



3 February 2010

What Future in a World without CAA?

SUMMARY

This is a note following a roundtable discussion hosted by Localis and IDeA looking into the need of centralised inspection and targets in local government as well as systematic changes which could be applied in the short and medium term. Sara Williams, Strategic Advisor of IDeA, introduced and concluded the session, with a wide ranging discussion in between. The participants were:

Participant	Organisation
Sara Williams	IDeA
James Morris	Localis
Adrian Barker	IDeA
Christina Dykes	Leadership Centre for Local Government
John Seddon	Vanguard Consulting
David Blackman	Local Government Chronicle
Edward Moore	Resolex
Hamish Dibley	Kent County Council
Dave Burn	London Borough of Lambeth
Judith Hendley	London Councils
Mike Morgan-Giles	Localis
Tom Shakespeare	Localis
Susana Forjan	Localis

CONTEXT

From an age of compliance to an age of responsibility – There is the potential for a change in focus around moving towards a focus on responsibility,

but there are a number of challenges for how we can get there.

Achieving change – There are many people and organisations, as with any change, with a stake in the status quo. This will require a cultural shift. It is important that lessons need to be learnt from previous performance regimes.

WHAT CAN BE DONE TO STRENGTHEN LOCAL ACCOUNTABILITY?

Why should we strengthen local accountability – A number of contributors made clear that we first have to understand why local accountability needs to be strengthened. There have been a number of centrally driven initiatives around 'community empowerment' which have actually confused the underlying drivers for why people want to get involved.

Why are people not engaged – This goes to the heart of the problem about the nature of local government. People are disenfranchised for a number of interrelated reasons. One contributor suggested that the language a Council uses affects the level of understanding of residents, and there is strong evidence for this. But others went further and said that only by completely rethinking local government and its relationship with the centre, will people really care about local government. There is a difference between consultation and community engagement. One person suggested that people don't want to be engaged – they just want good services. These services need to be built around needs.

The elements of accountability – One participant suggested that the elements of accountability need to be divided up into services, engagement and future decision making. Accountability is also different from

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engagement, consultation and empowerment.

What is the point of engagement – One contributor said that engagement is better than consultation. Local government should work with residents to design services around their needs.

People do not necessarily want to be 'engaged' – Many people just want public services to work. One contributor pointed to evidence that in fact, if public service quality improved, then more people would be inclined to be involved – a perversity on current thinking. Engagement can also lead to vociferous groups of people being involved, not necessarily reflecting the opinions of the whole community. One argued that people only really care when things go badly wrong (e.g. baby P). Another commented that the Audit Commission was actively bullying people into being involved with community engagement schemes.

Information for information's sake is not necessary – If people do not care, there is no point in providing unnecessary information. One said that good ideas should be published, but are not 'recipes'.

Engaging people where there is demand for it – Different issues need different engagement techniques. There is a strong case for information which people do care about to be more widely disseminated. This includes planning, waste, and roadworks. One contributor said that information has to be tangible and meaningful to local people. Another suggested that the Audit Commission's 'OnePlace' initiative is an attempt at precisely this agenda. Another commented on the importance of using simple language. There were some concerns that people without access to IT will be excluded from information systems in particular formats. Emotive issues (e.g. gangs and guns) also attracts a community reaction and response – and engaging people on these is helpful as it is reassuring.

'Partnerships' involving certain organisations undermines accountability – There are, as one participant said, 'a fog of partnerships which undermine accountability'. The meaning of the term partnerships needs to be addressed in order to undermine accountability. RDAs and other quangos distort the clear delineation of central and local government. This undermines accountability and means that "people are perfectly rational not to vote in local elections because there is insufficient payback to individuals".

Independent scrutiny boards – One idea was to have local scrutiny boards which could oversee the operations of the Council. These could also be used as sounding boards for local government. Expertise in these should be from across the board – which cannot be achieved through a council.

WHAT CAN BE DONE TO DRIVE PERFORMANCE IMPROVEMENTS BETWEEN COUNCILS?

Free up local government – Many contributors pointed towards the importance of giving greater local flexibility as the key driver for performance improvements.

Provide case studies of problems and improvements – This needs to go beyond proving case studies of 'best practice' to identifying problems and identifying improvements which local government will find more useful.

Cooperation not competition – Cooperation between authorities is a defining feature of better performance. Incentives should be provided to aid this process and encourage high and low performing councils to work together.



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A culture of innovation – This is required in local government to push forward change. Although copying others well is almost as important as innovating.

Self regulation – One suggestion was that local government could, of itself, set the standards upon which Councils could subscribe. The Local Government Association have published a report, "Freedom to Lead: developing a new accountability framework", which proposes a greater sector led improvement.

WHAT ARE THE FAILURES, SUCCESSES AND CHALLENGES OF THE COMPREHENSIVE AREA ASSESSMENT (CAA)?

Performance assessment makes performance worse

– One contributor suggested that the Performance and assessment regime makes performance worse. It was suggested that it positively misdirects performance and spending away from delivering the key outcomes for a local area, and instead pushes them towards game playing. A number of examples were cited of where radical joined up service improvements had been made, and were then given a low ranking by the Audit Commission. Public perceptions do not follow improvement trends. CAA is still too process orientated – rather than on outcomes. It was also suggested that in some cases (Lambeth cited) that any improvement which occurred was completely unrelated to the assessment regime.

Cost of compliance – There is a significant issue around the cost of complying, which is estimated at around £2bn for local government. One person mentioned that compliance allowed sub-standard employees to stay under the radar.

Relationship between central and local government–

There were a number of suggestions that one of the major problems is a relationship between central and local government which will only devolve power to local government under an approach labelled 'earned autonomy' rather than 'presumed autonomy'. One contributor suggested that even though local government can in theory choose their 35 LAA targets, many indicators were pushed strongly by central government. There was near consensus that central government did not trust local government. Power issues lead local authorities looking to Whitehall rather than local communities. Local government is now considered a delivery body – this leads to voter apathy as the voting in local elections does not affect decision making.

Accountability - It was also suggested that many local agencies report directly to central government and undermine local accountability. This affects public perceptions of local government and leads them to believe that local government is powerless to act on their wishes. In short, people are acting rationally when they do not turn up to vote. Problems with unrepresentative community discussions - people don't want to waste free time at meetings or on the internet. There is also an issue that elected members don't represent their communities in terms of age and gender.

WHAT FUTURE FOR CENTRAL INSPECTION?

Auditing accounts – A number of contributors thought that there will always be a role for the central auditing of financial accounts.

Future modelling – One contributor thought that there might be a role for future modelling of local government.

Ensure that local accountability measures are in place – Instead of dictating what local government



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should be looking to improve on, focus on the question: 'What measures are you using for understanding and improving performance?'

The role of the Audit Commission – It was clear that a number of contributors questioned the need for the Audit Commission at all. In fact one contributor described them as "ignorant". Others suggested that it should be focussed on the points outlined above. Another said organisations such as CIPFA were also part of the problem.

Interference after failure – This may require some minimum standards, but it is unclear how pervasive they should be. One contributor downplayed the importance of failure, stating that 'there is already so much that has gone wrong around the current system'. In general there was an agreement for minimum standards.

The national indicator set – The national indicator set could be divided into the elements of targets, costs, services, engagement and decision making.

MPs as conduits for local performance assessment – This could work through enhanced select committees.

CONCLUSION OF THE DISCUSSION

There are fundamental problems in the relationship between central and local government which inhibit stronger local accountability. This includes the distorting inspection of CAA, finance relationships and local flexibility. Moving towards a more flexible and non-intrusive system of performance assessment is the way forward, but it also requires a fundamental change of focus to tackle these underlying issues. There are a number of themes that were discussed, which revolve around the following areas:

- There was a clear consensus that we should stop

micromanaging local government.

- The role of the Audit Commission should be slimmed down, and central inspection should be limited to financial accounts and checking that local accountability systems are in place. Or merge with NAO?

- There are alternative methods available or dealing with failures in local government.

- Involving and informing local residents around the work of local government needs to be carefully considered based on what is important to people.

- Comparisons between areas can only be made on holistic measures of performance, for example – economic development.

- Greater responsibility – nudge agenda? People need to self regulate – although checks and balances are required. Responsibility is the tough option – not the soft one. It is actually the system which messes things up.

FOR MORE INFORMATION

Localis is an independent think-tank dedicated to issues related to local government and localism. We carry out innovative research, hold a calendar of events and facilitate an ever growing network of members to stimulate and challenge the current orthodoxy of the governance of the UK.

For more information about Localis, please visit the Localis website at www.localis.org.uk or phone 0207 340 2660. For more information on this work, please contact Tom Shakespeare on tom@localis.org.uk or call 0207 340 2660.

For more information on IDeA, please visit www.idea.gov.uk.

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