be more transparent. We hope these issues will be further addressed as the process develops and that the lessons learned from the first round of inspections will be heeded when District Councils are assessed. We were pleased, however, to see that many of the points raised by the District Council Reference Groups that were held during the summer have been taken into account in the Commission's proposals in respect of the assessment process for District Councils.
- 1.2 This document is to be read alongside the previous consultation responses, which SOLACE has made.

2. GENERAL COMMENTS

- 2.1 Whilst SOLACE continues to applaud the desire to help councils to deliver better services, there is still considerable concern that the Government does not fully appreciate the high levels of service which are provided by local councils. Whilst SOLACE equally acknowledges that there are councils that do have difficulties, it takes the view that many of the inspection regimes which have been introduced over the last decade, waste too much time and money in councils that have a good record and that the Government should be concentrating resources, not only in respect of inspection but also in respect of support, for those authorities where there are known difficulties.
- 2.2 SOLACE is pleased to see that recently Ministers have been speaking about the greater freedoms and flexibilities promised in the Local Government White Paper. Whilst recognising the inter-departmental issues that the Government is facing in respect of delivering these freedoms and flexibilities, it is hoped that before too long councils will be given meaningful incentives as a result of the CPA process. Much has been said; little has been delivered - all we have seen so far is an increase in the burden of the bureaucracy of inspection with none of the promised rationalisation.
- 2.3 District Councils have suffered less from the inspection regime than counties and single-tier authorities but proportionately their capacity to support even the current regime is in the main overstretched and the introduction of CPAs add significantly to that burden.
- 2.4 As SOLACE has said previously, it must be recognised that inspection is only one tool for bringing about improvement. Indeed, SOLACE would have welcomed greater emphasis in the consultation document on how the improvement programme is to be implemented and more information on how it is envisaged authorities that score well on the CPA will benefit from lighter touch inspections.

- 2.5 The document is largely silent on the scoring process to be used and would seem to imply that the Audit Commission is still favouring the matrix approach. SOLACE still regards the previous proposals as being inappropriate, particularly in respect of terminology and would much prefer to see a star rating system as terminology can be misinterpreted, particularly in view of ambiguities that can arise over different interpretations.

3. KEY ISSUES ARISING FROM THE REPORT

- 3.1 SOLACE is pleased to respond to the key questions identified under paragraph 1.5 of the consultation document.
- 3.2 We are pleased to see that the Reference Group's recommendation in respect of more cross-cutting corporate assessments has been adopted. SOLACE hopes that Inspectors will realise that there is no blueprint that can be established even for neighbouring authorities. The Inspectors will have to be made aware that each authority must be treated individually, bearing in mind the local circumstances. In welcoming the two new crosscutting inspections of the balanced housing markets and the provision of clean, green and safe public space SOLACE feels that the Inspectors should be aware of the constraints which small budgets place upon District Councils to deliver such a wide agenda, and consequently membership of the Inspection teams should be weighted towards those with District Council experience.
- 3.3 SOLACE has concerns over the role of the Benefits Fraud Inspectorate (BFI) and, particularly, the timescale within which they will be operating. Paragraph 2.8 sets out the role of the crosscutting inspection but is silent in respect of the role of the BFI and this needs to be clearly identified so that councils are aware in advance of the situation.
- 3.4 As far as the peer challenge is concerned, SOLACE welcomes the four options identified in paragraph 2.2 but feels that they would need to be satisfied that there is a "moderation" process proposed so that there is some link between the scores of all authorities.
- 3.5 As previously mentioned, paragraph 2.8 is silent in respect of the role of the Benefits Inspectorate and this needs to be addressed. SOLACE also has some concerns about the compatibility of paragraphs 2.2 and 2.8. Whilst acknowledging the need for Peer Reviews, the document then appears to impose additional review constraints. For example, one assumes in addition to, say, an I&DeA Peer Review, there will also be an unnamed number of housing and planning inspectors joining the team. Those of us with Peer Review experience feel it is essential that this work is done at the same time so that there is relevant interaction between housing and planning specialists and the Peer Reviewers. Failure to accede to this could lead to inappropriate recommendations taken in isolation by those not involved in the corporate review and this enforces the need for the Benefits Inspectorate to be involved simultaneously in the Peer Review process.
- 3.6 Whilst SOLACE can understand the desire to programme the work on a county basis, it has concerns. For example, the County Councils will be asked to give their views on their various partnership arrangements with the Districts and Boroughs. This could place an unfair responsibility on the counties who will, by the very nature of the exercise, be forced into some form of league table gradings of the various Districts in their county. In addition, the County could be asked at any one time to deal with four different sets of Inspectors, bearing in mind the options available under paragraph 2.2.
- 3.7 SOLACE is also of the view that there is a need for flexibility in the timetabling to allow those councils that have recently undergone a change of political control or, indeed, of Chief Executive, to request that more time be given to them to prepare for the Review because of the fundamental changes that either of these moves is likely to bring about. As indicated earlier we remain concerned that there was inadequate appreciation of the impact of such issues by made of the CPA Teams involved in the assessments of single-tier and County Councils.

- 3.8 There is no indication in the report as to the precise role that the Relationship Managers will play in the Peer Review. SOLACE is familiar with the role of Relationship Managers in those authorities that have been identified as failing already but these have been outside of the CPA process and would welcome further consultation on this issue.
- 3.9 Diagram 1 identifies the process of “Accredited Self-Assessment” but the report is silent on identifying precisely what this means. SOLACE colleagues who were members of the Reference Group believe that this might mean that after the inspection process the Inspectors would then sit down with the individual councils and jointly re-assess the self-assessment process. It is unfortunate that this is not explained within the consultation document and if this is what is meant, then SOLACE is happy with this process. If, however, this is not the intention, then SOLACE would very strongly press for it to be included as part of the process. In our view this would help to resolve potential difficulties once the Review results are known.
- 3.10 The Commission has indicated that it wants to provide councils with an earlier view about the overall performance assessment and has requested comments on the way results are reported.
- 3.11 Because the process is anticipated to take two years, SOLACE feels that it would be most inappropriate to delay the results of those authorities that, say, are reviewed in early 2003 until late 2004 (a gap of almost two years). SOLACE would wish to put forward an option which allows review results to be issued at much more regular intervals, say even quarterly, as this will lift the “burden” of the assessment on authorities and also encourage improvement plans and, more importantly, release greater freedoms and flexibilities earlier. SOLACE does not support the need for official league tables and if one assumes (at least for some authorities) this will become a rolling process, whilst for high performing councils, it will not be an annual or even bi-annual event, the need for official league tables will disappear.
- 3.12 As identified earlier, the report is largely silent on the improvement plans that will be necessary for authorities that fall below the average mark and, indeed, for those authorities above the average mark that clearly wish to progress even further. It is SOLACE’s view that joint work needs to be undertaken in respect of this at a very early stage and SOLACE would wish to be involved in this. The I&DeA Peer Review programme has identified a process that could be followed and it is SOLACE’s view that this should be developed further with a view to making it an acceptable development plan framework that all authorities can follow. At the moment, even under the I&DeA Peer Review system, the Action Plan framework does tend to be rather haphazard and if an authority’s Action Plan is not robust enough it will not lead to the improvements that this process is hopefully seeking to achieve.