



AGENDA

For a meeting of the
RESOURCES DEVELOPMENT AND SCRUTINY PANEL
to be held on
THURSDAY, 29 SEPTEMBER 2005
at
2.00 PM
in
COMMITTEE ROOM 1, COUNCIL OFFICES, GRANTHAM
Duncan Kerr, Chief Executive

🕒 **PLEASE NOTE THE TIME OF THE MEETING** 🕒

Panel Members:	Councillor Robert Conboy, Councillor Dorrien Dexter, Councillor Brian Fines, Councillor John Kirkman (Vice-Chairman), Councillor Reg Lovelock M.B.E. (Chairman), Councillor Andrew Roy Moore, Councillor Stephen O'Hare, Councillor Gerald Taylor and Councillor John Wilks
Scrutiny Officer:	Paul Morrison 01476 406512 p.morrison@southkesteven.gov.uk
Scrutiny Support Officer:	Rebecca Chadwick 01476 406297 r.chadwick@southkesteven.gov.uk

Members of the Panel are invited to attend the above meeting to consider the items of business listed below.

- 1. COMMENTS FROM MEMBERS OF THE PUBLIC**
To receive comments or views from members of the public at the Panel's discretion.
- 2. MEMBERSHIP**
The Panel to be notified of any substitute members.
- 3. APOLOGIES**
- 4. DECLARATIONS OF INTEREST**
Members are asked to declare any interests in matters for consideration at the meeting.
- 5. ACTION NOTES**
The notes of the meeting held on 14th July 2005 are attached for information.

(Enclosure)

6. FEEDBACK FROM THE EXECUTIVE

7. REVENUE AND CAPITAL BUDGETS 2006/07 ONWARDS

The notes of the meetings of the Budget Working Group on 15th August and 12th September 2005 for information.

(Enclosure)

Members of the Budget Working Group are invited to join the Resources DSP to consider:

- Budget Preparation
- Value for Money
- Capital Programme

8. DRAFT SCRUTINY HANDBOOK

The Panel to consider and make comment on SKDC's Draft Scrutiny Handbook.

(Enclosure)

9. BEST VALUE PERFORMANCE INDICATORS

(Enclosure)

10. WORK PROGRAMME

(Enclosure)

11. NEW COMPREHENSIVE PERFORMANCE ASSESSMENT GUIDANCE

Report by the Chief Executive

(Report to Follow)

12. REPRESENTATIVES ON OUTSIDE BODIES

Representatives on outside bodies to give update reports.

13. ANY OTHER BUSINESS, which the Chairman, by reasons of special circumstance, decides is urgent.



MEETING OF THE RESOURCES DEVELOPMENT AND SCRUTINY PANEL

THURSDAY, 14 JULY 2005 2.30 PM

PANEL MEMBERS PRESENT

Councillor Mrs Dexter
Councillor Fines
Councillor Kirkman (Vice-Chairman)

Councillor Lovelock M.B.E. (Chairman)
Councillor Moore

OFFICERS

Scrutiny Officer
Director of Finance and Strategic Resources
Scrutiny Support Officer

OTHER MEMBERS PRESENT

Councillor Bryant
Councillor Mrs Cartwright

8. COMMENTS FROM MEMBERS OF THE PUBLIC

None received.

9. APOLOGIES

Apologies for absence had been received from Councillors Conboy, G. Taylor and Wilks.

10. DECLARATIONS OF INTEREST

There were none declared.

11. ACTION NOTES

Noted.

It was acknowledged that whereas Empingham Road had been identified as a substantive item for the meeting's agenda, as the matter was progressing with the Town Council, the Chairman had not included it on the agenda.

12. FEEDBACK FROM THE EXECUTIVE

Nothing to report.

13. INTERNAL AUDIT FINAL REPORT 2004/2005, AUDIT PLAN 2005/2006 AND BEYOND

The Director of Finance and Strategic Resources presented the internal audit final report for 2004/05 by KPMG and the audit plan produced by Pricewaterhousecoopers (PWC), the Council's new internal audit contractors. Apologies had been received from PWC who were unable to send a representative to the meeting due to transport delays.

The documents were welcomed by members, who were pleased to see the continued emphasis on risk management and corporate governance by the new contractors. These issues were discussed with the Director. It was anticipated that managed audit status could be achieved by the end of the financial year, as this was part and parcel of the contract specification. A better understanding of progress, however, would be realised at a joint meeting of internal and District Audit in the autumn.

Members raised a few specific concerns arising from both reports. KPMG's report had indicated their concern over the reconciliation of personnel and payroll systems. The panel considered that, given the risk management agenda and the devolvement of salary budgeting to senior managers, the current method was no longer appropriate. Potential resolutions were discussed with the director. Further concerns were expressed on the section on taxi licensing. The director stipulated that the issues raised had been resolved. Members also requested that it be recorded that they considered the Internet usage figures presented in KPMG's report, although indicating "personal use", did not reflect browsing purely for personal reasons and that personal internet use came at no additional cost to the authority. The director added that a formal ICT policy was now in place and official monitoring would follow. *[Updated usage figures will be appended to these notes when calculated]*

Members were also concerned about the number of KPMG's recommendations not yet implemented. The director explained the generic reasons for this but the panel still wished to see increased implementation.

Conclusion:

To recommend Cabinet requests Pricewaterhousecoopers to concentrate on the reconciliation of personnel and payroll systems by the implementation of one internal information management system and to make it incumbent to investigate the number of outstanding recommendations documented in KPMG's final audit report.

14. MEDIUM TERM FINANCIAL STRATEGY & USE OF RESOURCES - SELF ASSESSMENT FOR COMPREHENSIVE PERFORMANCE ASSESSMENT

The Director of Finance and Strategic Resources gave a presentation on the current financial strategies and budget implications. Ten financial strategies were detailed and information given on the budget scenario, budget pressures and the budget process.

This was followed by a presentation on the Use of Resources – Self Assessment, on which further details were circulated. Areas of assessment were explained together with the process to be undertaken annually. This would feed into the Comprehensive Performance Assessment (CPA), which placed an increasing emphasis on providing evidence of Value for Money. To achieve CPA Excellence, a rating of 3 for Use of Resources had to be obtained.

Both presentations were discussed by members with the director and Portfolio Holder. It was considered to be of vital importance that the issues raised be communicated thoroughly to Council, as a clear and supported message needed communicating to the public. Members also needed to be well informed given the weight of the Use of Resources element of CPA. It was also considered that communication was also required to parish councils and that this could be delivered via the Local Area Assemblies.

Conclusions:

- (1) The Resources DSP accepts that the forthcoming budget round is expected to be difficult and likely to be the subject of constraints. That being the case, it is recommended to Cabinet that a detailed update on possible scenarios be made to the Council at the earliest opportunity;**
- (2) The Resources DSP fully supports the action undertaken by the Portfolio Holder for Resources and Assets on service plans and the initiative in asking individual members to aid in the process;**
- (3) That the Budget Working Group comprising all members of the Resources DSP and Chairman, or appointed representative, from all other DSPs meets regularly and that the first meeting should be arranged for the very near future;**
- (4) The Resources DSP recommends that a presentation be made to each Local Area Assembly from this authority and the county council on budget issues for the forthcoming year. Presentations could be delivered by either officers or members and parish councils should be encouraged to attend in full for the presentation, rather than sending one representative.**

15. IDEA PROCUREMENT HEALTHCHECK

Members considered the document by the Improvement and Development Agency and welcomed its positive tone. The Director of Finance and Strategic Resources added that good procurement practices should become embedded in the culture of the organisation and that member ownership was key to this. The Council did employ a number of procurement champions although it had been unable to appoint a procurement officer. This was delaying progress in the development of an action plan.

Conclusion:

The Resources DSP recommends the Portfolio Holder for Resources & Assets makes it his priority to resolve the appointment of an officer with strategic expertise in procurement.

16. FUNDING OF LOCAL AUTHORITY FLOOD DEFENCE AND COAST PROTECTION IN ENGLAND - "THE MISSING MILLIONS"

The "Defend and Protect" study by Rita Hale & Associates Ltd, as circulated with the agenda, was discussed by the panel. It was suggested that central government must change their current approach to funding local authority flood defence to avoid catastrophic financial effects on ratepayers in the future.

Conclusion:

To support the campaign as outlined by Boston Borough Council and the North Kesteven District Council Corporate Director & Deputy Chief executive on behalf of The Flood Defence Group presented in the "Defend and Protect" document.

17. BEST VALUE PERFORMANCE INDICATORS

Updated figures were circulated at the meeting and these were noted. Discussion concentrated on the two 'red' indicators for NDR collected and the number of leavers from the Council's employment. Both involved a combination of many different factors and further analysis would therefore be required.

Conclusion:

To request that, if the indicators for NDR collected and Number of leavers from SKDC in month remain below performance at the time of the next scheduled meeting of the DSP, further analysis on the reasons for poor performance be provided.

18. WORK PROGRAMME

This was noted. A new item from the Forward Plan for the programme was Capacity and Priorities and the Budget 2006/07 would also need including. Grantham car parks and Land in Grantham had now been considered by Cabinet and would be removed from the programme.

19. REPRESENTATIVES ON OUTSIDE BODIES

The Chairman reported on his recent attendance at the Lincolnshire Local Government Association. Councillor Bryant had been appointed to the Learning and Skills Council and Councillor Smith to the Enterprise Council. Councillor Lovelock had also been appointed Chairman for the municipal year. The meeting had considered decriminalisation of car parking and the Missing Millions campaign. Councillor Lovelock was congratulated on his appointment.

20. CLOSE OF MEETING

The meeting closed at 4.37p.m.

BUDGET WORKING GROUP

Meeting date: Monday 15th August 2005

Members present: Councillor Bryant (Portfolio Holder)
Councillor Craft
Councillor Kirkman
Councillor Lovelock (Chairman)
Councillor Moore
Councillor Gerald Taylor
Councillor Mike Taylor

Officers present: Colin Wyatt
Rebecca Chadwick
Clare Barnes
David Scott
Andrew Crawford

Apologies: Councillor Mrs Bosworth
Councillor Conboy
Councillor Nicholson
Councillor Thompson
Councillor Wilks

1. Review of Last Year

Mr Wyatt circulated the 2004/05 General Fund Revenue Account and explained briefly why there had been a significant underspend. The history of underspends was discussed by the Group with members expressing their concerns on the quality of budgeting within South Kesteven. The Portfolio Holder commented that the Government was apparently advocating zero-based budgeting as Lincolnshire County Council was now required to use this method as from next year. The Portfolio Holder was looking to implement the same by using individual service plans for zero-based budgeting.

Mr Wyatt explained the reason for the underspend on the Council Tax Collection and Benefits Administration service.

The group also focussed on underspend in the areas of Development Control and Building Control and Mr Wyatt explained that the sections had generated more income through activity than anticipated. Further reasons for underspend in Economic Regeneration and Town Centre Development were given.

The group discussed this further in relation to the recent Planning Delivery Grant and apportionment of this grant was considered (*apportionment details appended*). The Portfolio Holder contributed to the discussion and emphasised that failure to allocate the entire Grant in 2005/2006 may jeopardise receipt of further funding. One member was concerned that it appeared that planning applications were being subsidised. Further information on this was requested for the next meeting.

The group also queried the underspend on Leisure Centres and Stadium and accepted that an explanation would have to be provided at the next meeting.

Members queried certain aspects of the pension liability balance and the change in accounting treatment, on which one member was most concerned. Mr Wyatt explained that in reality, there had not been a major impact on the Council's accounts but that the triennial revaluation of the pension liability had prompted an increase in employer's contribution. The Portfolio Holder commented that this had been a professional review, upon which the Council acted, thereby aggregating the Council's liability for a number of years. It was agreed that further information on pensions was not required.

The group considered further the new approach to individual service plans, all of which had now been submitted to the Portfolio Holder. The Portfolio Holder would be meeting with the Principal Accountant the following day to discuss how best to move forward with the plans, given that all but one had been submitted below the desired standard. This provoked considerable concern with a few members, although members did support the approach undertaken by the Portfolio Holder, especially as it may result in a better budget with less underspend.

Members raised various other points relating to the General Fund Revenue Account which were discussed and clarified by the officers.

Conclusions:

(1) Officers to provide information at the next meeting of the working group on:

- **the Development Control Service Plan and financial projections**
- **the reasons for underspend on Leisure Centres and the Stadium**

(2) That the Budget Working Group entirely support the Resources & Assets Portfolio Holder in the approach taken to individual service plans and that officers and the Portfolio Holder report at the next meeting on the progress with the service plans.

2. Government Grants, Council Tax Levels etc.

The working group considered report number FIN239 submitted to Cabinet on 8th August 2005 by the Director of Finance and Strategic Resources, as this was pertinent to the setting of the 2006/07 Budget.

The report stated that progress had been made in a number of areas including the government financial settlement, job evaluation, employer's pension contribution and resourcing of priorities. A number of members commented that progress had not been made, especially in relation to job evaluation. Members also questioned the large increase in Capital Finance Costs and further information was requested for the next meeting.

The group discussed in some detail financial strategy number 4 – the Council must continue to find new sources of funding for its activity – and it was commented that whilst this was acceptable, the recent DEFRA grant, although substantial, was not a good example of this because it had prompted a hasty decision regarding green waste collection. Members also considered that more should be done to maximise benefits of S.106 agreements; it was paramount that the Council be driven to use these more.

The group suggested that, in relation to strategy number 6, the Resources DSP should also receive regular investment reports. Discussion moved to more general aspects of

financial reporting and Mr Wyatt explained that a new computer system would be implemented that should provide an improved reporting mechanism. Members indicated that they desired at least quarterly financial statements. Members discussed the forthcoming non-key decision on the preferred software supplier and the procurement process. Some members were concerned that they had not been consulted formally on this decision.

The group discussed the profile of external financing 2004/05 to 2009/10. Mr Wyatt explained that this was the forecast should current levels of finance continue. This was considered in light of capping and the new approach to service plans. The benefits and otherwise of maintaining Council tax levels were discussed and it was suggested that significant increases were required regardless of slimmer budgeting to allow for inflation and capital projects. It was also suggested that because balances have not risen inordinately, the Council could not have been overcharging. An agreement on this matter was not reached as it was suggested that underspend had not been overly excessive as the Council had undertaken ad hoc projects. The level of reserves was also considered and it was suggested that these should be used more to even out pressure to increase Council Tax. There was no consensus on this matter.

In relation to the update on the potential influences on the draft base budget, Mr Wyatt stated that work on this was continuing. The group discussed further matters in the report including the progress with the Leisure Trust and the need to be innovative to reduce costs of the forthcoming grounds maintenance contract renewal.

Conclusions:

- (1) That officers provide further information at the next meeting on the increase in capital finance costs.**
- (2) To recommend that Medium Term Strategy No. 6 be amended to include the Resources DSP, in addition to the Constitution and Accounts Committee, as a receiver of investment performance reports.**
- (3) That the Budget Working Group expects to see a maximisation of S.106 Agreements and recommends that authorities implementing set percentages for developments be investigated.**
- (4) That members be welcome to attend the demonstration of new finance software on 24th August 2005.**
- (5) The Budget working group supports the continuation of budget consultation with the Local Area Assemblies.**

3. Priority Services.

The group discussed how they would proceed with addressing the financial needs of priority services and it was agreed that cash availability needed evaluating alongside service plans. It was commented that as priorities were reviewed annually, the budget could not be set accurately for 2006/07 at this stage.

The group concentrated on the proposed changes to the waste collection service and the impact on revenue requirements, which had been estimated at a lower level than first anticipated.

Conclusion:

Officers to provide further details on the financial impact of the proposed changes to the waste collection service.

4. Capital Programme Review

Mr Wyatt circulated a Capital Programme Summary and Financing Statement and a proposed capital projects prioritisation mechanism. This issue was pertinent to the Use of Resources part of the CPA inspection. He explained that, traditionally, the Council had set programmes that have not been delivered and so a capital project appraisal process had been proposed whereby the Property Performance Management Group (PPMG) could assess formally proposed projects. Timescales and revenue implications were included in the proposed system. Terms of reference for the PPMG were to be presented to CMT for approval. The new system would allow for greater monitoring of the programme's implementation by officers and members.

Members welcomed the proposals, considering them a rational approach to prioritisation, but some felt that it was lack of political drive that was impeding progress with implementing the capital programme. It was suggested that on the summary of proposed projects, a column be included on political importance.

The group discussed other issues with the officers including partnership working, flooding, financial provision in the capital programme and individual managers taking reports on capital projects to Cabinet without prior consultation.

It was considered that capital spend made a significant impact on services and the community and therefore required detailed scrutiny.

Conclusions:

- (1) To include the capital programme as a substantive agenda item at the next meeting of the working group with a view to establishing a smaller working group to scrutinise further.**
- (2) The Chairman to discuss with the Leader improvements to the implementation of the Capital Programme.**

5. Date of Next Meeting

Monday 12th September 2005, 1.30p.m., Committee Room 1.

PLANNING DELIVERY GRANT 2005/2006 IMPLEMENTATION STRATEGY (NB. Figures are estimates)		
1. Back scanning archived planning files		
Back scanning of planning application files	Back scanning of planning application files. This is a continuation of an ongoing project. Approximately 3-4 years worth of back scanning of files has already been completed. Estimated annual cost £7500 pa. Sum of £30,000 represents cost of back scanning for previous 3-4 years files plus ongoing scanning for the current year.	£30,000
Ongoing scanning for planning portal	Daily scanning of planning application files for public viewing on the internet. This is a significant drain on existing admin. resources, and significant delays are sometimes experienced. Provision for the appointment of a part-time dedicated scanning assistant. (suggested 12-month contract reviewable in the light of future PDG awards).	£15,000
2. IT initiatives		
Web interface for existing planning application administration system	Presently the web interface is provided by the Welland On-Line system. Functionality is limited. Providing a robust two-way interface has been difficult, and inefficient. The existing supplier of the planning application administration system (Swift LG) has developed an integrated web-interface that will provide a more robust and sustainable solution. Cost of acquisition and implementation	£50,000
Implementation of outstanding 'Pendleton' criteria / web-development	One factor which contributes to PDG is compliance with Pendleton Criteria for e-gov compliance in the planning area. Provision to meet outstanding criteria; appeals details online, application progress monitoring online, view decision notices online, planning conditions online, fee-payment online, map linked to planning policy text. Development of planning web facilities particularly in relation to LDF.	£20,000
Display screens	Replacement flat screen VDU's within Planning	£5,000

Presentation equipment	Digital projectors and display equipment, to reflect increasing numbers of presentations and display equipment to aid LDF consultation	£5,000
3. External consultancy of service		
Management consultancy – ‘peer review’	External peer type review by planning consultant to review development control processes / practices with a view to service efficiencies / improvements	£30,000
Diversity and Equality within Planning Services	Consultancy project to identify necessary actions to ensure equality of service delivery	£20,000
Arboricultural survey	Review of existing TPO's dating back to 1954, accurate verification and GIS plotting (also required to fully GIS enable Land Charges).	£30,000
Member training	Additional provision for specialist member training	£2,000
Stamford Car Parking Review	Consultancy project to identify future of long term parking solutions for the town.	£40,000
4. Replace existing furniture and improve accommodation		
Furniture	Provisional sum to upgrade workstations	£2,500
5. Input into LDF projects to help ensure that an up to date plan is available		
Grantham Town Centre Masterplan / Action Area Plan	Review and roll forward of Masterplan as contemplated in Draft Town Centre Action Plan. Masterplan to form the basis of Grantham Town Centre Action Plan which is included in the approved LDS.	£40,000
Stamford Action Area Plan	Preparation of an Action Area Plan contemplated in Draft Town Centre Action Plan and contained within the approved LDS	£40,000
Employment Land Survey	Partner document to Urban Capacity Study, necessary background document to LDF	£10,000
Developer contributions SPD	Contained within the approved LDS	£50,000
Retail Capacity Study update	Update of existing study necessary to reflect changing policy context, in particular Grantham's promotion as a sub-regional centre.	£35,000
6. Team development		
Team development	Across Development Control and Planning Policy & Economic	£20,000

	Regeneration. Team development / service development event(s).	
Training	Additional training provisions for planning staff, including conference attendance (incl. Town & Country Planning Summer School)	£15,000
7.Future projects		
Bourne Town Centre Manager gap funding	Welland SSP part-funding of post now withdrawn after 3 years. Anticipated future funding via Bourne Core Area redevelopment; gap funding (50% of salary for 3 years) pending implementation of core area proposals	£30,000
8. District wide housing needs survey		
Housing needs survey	Authorised by Cabinet and in progress. Necessary background document to LDF	£110,000
Contingency	As the figures provided are at this stage estimates, a balancing contingency sum is included to secure the delivery of the above projects	£24,604
TOTAL		£624,104

BUDGET WORKING GROUP

Meeting date: Monday 12th September 2005

Members Present: Councillor Craft
Councillor Kirkman
Councillor Lovelock
Councillor Gerald Taylor

Officers Present: John Blair
Sam Pulford
Rebecca Chadwick

6. Apologies

None received.

7. Notes from Last Meeting

Subject to the amendment of the date of next meeting, these were accepted.

8. Budget Update

Mr Blair spoke to the Group on the present position. He added that 2006/07 Budget preparation work would now include revenue estimates and that in addition to consultation with parishes at Local Area Assemblies (LAAs), more formal consultation would be undertaken especially with Town Councils. Mr Blair, following a query from a member, confirmed that parishes had been informed at LAAs on their precepts' impact on capping and this would be reinforced with further communication. An updated version of the Potential Influences on Draft Base Budget considered at Council on 8th September 2005 was circulated and discussed.

Conclusion:

The working group supported the approach undertaken with the updated Potential Influences on Draft Base Budget.

9. Value for Money

A draft Cabinet Briefing Paper on Value for Money Trend Analysis was circulated for information, as this could be used to analyse service plans. The assessment process for this aspect of CPA examined the cost of service per head alongside service outcomes and comparison with other authorities. The assessment process and concomitant issues were discussed. One of the major issues was that South Kesteven was a "low spender" on services and because of the authority's low Council tax subject to Government capping, innovation was required to increase income for investment in services. It was noted, however, that high spending authorities did not necessarily achieve higher CPA ratings. One member was concerned that customer satisfaction was not included in the value for money assessment.

The expenditure overview for each service as presented in the report was discussed. Members were particularly interested in issues concerning leisure services becoming a trust.

A new pro-forma for service plans was circulated and senior managers were required to complete these by the end of the month. This was noted.

Conclusion:

To include this item on the agenda for the next meeting.

10. Financial Ledger – Member Perspective

Councillor Craft spoke to the group on his attendance at the recent financial ledger software demonstrations. He considered the preferred software to be brilliant and he was disappointed at the lack of member and officer attendance at the event. The new software would provide increased flexibility, especially for reporting financial information. Mr Blair added that the new software would also provide for e-procurement; the new software was part of a new approach to purchasing and finance, not just a replica of the current system. It was acknowledged that although the new system would enhance the service without an increase in staff and that staff time may be saved, the earlier date for close down of accounts in 2006 would still be a challenge.

Conclusion:

To encourage member involvement in the implementation of the new software and to consider providing limited access to the new system for those members with special responsibility.

11. Explanation of Capital Financing Costs

Mr Blair spoke briefly on this issue, stipulating that it had largely been covered in his report to Council on the Medium Term Financial Strategy. The key issue arising was that Government seemed to be expecting increased borrowing in the public sector.

12. Capital Programme

It had been suggested at the previous meeting of the group that a separate working group be established to consider the Capital Programme. Mr Blair suggested that it may be effective to form another working group comprising two members from this group, the Leader, the Portfolio Holder and the Property Performance Management Group.

Conclusion:

Councillors Lovelock and Kirkman to join the Leader, the Portfolio Holder and the Property Performance Management Group on the Capital Programme Working Group.

13. Leisure Centres 2004/2005 Variance Report

Miss Pulford spoke on the report appended to the agenda, which detailed the budget variances for each budget head for the authority's leisure centres and the sports stadium.

This had been requested at the last meeting. She gave further information for each major variance. One member asked why income at Bourne leisure centre from the education authority was far lower than at other centres. Miss Pulford agreed to forward a written response to the member.

Conclusion:

Financial officers to provide clarification on leisure centre income to the member concerned and copy the response to the Chairman and Vice-Chairman of the Resources DSP.

14. Development Control Service Plan

As requested at the last meeting, Miss Pulford circulated a copy of the Development Control Services Plan. This had yet to be reformatted to the new pro-forma but the information contained within should satisfy members' queries. Miss Pulford also clarified the position with the Planning Delivery Grant, as queried at the last meeting.

15. Date of Next Meeting

Resources DSP on Thursday 29th September 2005 2.00p.m. to invite Budget Working Group members. A pre-meeting briefing to be held at 1.30p.m.

Capital Programme and Service Plan Summaries to be the substantive items on the agenda.



SCRUTINY HANDBOOK

2005/2006

Foreword

Since July 2004, South Kesteven District Council has been operating revised political structures and management arrangements. The Executive makes day-to-day decisions within a policy and budget framework agreed by full Council and the Development and Scrutiny Panels (DSPs) have a broad monitoring function.

DSPs review Council policy and performance and monitor Executive decisions. They make recommendations on service delivery, set up working groups or panels to conduct in depth scrutiny of selected aspects of the Council's work and can call in Executive decisions. Details of all these roles are to be found within this scrutiny guide.

The DSPs are working to establish a dialogue with all Members, Council staff, residents and local organisations. To fulfil their role the DSPs will need to engage with all sections of the community. They will need to work openly and objectively to demonstrate that they are an effective watchdog that has the will and the ability to hold the Executive to account.

Since the DSPs were established, the Council has been undergoing a steep learning curve. We have had to establish, modify and review our practice, the process of scrutiny and the way of identifying the topics for consideration.

The Council had previously, through its policy development committees, a limited experience of conducting formal scrutiny, so the process has been relatively new to all of us – councillors, officers, local organisations and residents. This handbook draws upon the experiences of the past 12 months.

This handbook is, therefore, a set of guidelines rather than a rigid prescription of how to carry out scrutiny. The aim is to ensure that there is a broad consistency of approach and achievement of high standards in carrying out overview and scrutiny work. This handbook will be updated and amended in future to reflect new experiences and understandings of how to achieve these goals. I and my colleagues in the Scrutiny Team welcome feedback on how scrutiny is developing and suggestions for changes or additions to this guide. This will help us all to develop good practice.

Paul Morrison
Scrutiny Officer

Contents

	Page
Scrutiny Explained	4
Development and Scrutiny Panels	
Making DSPs Effective	6
Terms of Reference	8
Planning the Work of Scrutiny	11
Scrutiny Chairs and Vice-Chairs – Job Description	13
Call-in	
A Brief Guide	17
Meeting Protocol	18
Scrutiny Techniques	
14 Steps to Scrutiny Success	20
Gathering Evidence	21
Balancing Inquiry and Advocacy	22
Types of Questioning	26
Holding the Executive to Account	29
Conducting a Scrutiny Review	
Introduction and Scoping	30
Scrutiny Review Scoping Template	31
Developing and Concluding	32
Monitoring	33
Key Officer Contacts	34
Useful Websites	35
Appendices	
Call in request form	Appendix A
Schedule of Call-ins for 2004/05	Appendix B
Council Vision, Values and Priorities	Appendix C

Scrutiny Explained

What is Scrutiny?

Overview and Scrutiny is crucial to the Government's Modernising Agenda for local councils. The role of Scrutiny in South Kesteven is to help develop policy, to improve the performance of the Council and to look in detail at decisions to make sure Council policy is being carried out and powers are being used wisely. Scrutiny should act as a critical friend to the Executive and the Council, standing back from day-to-day decision making to look at outcomes for the people of South Kesteven and contribute to improved council performance. Scrutiny is based on the model of parliamentary select committees at Westminster and is one of the most significant ways in which the non-executive councillor can contribute to the direction of the Council and act as a community leader for the people of South Kesteven.

Who can be scrutinised?

A lot of people think that scrutiny is only confined to Cabinet and Executive Member decisions. That is not the case, any Council decision and indeed any aspect of the Council can be **scrutinised**, this includes decisions of Full Council and regulatory committees and delegated officer decisions. But the only decisions that can actually be **called –in** are Cabinet and Executive Member decisions and any officer key decisions.

For a more detailed explanation of call-in, see below.

Scrutiny and the Outside World

Scrutiny's work does not just lie within the Council; under Part 1 of the Local Government Act 2000, Councils were given the power to do "anything they consider likely to promote or improve the economic, social or environmental well being of the area". This allows scrutiny to consider the actions of other organisations operating within South Kesteven and ask them to explain their activities.

The Health and Social Care Act gave further powers to county and unitary councils to scrutinise health services within South Kesteven. Within SKDC this is Lincolnshire County Council but scrutiny of certain health services within the district was carried out by the Councils Communications and Engagement Development and Scrutiny Panel (DSP) during 2004/5.

The Role of Scrutiny

- To provide “critical friend” challenge to the Executive as well as external authorities and agencies
- To reflect the voice and concerns of the public and its communities
- Scrutiny Members should take the lead and own the Scrutiny Process on behalf of the public
- Scrutiny should make an impact on the delivery of public services

Draft

Development and Scrutiny Panels

Making DSPs Effective

Introduction

Developing effective arrangements for scrutiny has been one of the most challenging tasks for the Council. It is a real opportunity for members to undertake investigative and deliberative scrutiny and reviews of policy that will contribute to the Council's policy framework. Reviews might well examine how well a policy has been implemented and if the desired outcomes have been achieved. Such reviews may well focus on oral hearings and written evidence whilst others may include workshops, seminars, public meetings, focus groups and the commissioning of specific research.

The process for gathering evidence will vary depending on the subject under review. Although the work will share certain characteristics with traditional committee procedures there are significant differences. The standard "committee" approach is for members to receive an officer written report that outlines the issues and offers ready made recommendations. Development and Scrutiny work is different in that it should be centred on finding solutions by weighing up all the evidence. This can come from several sources and Members will only get reports, data or oral submissions from individuals, when requested, as part of the review process. The process is not concerned with decision making (ie no committee style decision is taken) but is an investigative process similar to the Select Committees in Parliament.

The key to a successful outcome for this type of work is good organisation and a clear focus on the skills needed to make the process effective.

The Process

In a traditional committee meeting there was little time for an in-depth analysis of specific issues by Members, although some significant issues were discussed and debated. Scrutiny demands more detailed consideration; this can be achieved by the whole Panel, but is more likely to be effective if it is done by setting up single issue working groups which operate on a "task and finish" basis.

Such working groups are a useful way of taking forward specific issues and require a range of skills that would not normally be called upon in a traditional committee meeting. These will include

Asking relevant questions/seeking necessary information

Diagnosing why certain things happen and the reasons behind them

Summarising – bring together a considerable amount of information reflecting back to others the points to check understanding

Concluding what has to be done in order to solve problems or improve on current practice and making appropriate recommendations

Monitoring the outcome

Further details on skills to support effective scrutiny are provided in the chapter on Scrutiny Techniques

In short

- Scrutiny should be member led
- Any conclusions must be backed up by evidence
- Meetings should adopt an inquisitorial rather than adversarial style of traditional local government committees.

Terms of Reference

ECONOMIC DSP

Chairman:
Councillor John Nicholson

Vice Chairman:
Councillor Jeff Thompson

Economic Development Portfolio
Holder:
Councillor John Smith

Remit of the Panel:

Public conveniences
Street furniture
Car parks
Conservation
Markets
Tourism
Industrial Estates
Miscellaneous property
Economic development grants and assistance
All planning services and policies
Town centre development and partnerships
Industrial Development
Agriculture and the rural economy
Liaison with SSPs and TCMPs

COMMUNITY DSP

Chairman:
Councillor Mrs Pam Bosworth

Vice Chairman:
Councillor Mrs Joyce Gaffigan

Community Affairs Portfolio
Holder:
Councillor Peter Martin-Mayhew

Remit of the Panel:

Crime and disorder
CCTV
Emergency planning
Watercourse and dykes
Flood prevention
Housing management
Private Housing
Licensing
Occupational health and safety
Care services
HRA management
Enabling the provision of affordable housing
Homelessness
Housing repairs
Property maintenance
Home safety
Energy advice
Building control
Footway lighting and maintenance
Sustainable rural communities
Police service liaison

ENGAGEMENT DSP

Chairman:

Councillor Mike Taylor

Vice Chairman:

Councillor Mano Nadarajah

Access & Engagement Portfolio

Holder:

Councillor Paul Carpenter

Remit of the Panel:

E Government and ICT
 Customer service and modernisation
 Communications and Consultation
 Local Area Assemblies
 Youth engagement and local liaison (YELLS)
 Elections
 Democratic representation
 Register of electors
 Freedom of information
 Data protection
 Printing
 Dial-a-ride
 Public transport initiatives and concessions
 Bus stations
 Vehicle management
 Courier service
 Access to services for rural communities
 Community strategy
 Local strategic partnerships
 Annual stakeholder conference
 East Midlands Regional Assembly
 Lincolnshire Local Government Association
 Welland partnership
 Shared service partnerships

RESOURCES DSP

Chairman:

Councillor Reg Lovelock

Vice Chairman:

Councillor John Kirkman

Resources & Assets Portfolio

Holder:

Councillor Teri Bryant

Remit of the Panel:

Council tax collection
 Non-domestic rates
 Audit and accountability
 Special expense areas
 Grants and subscriptions
 Risk management
 Finance and accountancy
 Budget preparation and council tax
 Procurement
 Liaison with ODPM on resources
 Human resources, Training and development
 Community leadership
 Organisational development
 Performance Management
 CPA and Best Value Reviews
 Scrutiny arrangements
 Members induction and development
 programme
 Liaison with IDeA

HEALTHY ENVIRONMENT DSP

Chairman:
Councillor George Waterhouse

Vice Chairman:
Councillor Nick Craft

Healthy Environment Portfolio
Holder:
Councillor Ray Auger

Remit of the Panel:

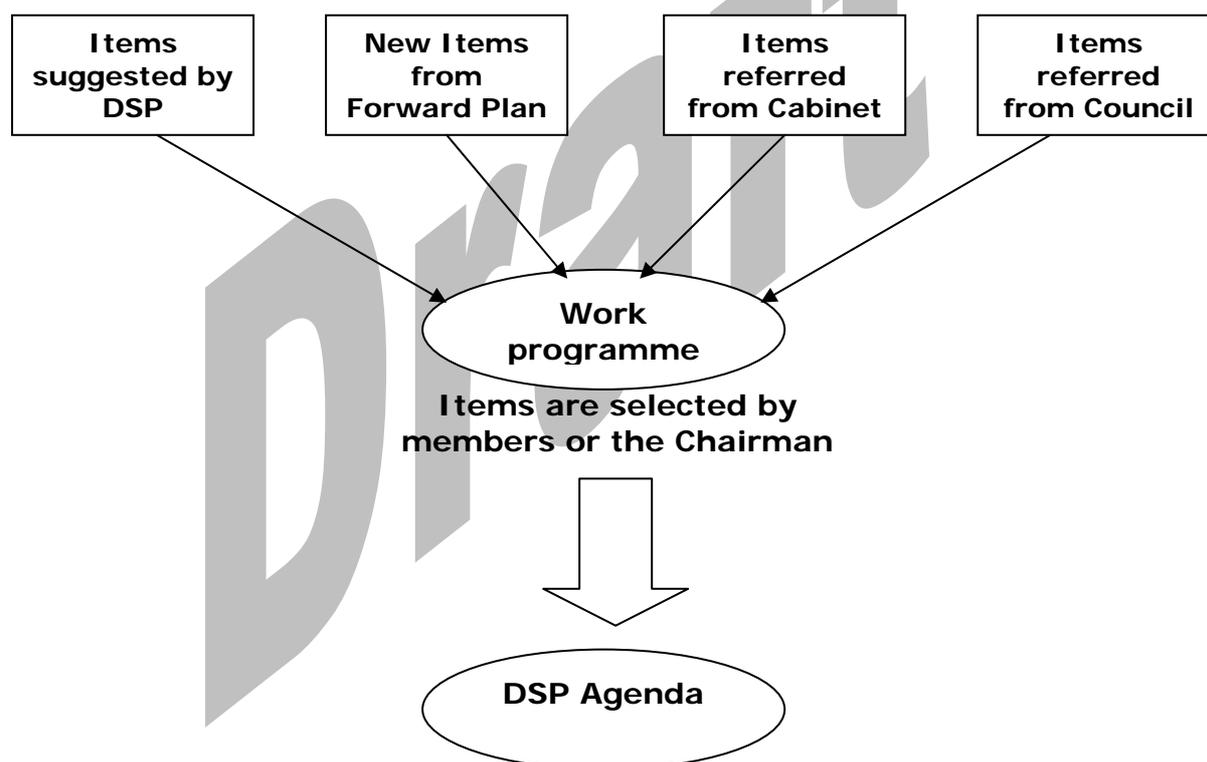
Arts centres and development
Community centres
Fairs
Leisure Centres
Parks, gardens, and recreation grounds
Playing fields and play areas
Grass cutting and grounds maintenance
Sports development
Health promotion
Food safety
Noise and pollution control
Contaminated land
Water supplies
Waste management
Street sweeping and litterbins
Recycling
Closed burial grounds
Burial of the destitute
Infectious diseases
Graffiti removal
Dog fouling
Animal health and control
Pest control
Rural environment
Health services liaison
Environment Agency liaison

Planning the Work of Scrutiny

It is vitally important that the work of DSPs is well planned and co-ordinated. Mainly, panels need to filter potential items of work, to be selective and to **prioritise**. Panels should not be over ambitious when setting their work programme. Time and resources are limited and some capacity should always be left for any issues that may arise at short notice.

The Work Programme

At each scheduled DSP meeting, members update the work programme. They do this by including new items from the Forward Plan or those referred from Cabinet or Council and other issues raised by members. Members of the Panel are then required to bring forward items from the programme onto meeting agendas:



Selecting Items for the Agenda

Members of the DSP must be proactive in identifying items they wish to include on panel agendas. Officers will not choose them for you! If you would like an item to be included on a future agenda, either request this at an earlier meeting of the Panel or contact the DSP Chairman or the Scrutiny Officer at least three weeks before the date of the meeting. It is worthwhile noting that the Local Government Act provides that *any* DSP member can place an item on a scrutiny agenda.

Issues to consider when deciding whether or not to bring forward an item from the work programme:

- Will this topic add value to and support the corporate priorities and vision?
- Can the scrutiny work be successfully delivered within available resources?
- Is the topic of concern to the public?
- Will scrutiny of this topic lead to increased value for money?
- Is there imminent new government guidance or legislation?
- Is the service meeting all the relevant performance indicators?
- Are there customer satisfaction issues?

Scrutiny Panels should focus on **strategic issues**. It is important that ward or minor operational issues do not dominate the work of scrutiny. Such issues should be pursued through other channels as explained during your general Councillor induction.

Not to be Selected for Scrutiny

An item should not be included in the work of a DSP if:

- It is or has just been the subject of a scrutiny review.
- The issue will be addressed as part of a Best Value Review within the next year.
- It is subject to an imminent external inspection.

Scrutiny Chairs and Vice-Chairs – Job Description

SECTION Council	DESIGNATION Chairperson Development & Scrutiny Panel	REF	DATE
PURPOSE OF JOB	RESPONSIBLE TO	TYPE OF CONTRACT	
To lead the panel and ensure that it fulfils its responsibilities for policy development and review and scrutiny	South Kesteven District Council and the local people		
GROUP RELATIONSHIPS	LOCATION/PHYSICAL ENVIRONMENT		
Reports to the Leader	Council Offices, Grantham or any location in the District as required		
HOURS OF WORK			
As required			
ECONOMIC CONDITIONS			
This post attracts a special responsibility allowance as per the current Members allowance scheme.		POLITICALLY RESTRICTED POST	
		N/A	
DUTIES: The activities described on the following page may be varied from time to time to meet the needs of the service. The potholder may be required to undertake any other relevant duties by the Council.			

NO	OBJECTIVE	NO	DUTIES
1.	Provide Leadership & direction	1.1	Champion the panel inside and outside the Council
		1.2	To represent the panel at meetings with the cabinet or other agencies
		1.3	Ensure that work of the panel is constructive and adds value to the Council and the community
		1.4	<p>To chair meetings for the panel that:</p> <ul style="list-style-type: none"> • Enable all members of the panel to contribute. • Follow a prioritised work programme. • Ensure all meetings achieve outcomes based on sound evidence
2.	Ensure compliance with the constitution and any rules, regulations that are in place	2.1	Ensures meetings take place in accordance with those set at the annual general meeting and at any other time as required by the work
		2.2	Liaise with the scrutiny officer to ensure that agendas are sent out to panel members informing them of the business to be addressed at each meeting
		2.3	Manage any finances made available to the panel in order to perform their scrutiny function
		2.4	Make the annual report to full Council on the workings of their DSP, making recommendations for future work programmes, and amended working methods if appropriate.
		2.5	Request full Council to approve the cooption of members as required for a limited time or for specific purposes
		2.6	Report back to the panel any decisions that the Ch & vice chair have taken as a matter of urgency. Such decisions to be taken in consultation with the Chief officer or service managers.

3. Attend the Cabinet and Scrutiny Liaison group to coordinate work plans and share learning	3.1	Attend any meetings held to plan the business of the panel
	3.2	Contribute to the Liaison group to improve effectiveness of the scrutiny process and to Co-ordinate work plans
	3.3	Keep up to date on national & local issues and consider impact on work programme
	3.4	Ensure familiarity with the change management plan and how the work of the panel relates to it
4. Lead and manage a member led work programme	4.1	Ensure that the work programme is developed from input from panel members, the Cabinet and Scrutiny Liaison group and Officers,
	4.2	Manage a prioritised and feasible work programme.
5. Maintain integrity of policy development & review process	5.1	Monitor the effect of national legislation on the Council
	5.2	Lead and manage investigations, research of proposals and topical issues & consultations making best use of panel members as well as specialist expertise inside and external to the Council
	5.3	Consider and implement mechanisms to encourage and enhance community participation in the development of policy options
	5.4	Lead targeted reviews of existing policies & the development of new policies
6. Maintain Integrity of Scrutiny process	6.1	Promote scrutiny function
	6.2	Hold Executive to account in respect of their actions in carrying out Council policy
	6.3	Lead investigations into the basis on which decisions are taken and ensure they are consistent with Council Policy
	6.4	Ensure panel Monitors the Councils decision making process

	6.5	Oversee call ins
	6.6	Ensure panel monitor the council's performance
	6.7	Lead Scrutiny of external reports on council performance
	6.8	Lead timetable of investigations, selection of witnesses and writing of scrutiny report
	6.9	Ensure panel Investigates the quality of service provided
	6.10	Lead &/ or participate constructively in any short life task groups
	6.11	Ensure regular contact with non-executive members, community representatives, local stakeholders, & public to inform the effective scrutiny of Council policies, strategies, budgets and performance
7. Ensure panel members access relevant & timely training and development	7.1	Identify training and development needs that apply to the panel as a whole, and take action to address issues
	7.2	Identify training and development needs that apply to individual panel members and take action to enable them to access the appropriate support.

Call in

A brief guide

Introduction

The Local Government Act 2000 introduced, for the first time, the power for individual members of the Executive to make decisions on their own. Previously councillors had only been able to make a decision when meeting collectively as the Full Council or in a committee. In order to balance these new powers, and that of the Cabinet collectively, mandatory scrutiny arrangements were introduced, which includes the power to “call-in” executive decisions. Underpinning the whole system is ethical standards which was introduced by Part 111 of the 2000 Act.

However in introducing these call-in powers the Government intended that they should only be used in exceptional circumstances and not maliciously, vexatiously or for political point scoring.

How the call-in system operates

All Key decisions that the Cabinet, or an individual Cabinet Member (known as a Portfolio holder) intends to take must be published in the Council’s Forward Plan. Once the decision has been taken, this must also be published within two working days of the decision being made.

The definition of what is a key decision is a matter for the Council to decide. At South Kesteven it is defined as an executive decision which will result in “significant” expenditure or savings to the Council or a decision that will affect two or more wards.

Non key executive decisions may also be called in by the relevant DSP. Decisions of regulatory committees and full Council cannot be called in, but these may still be scrutinised by a DSP if there is concern about a particular issue.

Once an executive decision has been made and published it is implemented and comes into force after five working days have elapsed, unless a valid call-in request form is received. A valid form must be signed by either five members (from any political group) or the Chairman of the relevant DSP. A call-in request form is at Appendix A. No member may sign more than three requests for a sanctioned call-in and no DSP may call-in more than 6 decisions in any one municipal year. A schedule of call-ins for 2004/05 is at Appendix B.

Once a form has been received, the proper officer must rule on whether it is valid, if it is valid then the meeting must be called as soon as possible.

Call-in Meeting Protocol

- 1) The Chairman introduces the meeting and welcomes members, witnesses etc. Announces the decision that has been called-in, whether it was made by the Cabinet or an individual Portfolio Holder and explain that it has been called-in either by the relevant DSP Chairman or any five members. If the decision-making body or person or a particular officer has been formally invited to the meeting – say so.
- 2) The Scrutiny Officer or deputy is invited by the Chairman to explain to the panel the following procedure to be undertaken during the meeting and the conclusions available to the panel, which are:
 - Conclude to support the call-in and therefore refer the decision back to the decision making person or body for reconsideration – the nature of the panel’s concerns must be specified in the conclusion;
 - Conclude not to support the call-in and therefore not to refer the decision back – the original decision will therefore take immediate effect
 - Conclude to refer the decision to full Council (only if it is believed the decision is outside the policy framework or budget)
- 3) The Scrutiny Officer or deputy is to advise the panel to wait until all evidence has been heard before coming to a conclusion.
- 4) Those members who called-in the decision are invited by the Chairman to make verbal representations to support their reasons for call-in.
- 5) Panel members are invited by the Chairman to question those members who requested the call-in or to ask for further clarification on their reasons for call-in.
- 6) Panel members are then invited to question the decision-maker (if present) who may also respond on the points raised by the call-in request.
- 7) Panel members are then invited to question officers and other witnesses present.
- 8) Any other member present may be invited to ask questions at the panel’s discretion.
- 9) The Chairman should then make sure everyone has had the opportunity to ask questions.

- 10) The Chairman should then state that the panel has to now consider all the evidence they have heard and discuss the three conclusions available.
- 11) The panel should, ideally, come to a mutual conclusion without the need for a formal vote. If the panel chooses to refer the decision back, the reasons for doing so must be stated. The Executive is unlikely to change its mind about a decision if there is no evidence to support a call-in.

Draft

Scrutiny Techniques

14 Steps to Scrutiny Success

Although many of these steps have already been completed at SKDC, it is worth considering these core requirements for success to monitor our progress. Suggested levels of achievement as at 1st July 2005 are below:

1. Discuss and agree a definition of overview and scrutiny	Achieved
2. Select Chairs and Vice-Chairs who will give effective leadership to their committees and have comprehensive role descriptions to guide their work	Partly Achieved
3. Ensure that members selected for overview and scrutiny are prepared to make time for scrutiny, are committed to making overview and scrutiny work and have comprehensive role descriptions to guide their work	Partly Achieved
4. Design a structure which fits the purpose of overview and scrutiny, related well to the executive and officers and suits the culture of the authority	Achieved
5. Develop a member-led, realistic, flexible work programme for each committee	Achieved
6. Move away from traditional service committee processes by developing a wider range of activities	Partly Achieved
7. Prioritise a small number of items to investigate in-depth and ensure that these are effectively project managed	Not Achieved
8. Finish investigations on time and produce member-led reports which concisely summarise the evidence gathered and the recommendations of the committee	Partly Achieved
9. Ensure that there is adequate officer support for overview and scrutiny	Achieved
10. Create a separate budget for overview and scrutiny to fund site visits and other non-meetings based activities; pay the expenses of external witnesses; buy-in external advice and pay for training and development.	Not Achieved
11. Develop cross-party working, ensuring that no party group applies the whip to overview and scrutiny	Achieved
12. Ensure that the opposition parties have a key role to play by at least allocating some chairs and vice-chairs to the opposition	Partly Achieved
13. Provide a training and development programme for overview and scrutiny members, officers directly supporting overview and scrutiny and any co-optees. Provide awareness training for all other councillors and officers down to middle managers	Achieved
14. Develop and implement a system for continuously monitoring what is working well and what needs improving and undertake a more comprehensive evaluation at least every two to three years (and more frequently in the early stages)	Partly Achieved

Gathering Evidence

It is often said that "scrutiny should be evidence-based". This is because evidence will support members in each of their scrutiny roles (see page five) by giving **substance** to recommendations. Gathering evidence gives a real opportunity for members to think outside the box and be imaginative. Although DSPs have a Scrutiny Support Officer to undertake research, members are encouraged to undertake their own research either to support items already on a meeting agenda or to present to the Panel as a new item for the work programme. Below are some ideas on sources of evidence and it is suggested that good scrutiny would include a number of different sources for each issue.

- Witnesses - These can be officers of the Council, Cabinet members, other members with certain expertise and external witnesses.
- Co-optees - These can be appointed short or long-term. Internal or external "experts", member of public or service user.
- Site Visits - These could take place within the organisation to look at service areas, other authorities, organisations or locations relevant to the issue under scrutiny.
- Focus Groups & Workshops - These could include a wide range of "witnesses" at an informal session with two way feedback, exploring topics in detail and allowing people to speak who may not normally be so confident in formal meetings.
- Legislation, Policies etc. - Reference to government legislation, regional guidance, local policies and strategies of this authority or others.
- Surveys - This allows broad or narrow consultation, potential for confidentiality to allow more 'honest' evidence. Internal or external use.
- Mystery Shoppers - Good method of obtaining service user point of view.

Balancing Inquiry and Advocacy

There is a danger that discussions at meetings can quickly become a spiral of increasing advocacy with both sides moving further into their own opposing positions. Members can get caught in the trap of listening to others only to dismiss their arguments and to reinforce their own point of view. Similarly, when members are in pure inquiry mode, dialogue is replaced with questions and members fail to share their own perspectives. In this case, silence, rather than members' arguments, negates any learning on either side.

The balancing act of inquiry and advocacy is one which, when achieved, will enable members to share their own ideas whilst gaining the best possible information and ideas from other members or witnesses.

To improve inquiry skills:

- Use the skills of active listening.
- Ask others to share the reasoning behind their conclusions.
- Use non-aggressive language to ask your questions.

To improve advocacy skills:

- Make your thinking process visible to others by articulating how you have come to your point of view.
- Encourage others to explore your assumptions and any information you may have obtained.
- Freely acknowledge where you think there might be gaps in your reasoning. This will invite others to participate by helping you resolve these gaps and makes your position appear more open.

An example of achieving this balance is to lay out your reasoning and thinking, and then encourage others to challenge you: "Here is my view and here is how I have arrived at it. How does it sound to you? What makes sense to you and what doesn't? Do you see any ways I can improve it?"

Members should be aware that there are dysfunctional forms of both advocacy and inquiry. For example, in organisations, adroit people can skew the inquiry process by relentless "interrogating," without caring at all for the person being questioned. In the same vein, advocacy can feel like an inquisition if the advocate simply "dictates" his or her point of view, while refusing to make their own reasoning process visible. People who are unwilling to expose their thinking may also "withdraw" into silence, instead of taking the opportunity to learn through observation.

One of the most destructive conversational forms is "politicking," in which there is no overt argument - just a relentless refusal to learn while giving the impression of balancing advocacy and inquiry. Scrutiny should be non-partisan and should embrace cross-party working.

The following protocols for improving the balance between inquiry and advocacy are from *The Fifth Discipline* by Roberts & Ross:

Improved Advocacy

- Make your thinking process visible

What to do	What to say
State your assumptions, and describe the data that led to them	<i>"Here's what I think and here's how I got there."</i>
Explain your assumptions.	<i>"I assumed that. . ."</i>
Make your reasoning explicit.	<i>"I came to this conclusion because. . ."</i>
Explain the context of your point of view: who will be affected by what you propose, how they will be affected, and why.	
Give examples of what you propose, even if they're hypothetical or metaphorical.	<i>"To get a clear picture of what I'm talking about, imagine the you're a customer who will be affected. . ."</i>
As you speak, try to picture the other people's perspectives on what you are saying.	

- Publicly test your conclusions and assumptions.

What to do	What to say
Encourage others to explore your model, your assumptions, and your data.	<i>"What do you think about what I just said?" or "Do you see any flaws in my reasoning?" or "What can you add?"</i>
Refrain from defensiveness when your ideas are questioned. If you're advocating something worthwhile, then it will only get stronger by being tested.	
Reveal where you are least clear in your thinking. Rather than making you vulnerable, it defuses the force of advocates who are opposed to you, and invites improvement.	<i>"Here's one aspect which you might help me think through. . ."</i>
Even when advocating, listen, stay open, and encourage others to provide different views.	<i>"Do you see it differently?"</i>

Improved Inquiry

- Ask others to make their thinking process visible.

What to do	What to say
Gently walk others down the ladder of inference and find out what data they are operating from.	<i>"What leads you to conclude that?" "What data do you have for that?" "What causes you to say that?"</i>
Use unaggressive language, particularly with people who are not familiar with these skills. Ask in a way which does not provoke defensiveness or "lead the witness."	<i>Instead of "What do you mean?" or "What's your proof?" say, "Can you help me understand your thinking here?"</i>
Draw out their reasoning. Find out as much as you can about why they are saying what they're saying.	<i>"What is the significance of that?" "How does this relate to your other concerns?" "Where does your reasoning go next?"</i>
Explain your reasons for inquiring, and how your inquiry relates to your own concerns, hopes, and needs.	<i>"I'm asking you about your assumptions here because. . ."</i>

- Compare your assumptions to theirs.

What to do	What to say
Test what they say by asking for broader contexts, or for examples.	<i>"How would your proposal affect. . .?" "Is this similar to. . .?" "Can you describe a typical example. . .?"</i>
Check your understanding of what they have said.	<i>"Am I correct that you're saying. . .?"</i>
Listen for the new understanding that may emerge. Don't concentrate on preparing to destroy the other person's argument or promote your own agenda.	

Facing a Point of View With Which You Disagree

What to do	What to say
Again, inquire about what has led the person to that view.	<i>"How did you arrive at this view?" "Are you taking into account data that I have not considered?"</i>
Make sure you truly understand the view.	<i>"If I understand you correctly, you're saying that. . ."</i>
Explore, listen, and offer your own views in an open way.	<i>"Have you considered. . ."</i>

Listen for the larger meaning that may come out of honest, open sharing of alternative mental models.	
Use your left-hand column as a resource.	<i>"When you say such-and-such, I worry that it means. . ."</i>
Raise your concerns and state what is leading you to have them.	<i>"I have a hard time seeing that, because of this reasoning. . ."</i>

When You're at an Impasse.

What to do	What to say
Embrace the impasse, and tease apart the current thinking. (You may discover that focusing on "data" brings you all down the ladder of inference.)	<i>"What do we know for a fact?"</i> <i>"What do we sense is true, but have no data for yet?"</i> <i>"What don't we know?"</i>
Look for information which will help people move forward.	<i>"What do we agree upon and what do we disagree on?"</i>
Ask if there is any way you might together design an experiment or inquiry which could provide new information.	
Listen to ideas as if for the first time.	
Consider each person's mental model as a piece of a larger puzzle.	<i>"Are we starting from two very different sets of assumptions here? Where do they come from?"</i>
Ask what data or logic might change their views.	<i>"What, then, would have to happen before you would consider the alternative?"</i>
Ask for the group's help in redesigning the situation.	<i>"It feels like we're getting into an impasse and I'm afraid we might walk away without any better understanding. Have you got any ideas that will help us clarify our thinking?"</i>
Don't let the conversation stop with an "agreement to disagree."	<i>"I don't understand the assumptions underlying our disagreement."</i>
Avoid building your "case" when someone else is speaking from a different point of view.	

Types of Questioning

In addition to addressing the balance of advocacy and inquiry, members should be aware of their questioning techniques and their effectiveness.

The Do's

Open Questions

Open questions have the greatest potential. Information is requested in a neutral way and the witness is encouraged to do most of the talking and to expand the points at issue.

These often start with 'how', 'why', 'could you explain...', 'what are your views on...'

It is a good idea to follow up responses to these questions with future probing questions to yield additional clarity.

Probing Questions

This technique, as well as providing clarity, can also be used to strive beyond a superficial or rehearsed answer to the previous question. Remember, DSP meetings are not the same as committee meetings and there are no rules limiting members to how often they can speak.

Probing questions may be 'what is your evidence for that?' or 'how have you arrived at that conclusion?'

Hypothetical Questions

This can be useful in obtaining good evidence, as well as testing possibilities to formulate new ideas and solutions. They can also be valid in testing knowledge.

For example, 'How would you set about changing the Council's strategy on X?'

The Don'ts

Closed Questions

These questions invite only a 'yes/no' answer or seek only basic facts. If over-used, these questions will limit the quality of evidence gained from a witness.

'Do you like our Council magazine?'

'Are you happy with the recycling service?'

Leading Questions

These questions are phrased in such a way that they assume an answer. This technique is poor because it may force the respondent into a false position.

For example, 'I'm sure you were upset about that, weren't you?' or 'Presumably, you agree that this policy will not achieve anything?'

Double-Headed Questions

These ask more than one question at a time and should be avoided as they cause confusion. As a result, only one question is likely to be answered thereby limiting the evidence to be gathered.

Example: 'In your role, is there a responsibility to monitor service performance and how is this communicated throughout the organisation.'

It is better to separate the two questions and indicate to the meeting before hand that you may have more than one question to ask.

Phrasing Questions

Different questions can be used at different stages of an interview or inquiry. These phases are:

1. Exploration
2. Integration
3. Action

1. Exploration

Here, questions should help put the witness at ease, e.g.

'What could the Council do to help you improve your service?'
'Could you tell us a little bit about your general impression as a user of Council services?'

2. Integration

In this phase, questions are used to understand the attitudes, behaviour and views of the witness. Four sub-types of questions are best:

Clarifying – 'How many bedrooms do you have?', 'What do you mean by remediation works?' 'In what way does anti-social behaviour concern you?'

Focussing – 'Let's discuss what's happening at the Youth Centre.'

Redirecting – 'Could we talk about something you mentioned earlier, the commuters' car parking?'

Confronting – 'Earlier you stated that there was no budget. How could you have then agreed to allocate £50,000 to the amenity group?'

3. Solutions

Here questions may help the witness decide what action should be taken.

'How would you like to see the situation resolved?'
'Have you thought about X?'

Holding the Executive to Account

Holding the Executive to account comes in two forms: scrutinising decisions before they are made and scrutinising decisions after they have been implemented. It is vitally important to the success of scrutiny that members adopt a **proactive** rather than reactive approach to this process. This will ensure a good working relationship with Cabinet and Scrutiny Members. It will encourage greater openness and accountability within the decision making process.

Proactive	Reactive
<p>Reading the Forward Plan on a monthly basis and noting items which are pertinent to you as a scrutiny member</p> <p>Such items could be of interest to you because:</p> <ul style="list-style-type: none"> • They relate to an area which is already included in a scrutiny work programme • Scrutiny could add real value to a topic by providing more in-depth policy development or review • You think that there has been insufficient consultation planned prior to the decision being made • You have general questions or wish certain points to be raised <p>If you do identify such an item, there are two courses of action open to you.</p> <p>If the decision is imminent, you should contact the decision-maker to discuss your concerns, in advance of the decision being made.</p> <p>If there is more time, you should discuss this with your DSP Chair to discuss and decide how best to address the issue.</p>	<p>Reactive scrutiny is using the call-in process once a decision has been made.</p> <p>This holds up the decision-making process and diminishes the credibility of scrutiny.</p> <p>Too frequent use of call-in will negate any effectiveness it may have for fundamental key issues.</p> <p>Cabinet may become resistant to sound arguments from scrutiny should call-in requests become vexatious, numerous or political.</p> <p>Call-in, however, does play an important role in scrutiny and can be used effectively if it is supported with sufficient evidence. Remember that scrutiny members are 'critical friends' to the Executive.</p>

Conducting a Scrutiny Review

Introduction

A scrutiny review is a detailed and thorough investigation into a particular issue of concern and each DSP should aim to complete about one or two per year. A scrutiny review will normally conclude with recommendations to the executive based on the considerable amount of evidence obtained. Given the scale of work involved, DSPs may wish to delegate a scrutiny review to a working group comprising three members.

Chesterfield Borough Council has developed a three-stage approach to a scrutiny review, which comprises the following three principal stages:

1. Scoping
2. Development
3. Concluding
4. Monitoring

Scoping

The scoping of a scrutiny review is the very first thing that should be undertaken as it focuses members on the aim of the review and helps members and officers plan the work required. Scoping will aim to identify why the review has been chosen and what it hopes to achieve. Terms of reference will also be agreed.

Issues to consider in the early stages of scoping:

- Do we need to commission a consultant?
- How best will we involve the public?
- How does this review align with the Council's priorities and vision?
- What research is required and who will do it?
- Should we co-opt an expert/representative?
- When and where shall we hold meetings?
- What is the best way of collecting each piece of evidence?
- Is an expert witness required?
- Which aspect of the issue should we focus on?
- How shall we publicise the review?

Members undertaking the scrutiny review should complete the following scoping form. This will be supplied at the scoping meeting by the Scrutiny Support Officer.

SCRUTINY REVIEW SCOPING TEMPLATE

Name of Review			
Lead DSP			
Review Members			
Review Lead Member			
Portfolio Holder			
Scrutiny Support Officer			
Key Issues and Reasons for the Review <i>(include priority alignment)</i>			
Objectives of Review <i>(what should be achieved)</i>			
Indicators of Success <i>(what factors should be present)</i>			
Lines of Enquiry <i>(approach to be undertaken)</i>			
Witnesses/ Experts/Co-optees <i>(Who, when and for what?)</i>			
Documents <i>(Which documents to examine – internal or external)</i>			
Site Visits <i>(Where, when and why?)</i>			
Evidence sources for views of stakeholders			
Publicity Requirements			
Specific resources requirements			
Barriers/ dangers/ risks			
Start date		Draft Report Deadline to DSP	
Meeting dates		Projected completion date	

Development

After scoping, it is time to get on with the bulk of the work. This stage should be as **innovative** and **inclusive** as possible. Remember that one of the key roles for scrutiny is to reflect and voice the concerns of the public. To do this accurately and effectively, the scrutiny review must engage with the public and actively encourage community involvement. Members are encouraged to take a much more flexible approach to meetings. Informality is also much more relevant and appropriate.

Refer to the section on scrutiny techniques whilst carrying out the scrutiny review, especially the pages on gathering evidence, balancing inquiry and advocacy and types of questioning. This will help you collate relevant and effective evidence.

When all evidence has been collated, it will need evaluating. Assess whether or not it is relevant and valuable evidence. It may be necessary to gather additional evidence if there are weaknesses in that already collected or if further issues have arisen. Do not attempt making conclusions or recommendations until all evidence has been collected.

Concluding

The review group should hold a specific meeting to discuss and analyse any findings from the evidence and whether or not it has met the objectives set out in the scoping template. The key message from the evidence should be identified together with the options for any recommendations. Each option should be appraised and recommendations formed from those options that are relevant and achievable. Members should aim to reach a consensus on the recommendations. There should be no need for a vote.

When the recommendations have been agreed, the lead member will draft a report with the Scrutiny Support Officer. The report will include:

- Foreword by the lead member and acknowledgements
- Background to the review and executive summary
- Introduction to the issues and context of the review (national and local)
- List of evidence collected
- Summary of work undertaken
- Key messages that were identified from the evidence collected
- Conclusions and recommendations
- Monitoring arrangements

People who have contributed to the review should always be sent a copy of the draft report and be invited to comment. The final report should be submitted to the relevant DSP for approval prior to submission to Cabinet.

Monitoring

The final scrutiny review report is submitted to Cabinet under its standing agenda item "Matters referred to Cabinet by the Council or the Development and Scrutiny Panels". The Cabinet then has six weeks to consider the report from the date of its submission. If the content of the report has implications for the Council's budget or the policy framework, it is to be submitted to Council after the six weeks. Cabinet is able to respond to the report at the Council meeting.

The role of scrutiny, however, is not yet over. Scrutiny members have an ongoing role to monitor the implementation of their recommendations. As above, the scrutiny review report should include a section on monitoring arrangements. This will stipulate what actions are expected to be taken by whom and by when. If members are not satisfied with the outcome, they may choose to revisit appropriate aspects of the review. This is a vital element of the role of scrutiny members as it reinforces the importance of the scrutiny function in securing continuous improvement for the council. It also shows the Executive that scrutiny members are dedicated to their recommendations.

Key Officer Contacts

Nick Goddard

Corporate Manager, Democratic & Legal Services (Monitoring Officer)
01476 406104 n.goddard@southkesteven.gov.uk

- Probity
- Constitution
- Standards Committee

Lena Shuttlewood

Member Services Manager
01476 406119 l.shuttlewood@southkesteven.gov

- Cabinet
- Full Council

Paul Morrison

Scrutiny Officer
01476 406512 p.morrison@southkesteven.gov.uk

- Scrutiny Issues
- Call-in
- Work Programme
- Scrutiny Co-ordinating Group

Lucy Bonshor

Democratic Officer
01476 406120 l.bonshor@southkesteven.gov.uk

- Community DSP
- Yearbook
- Constitution and Accounts Committee

Rebecca Chadwick

Scrutiny Support Officer
01476 406297 r.chadwick@southkesteven.gov.uk

- Engagement DSP
- Resources DSP
- Standards Committee

Jo Toomey

Trainee Democratic Support Officer
01476 406152 j.toomey@southkesteven.gov.uk

- Healthy Environment DSP
- Economic DSP

Joyce Slater

Training Manager
01476 406133 joyce.slater@southkesteven.gov.uk

- Training

Useful Websites

www.cfps.org.uk - Centre for Public Scrutiny

- Scrutiny reviews and news from “champion” authorities
- Information on events
- Learning resources and publications
- On-line forums

www.idea.gov.uk - Improvement and Development Agency

- Examples of good practice
- Improving services and the Council
- Best Value and E-Government
- Scrutiny Guidance

www.audit-commission.gov.uk - Audit Commission

- Best Value
- Inspections and service assessments
- Publications

www.odpm.gov.uk - Office of the Deputy Prime Minister

- Policy and consultation documents
- Community and political leadership
- Improving public services
- E-Government

www.statistics.gov.uk - Office for National Statistics

- Comprehensive national and local statistics

www.lga.gov.uk - Local Government Association

- Information on events and meetings
- Key issues and news
- Publications



REQUEST FOR CALL-IN OF A CABINET DECISION

TO: THE CHIEF EXECUTIVE

MINUTE/DECISION NUMBER: _____

SUBJECT MATTER: _____

DATE OF DECISION: _____

DATE OF PUBLICATION: _____

I, being the Chairman* [or] We, being 5 members of the Council*
request that the above mentioned decision be called in for scrutiny.

[* delete as appropriate]

I/We certify than none of us has subscribed to more than 3 requests for
call-ins during the current Municipal year.

REASONS FOR EXERCISING CALL-IN:

(i.e. where it is considered that a decision has not been taken in
accordance with the principles of decision making as set out in Article
13 of the Constitution, for example:

- It is outside the budget or policy framework;
- It is outside the delegated powers of the Cabinet;
- It is a key decision which has not been included in the Forward Plan;

Schedule of Call-ins 2004/05

DATE	DSP	TITLE	CALLED IN BY	RESULT
21.6.04	Environment	Car Parking Charges NKD by Cllr Auger	Cllr Waterhouse used his Prerogative as Chairman to call it in on his own.	DSP decided to take no further action but rec relating to past policies
28.6.04	Community	Door Replacement Programme NKD by Cllr Martin-Mayhew	Cllrs Bisnauthsing, Hewardine, Gibbins	DSP decided no further action was necessary
28.10.04	Environment	Star Lane Toilets NKD by Cllr Martin-Mayhew	Cllrs Craft, Fisher, Joynson	Ask Portfolio holder to reconsider decision. Not taken on board by the decision taker.
29.10.04	Capacity and Resources	Star Lane Toilets NKD by Cllr Mrs Neal	Cllrs Kirkman, Conboy, Lovelock	Ask Portfolio holder to reconsider decision. Not taken on board by the decision taker
11.11.04	Community	Newton Court, Colsterworth NKD by Cllr Martin-Mayhew	Cllrs Sandall, Gaffigan, Hewardine	Having heard the evidence, DSP decided not to support the call-in
18.01.05	Environment	Charges for removal of graffiti NKD by Cllr Auger	Request by Cllr O'Hare	The DSP did not support Cllr O'Hare's request

21.01.05	Economic & Cultural	Thurlby Youth Hostel NKD by Cllr John Smith	Cllr Nicholson used chairman's prerogative to call it in on his own	To be reconsidered by Portfolio holder following representations by the DSP
21.03.05	Environment	Grantham Toilet Location, Cabinet Decision NKD by Cllr Martin-Mayhew	Cllr Waterhouse used chairman's prerogative to call it in on his own	Recommend that Portfolio holder reconsider . Decision reaffirming original decision was subsequently issued
05.04.05	Community	Housing Adaptations – To require means testing NKD by Cllr Martin-Mayhew	O'Hare Gibbins Hewardine	The Panel agreed to take no further action and the decision was therefore confirmed

SKDC Vision

To ensure that the residents of South Kesteven are proud of their district and their Council.

Core Values

Promoting Pride in our Communities.

Performing
Respecting
Informing
Developing
Enabling

Category A Priorities

- Anti-social behaviour
- Recycling
- Street Scene
- Town Centre Development and Grantham as a Sub Regional Centre
- Access to Council Services

Category B Priorities

- Affordable Housing
- Business Development
- Vulnerable Persons
- Communications and Consultation
- Diversity
- Planning and Conservation
- LSP and Community Strategy
- Council Tax Collection
- Housing Management
- Car Parks
- Public Toilets

Resources DSP - Performance Monitoring 2005/06

Those indicators with a number in the PI column are from the Government's Best Value Performance Indicators suite used by many Councils. The remaining indicators are local to SKDC and may be relatively simple measures/indicators only. The reader is asked therefore to exercise an element of caution when interpreting any data attached to them.

Key: C=cumulative; A=average; N=number; %=percentage; CA=cumulative average; Q=quarterly; blank=monthly

PI	SKDC Priority Area and PI Description	IND Type	Reporting	2004/05 SKDC Outturn	2003/04 Upper Quartile	2005/06 SKDC Target	April	May	June	July	August	Are We Improving Yr on Yr?	2006/07 SKDC Targets	2007/08 SKDC Targets	Apr	May	Jun	July	Aug
	COUNCIL TAX COLLECTION Priority B																		
9	Council Tax collected	C		97.97%	98.5%	98%	11%	20.85%	30.41%	39.83%	49%	Y	98.2%	98.5%					
Local	% of CT payers paying by direct debit/self serve	C				56%	55.23%	55.81%	58.39%	58.5%*	65%	N/A	58%	60%					
	OTHER BVPIs - CORPORATE HEALTH BASED																		
8	Invoices paid on time	C		98.64%	96.74%	99%	100%	100%	100%	99.72%	100%	Y	99.2%	99.4%					
10	NDR collected	C		98.46%	99.12%	98.9%	12.82%	23.26%	32.26%	40.17%	49.60%	N	99.5%	99.5%					
12	Days sick per member of staff	A		8.82	8.93	8.5	6.98	7.29	8.16	7.47	7.45	Y	8.30	8.3					
15	Ill health retirements / staff	C		0.81%	0%	0.6%	0%	0%	0%	0%	0%	Y	0.4%	0.4%					
Local	Number of FTE staff employed by SKDC	N				560	536	548	539	549	553	N/A	560	560					
Local	Number of leavers from SKDC in month	C				60	7	10	12	15	17	N/A	60	60					1

DEVELOPMENT AND SCRUTINY PANELS (DSPs) WORK PROGRAMME 2005/6

INTRODUCTION

This Work Programme is partly derived from the Cabinet's Forward Plan, but also contains items that have been brought forward by the DSPs themselves. Such items are in *italics*.

Where the item has appeared on the Forward Plan, the anticipated date of the key decision is listed in the second column. The third column shows the last available date that the DSP can consider this item before the key decision is due to be taken. This does **NOT** necessarily mean that the item will appear on the DSP agenda, this will only happen if this is requested by the Chairman or members of the DSP. There will also be instances where there is no DSP meeting before a decision is due to be taken; in these cases the next meeting date after the decision date is shown.

As Cabinet meets monthly and the DSPs meet bi-monthly it is not possible for the DSPs to consider every single Cabinet or Cabinet Member decision. Scrutiny members are therefore encouraged to peruse this Work Programme and bring forward items for consideration.

**DEVELOPMENT AND SCRUTINY PANELS (DSPs)
WORK PROGRAMME 2005/6**

RESOURCES DSP

<u>ISSUES FOR CONSIDERATION</u>	<u>DATE OF KEY DECISION (IF APPROPRIATE)</u>	<u>DSP MEETING</u>
Grants to Outside Organisations	N/A	Identified as an issue for consideration by Scrutiny Liaison Group on 8.11.04
Stock Option Appraisal – financial aspects	Not before September 2005	29.09.05
Capacity and Priorities including preliminary projections for 2006/7 budget	Not before September 2005	29.09.05 Cross DSP Working Group is meeting
Medium Term Financial Strategy	Council – 08.09.05	29.09.05
Procurement Strategy	08.08.05	29.09.05
LSVT – identification of potential new landlord	Not before October 2005	29.09.05

REPORT TO RESOURCES DSP

REPORT OF: Chief Executive

REPORT NO. CEX 299

DATE: 25th July 2005

TITLE:	New Guidance on District CPA
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A
COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	N/A
CORPORATE PRIORITY:	All
CRIME AND DISORDER IMPLICATIONS:	N/A
FREEDOM OF INFORMATION ACT IMPLICATIONS:	N/A

Background

The Audit Commission has recently published proposals for the Comprehensive Performance Assessment of District Councils after 2006.

A copy of these proposals is enclosed as Appendix A.

Representations on these proposals are invited and section 7 of the report invites specific answers to some key questions, which have influenced the new proposals. A response must be received by the 30th November.

The Cabinet have asked the Resources DSP to consider this document. I would suggest that this could be most easily done by addressing each of the questions posed in section 7.

Recommendation

That the DSP consider each of the questions posed in section 7 and advise the Cabinet accordingly.

Duncan Kerr
Chief Executive

Local government

Consultation

September 2005



The framework for Comprehensive Performance Assessment of district councils from 2006

Consultation document

1. Introduction	3
2. Background	6
3. A new framework for district council CPA	10
4. Options for district council CPA	15
5. Quality assurance and review	22
6. Opportunities for getting involved	23
7. Consultation questions	24
Appendix 1 District Council Reference Group	26
Appendix 2 Local Services Inspection Forum agreed service assessment principles	27
Appendix 3 The Principles of Public Services Inspection	30

© Audit Commission 2005

First published in September 2005 by the Audit Commission for local authorities and the National Health Service in England, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

1

Introduction

- 1 The Audit Commission (the Commission) issued a consultation document in December 2004 on the possible framework for comprehensive performance assessment (CPA) from 2005. That document included some preliminary thoughts on district councils. In the light of the response to those proposals we have decided to undertake a separate and more comprehensive consultation relating to the framework for district council CPA. This document sets out our current thinking and some possible options that could be considered for district council CPA for the period up to March 2009.
- 2 There are 238 district councils in England, which vary considerably in terms of their size and the areas and communities that they serve. Total expenditure by district councils in 2003/04 was £6.5 billion, some 7 per cent of local government spending.
- 3 District councils provide a range of services that have a significant impact on all local people in the area in which they live, and they contribute directly and in partnership towards wider aims of public policy, including making communities safer and healthier. Services provided by districts (such as street cleaning, housing, sports and leisure, parks and open spaces) have a major impact on resident perception of satisfaction with public services in their area.
- 4 District councils, as best value authorities, have a statutory duty to put in place arrangements to secure continuous improvement in their functions having regard to a combination of economy, efficiency and effectiveness. Under statute the Commission has a duty to assess how well authorities are fulfilling this general requirement for continuous improvement.
- 5 CPA was introduced in 2002 as a way of drawing together the most significant elements of our wider audit and inspection framework to form an overall view of the performance of councils and their arrangements for improving services to the public. CPA is the tool that we use to fulfil our statutory duty to categorise best value authorities according to their relative performance (s99 Local Government Act 2003). CPA assesses performance from various perspectives in a consistent and comparable way and has proved to be an effective mechanism for categorising councils and driving improvements in services for local people.

- 6 Between June 2003 and December 2004 we completed an assessment of each district council in England. This comprised a corporate assessment, similar to that undertaken in single-tier and county councils, and diagnostic work in key service areas of housing and public space. It also took into account an assessment from the Benefit Fraud Inspectorate (BFI).
- 7 This first round of CPA for district councils was an intensive round of inspection activity. It provided for the first time a large amount of valuable information about the performance of district councils across England. Councils have used the results of CPA to help them identify priorities for improvement and support their own improvement planning.
- 8 In developing a new framework it will be important to build on the investment made in the first round of district council CPA and to apply our learning from it. Therefore, in parallel with the publication of this consultation document we are publishing two separate reports that set out the results of the first round of district council CPA and identify key learning^I.
- 9 This paper does not consider single tier and county councils. The adopted framework for single tier and county councils^{II} is published on our website (www.audit-commission.gov.uk) together with consultation papers on direction of travel scored judgements and service assessments (although these consultations are now closed). It may be helpful to read those documents alongside the proposals in this consultation paper.

^I *Learning from Comprehensive Performance Assessment of District Councils: Improvement Breakthroughs and Comprehensive Performance Assessment: Scores and Analysis of Performance for District Councils in England, 2003/04*, Audit Commission, September 2005.

^{II} *CPA – The Harder Test: The New Framework for Comprehensive Performance Assessment of Single–Tier and County Councils from 2005 to 2008*, Audit Commission, June 2005.

Outline of consultation document

- 10 The next section of this document summarises the original framework for district council CPA and the background to this consultation as well as confirming the assessment activities taking place in district councils during 2005/06. Section 3 then sets out a number of guiding principles that must inform a new framework for district council CPA together with certain generic features of CPA which are consistent with those principles. Section 4 identifies a series of options on which we welcome feedback. Section 5 summarises our approach to quality assurance. Section 6 sets out opportunities for getting involved and section 7 the consultation questions. Appendices set out supporting detail.

Responding to the consultation

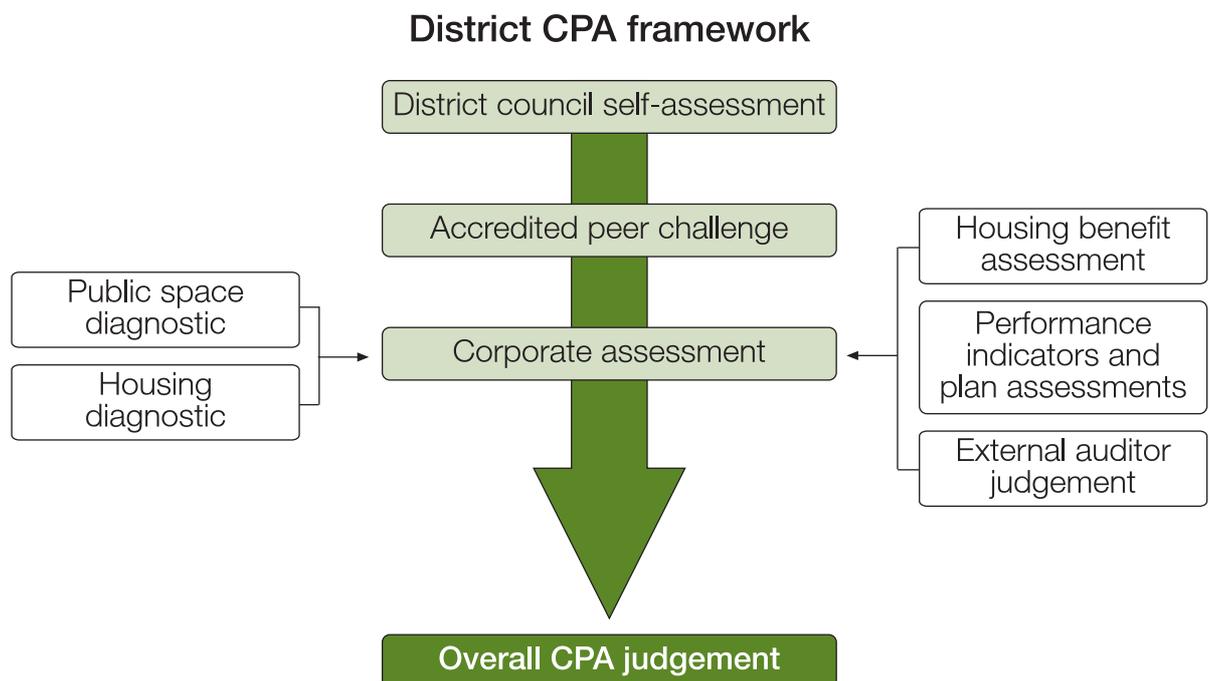
- 11 Consultation will continue until 30 November 2005. Responses received after this date cannot be considered. Responses to the issues raised in this document should be clearly headed 'District council CPA consultation' and emailed to cpa@audit-commission.gov.uk or sent to Local Government Performance and Improvement Directorate, Audit Commission 1st Floor, Millbank, London SW1P 4HQ.
- 12 Information supporting this consultation is also available from the Commission's website including details of events that will take place during the consultation period. Please note that responses will be considered as being on the record.
- 13 We also intend to work with a number of councils to pilot a variety of approaches to help inform the final framework. If you are interested in becoming involved please let us know as soon as possible and no later than 30 September, by email to cpa@audit-commission.gov.uk.
- 14 We aim to confirm our approach in March 2006 for implementation from April 2006.

2

Background

A reminder of the original district council CPA

- 15 The methodology applied in the first round of district council CPA produced a single overall judgement¹ covering core service performance and council ability to improve. The programme was implemented on a county by county basis.
- 16 Self-assessment and accredited peer challenge informed a corporate assessment. This assessment brought together external auditor judgements, performance indicator and plan assessment, housing benefit assessment (undertaken by the BFI) and two thematic diagnostic assessments to produce an overall CPA judgement.



¹ Excellent, good, fair, weak, poor.

- 17 The corporate assessment methodology comprised three key questions and ten themes and each theme was scored on a 1-4 scale (where 1 was 'weak' and 4 'strong'). Three of the ten themes (namely, investment, achievement of service quality, achievement of improvement) were given a weighted score. By scoring each theme and applying predetermined weightings cumulative scores were calculated which translated into a CPA category (excellent, good, fair, weak, poor) by the application of an arithmetic model. Categorisation was subject to the proviso of a single rule that if any of the BFI, auditor or diagnostic assessments received the lowest possible rating a council was prevented from becoming an excellent council overall.

Key questions

1 What is the council trying to achieve?

Themes

1. Ambition
2. Prioritisation
3. Focus

2 How has the council set about delivering its priorities for improvement?

4. Capacity
5. Performance management

3 What improvements has the council achieved/not achieved to date?

6. Achievement of service quality
7. Achievement of improvement
8. Investment

4 In light of what the council has learnt, what does it plan to do next?

9. Learning
 10. Future plans
-

- 18 Results were published as a single report for each council together with a shortened community digest in the form of a web-based summary.
- 19 Since the publication of first round reports progress assessments have been undertaken at a number of councils, including councils identified as poor or weak. A number of other councils had some reviews of progress against their improvement priorities on the basis of locally agreed approaches.

Background to this consultation

- 20 In 2004 we proposed changes to the CPA framework and we consulted¹ on the broad outline for the framework for CPA from 2005 for all councils. We identified the need for CPA to be refined and updated in line with the Commission's principles of Strategic Regulation, and councils' duty of continuous improvement.
- 21 We set out proposals whereby the overall CPA architecture for single tier and county councils would remain broadly similar but key changes would make it a more rigorous test of council performance while at the same time reducing the overall burden of regulation. We also proposed that the annual use of resources judgement would be a prominent element of the new CPA architecture and would be conducted in all councils, including district councils from 2005. We highlighted our intention to make a more demanding assessment of financial management and also to provide a value for money judgement.
- 22 The consultation paper set out a broad proposal for district councils. It proposed that in addition to an annual use of resources judgement each district council would receive:
- annual performance assessments covering specific service areas;
 - a direction of travel statement; and
 - instead of a comprehensive programme of corporate assessments, a targeted approach would be adopted with corporate assessments taking place in a significantly reduced form.
- 23 We received more than 300 written responses from a range of external organisations and individuals, including individual and joint responses from local authorities. The framework for single tier and county councils explains the main responses to the consultation and how the overall single tier and county council framework has been developed to take account of the issues raised. A detailed analysis of responses is available on our website together with a list of those who responded www.audit-commission.gov.uk.

¹ *Proposals for the Comprehensive Performance Assessment from 2005*, Audit Commission, December 2004.

- 24 Just over 100 of the written responses were from district councils. It was clear from these that more work was required to develop an appropriate framework for district councils. In particular, concerns were raised about the lack of detail and questions were raised about opportunities for re-categorisation.
- 25 In response to this feedback we have given careful consideration to ways in which these concerns can be addressed in the context of Strategic Regulation.

Activity in 2005/06

- 26 Before a new framework is implemented in April 2006 there will be interim activity in all district councils. This activity, which will not lead to any re-categorisation, comprises:
- use of resources assessments; and
 - direction of travel statements (incorporating progress assessments in poor and weak councils);
- and will be reported in the Annual Audit and Inspection letter for each council by 31 March 2006.
- 27 The web-based community digest for each council will be updated to reflect these elements while the new arrangements are being consulted upon and finalised.
- 28 Detailed information about the use of resources assessment for 2005/06 can be found on our website (www.audit-commission.gov.uk). The self-assessment return date for district councils is 30 September 2005.
- 29 Information on direction of travel statements for district councils for 2005/06 will be published in mid September.

3

A new framework for district council CPA

Guiding principles for a new CPA framework for district councils

- 30 The Commission's principle of Strategic Regulation is at the heart of our approach to CPA. This means that CPA of district councils should:
- focus on improvement;
 - be seen from the perspective of service users;
 - provide value for money for taxpayers;
 - be targeted and risk based; and
 - be delivered in partnership with others.

The principles of strategic regulation are fully in accordance with the government's Ten Principles of Public Services Inspection which are detailed in Appendix 3.

- 31 Furthermore a new framework should:
- build on the previous round of CPA of district councils but be much less intensive both in terms of audit and inspection activity and the impact on the leadership and managerial capacity of district councils;
 - enable comparisons to be made with single tier and county councils where this is desirable in terms of being able to compare similar services across different types of council;
 - be affordable, both in terms of the level of central government grant and fees paid by councils and in terms of the impact on councils' own internal capacity; and
 - include appropriate involvement of other organisations supporting improvement including the use of peers in our assessment activity.

A future framework must be informed by these guiding principles.

- 32 There are certain generic features of CPA, which are consistent with our underpinning principles. These features will be relevant to any approach to CPA at district councils and include:
- annual use of resources assessment, including a judgement on value for money. This is being implemented at all councils from 2005/06 including district councils;
 - adoption of the principles^I agreed by all inspectorates in the Local Services Inspectorate Forum (LSIF) for any service assessments, including a common 1 to 4 scoring scale;
 - direction of travel judgements or statements^{II};
 - continued use of five categories; and
 - corporate assessments that provide a means of assessing the ability of the council to focus on key local issues for its residents and deliver strong services to meet those needs.
- 33 We now consider how each of these features might be adapted for use in a future district council CPA framework.

Key elements of CPA

Use of resources assessments

- 34 Use of resources assessments are based on the work of auditors under the new Code of Audit Practice^{III}. We have published our methodology for these assessments and this is being implemented at all councils, including district councils, in 2005/06.
- 35 The framework comprises five themes:
- financial reporting;
 - financial management;
 - financial standing;

I Set out in Appendix 2 of this consultation paper.

II For 2005/06 there will be a scored direction of travel judgement for single tier and county councils. For district councils the direction of travel statement will not be scored.

III The new Code was approved by Parliament in March 2005.

- internal control; and
- value for money.

- 36 Full detail and key lines of enquiry can be found on our website (www.audit-commission.gov.uk).
- 37 Use of resources assessments are a key feature and should feed into a new district council CPA framework.

Service assessments

- 38 Service assessments can be wholly based on performance information or include inspection activity. Inspection activity can vary in scale from activity focusing on diagnostic work in a few key areas to more extensive inspection of service performance.
- 39 Assessment can look at service areas in various ways – discrete service areas or cross-cutting. Some assessments are carried out by the Commission while others such as benefits are the responsibility of other statutory bodies (BFI in the case of benefits).
- 40 For single tier and county councils it has been decided to move to a service assessment model that reduces reliance on assessment of plans or inspection scores and places more reliance on performance data. When inspections are carried out we will follow our recently adopted service inspection methodology which is available at www.audit-commission.gov.uk.
- 41 There are a number of ways in which service assessment information could feed CPA for district councils. It could follow the single tier and county council model and have separate service assessments for benefits, housing, environment and culture. We have recently consulted on a service assessment framework for single tier and county councils and this is published on our website at www.audit-commission.gov.uk. The responses to this consultation have been numerous and detailed and they are being analysed prior to final decisions being made on the final service assessment framework for single tier and county councils. We have included as an attachment to this report on our website an abstract from that consultation identifying the performance data that would be relevant to district councils. We will shortly be publishing the final service assessment framework for single tier and county councils and an appropriate district council subset can be produced from that in due course. Different service blocks could be developed for district councils but would be less capable of comparison with single tier councils.

- 42 An alternative to separate service assessments would be to use a single basket of indicators. In this case there could be one service score (as opposed to the multiple service scores) feeding into CPA.

Corporate assessments

- 43 Councils cannot deliver appropriate, high-quality services unless they have effective leadership. Corporate assessments (CAs) have provided a means of focusing on the importance of having a successful corporate 'engine' to drive the delivery of strong services and they feature in many of the options described later in this paper.
- 44 In our 2004 consultation we highlighted our intention to strengthen the CA methodology to test more fully how councils understand their communities and provide community leadership, how this understanding of local people and places translates into the council's ambitions and priorities and what in practice councils are achieving.
- 45 For single tier and county councils CAs will be carried out on a rolling programme over the period 2005-2008. For single tier and county councils the framework comprises five themes:
- ambition;
 - prioritisation;
 - capacity;
 - performance management; and
 - achievement (considered in relation to the local and national shared priorities¹).
- 46 There are options for CA for district councils. Achievement could be measured in relation to the local and national shared priorities or in relation to service delivery (perhaps using the same areas as used for service assessments or the council's own improvement plan) or in relation to cross-cutting policy objectives.

¹ The shared priorities agreed by local/national government are: sustainable communities including transport, safer and stronger communities, healthier communities, older people and children and young people.

Direction of travel statements

- 47 Annual direction of travel judgements form part of CPA from 2005 for single tier and county councils to assess progress of improvement each year. A consultation paper on the labels and criteria for direction of travel scored judgements in single tier and county councils has been published on our website at www.audit-commission.gov.uk.
- 48 For 2005/06 district councils will receive a direction of travel statement (not a scored judgement). For the future this approach could continue or the approach used in relation to single tier and county councils of a scored judgement could be adapted for district councils too.

Developing options for CPA of district councils

- 49 The options for CPA of district councils differ according to the ways in which various elements summarised above are combined in order to provide the rounded view of performance that is needed to support the robust categorisation of councils. In the next section we set out some options for consideration.

4

Options for district council CPA

- 50 The following options for consultation set out some different ways in which the various elements of CPA could be brought together. The options fall into two categories:
- options that allow the Commission to re-categorise all councils (group A) through a programme to be delivered over a number of years; and
 - options that allow the Commission to identify, from initial evidence of improvement, that a council may be ready to be considered for re-categorisation (or where service or corporate failure indicates a potential need for re-categorisation) before activity to confirm whether re-categorisation should take place (group B).
- 51 All options need to allow for the possibility that re-categorisation can be either upwards or downwards depending on performance.

Longer-term context

- 52 The national policy context, including the introduction of local area agreements and our ongoing work on area profiles, raises the potential for future area based assessments of public services and a focus on the achievement of local priorities. It is therefore important that a new framework for district council CPA looks forward beyond 2008/09 and that all the options should be capable of contributing to any such future framework.
- 53 The Commission intends to consider ways in which district council CPA may contribute towards area based assessments in the longer term. We are, therefore, seeking volunteer district councils to help us pilot work in this area during the next 18 months.

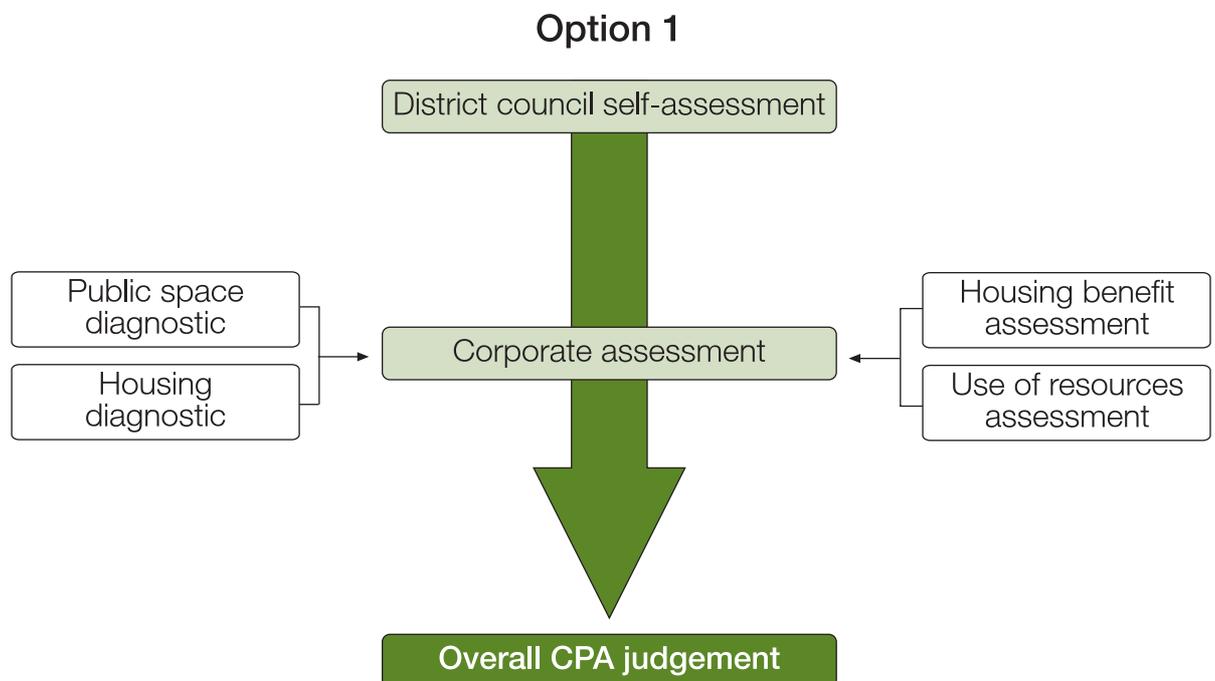
Group A

Option 1

54 This option takes the first round assessment framework as its starting point.

55 The framework under this option would include:

- service delivery diagnostics (for example, public space and housing as in the first round);
- benefits assessment;
- use of resources assessment;
- a periodic corporate assessment; and
- it could include regular statements of direction of travel that sit alongside CPA categorisation.



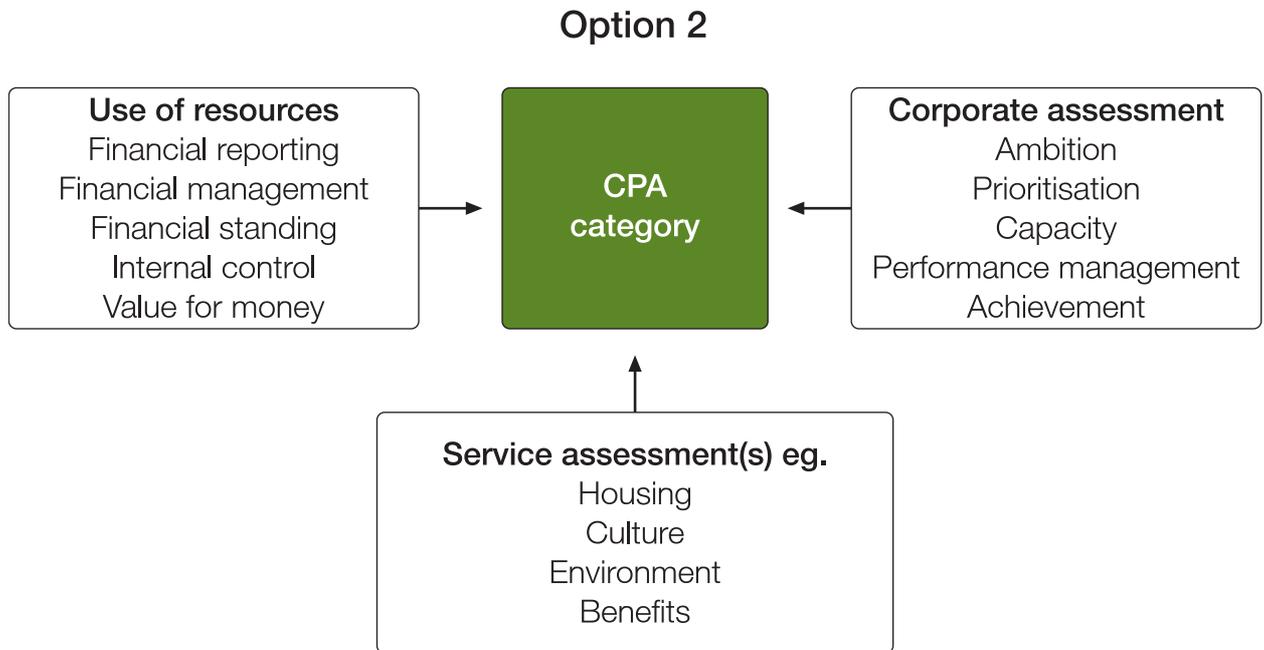
56 It does not include separate regular service assessments.

- 57 Corporate assessment activity would be an in-depth and comprehensive assessment activity for all councils by way of a phased programme over the period 2006-09. We would pilot ways of undertaking a corporate assessment.
- 58 This option would require a high level of resource. The cost of this approach during 2003 and 2004 for all councils was approximately £20 million and required significant effort by district councils in preparation for the corporate assessments.

Option2

- 59 This option takes the adopted single tier and county council CPA framework as its starting point.
- 60 The framework under this options would include:
- use of resources assessment;
 - service assessment(s);
 - periodic corporate assessment; and
 - possibly direction of travel scored judgements published annually when CPA categories were updated.
- 61 A rules set would bring together scores from each component part to produce an overall CPA category.
- 62 Corporate assessment activity would be periodic on a rolling programme covering all councils in the period 2006-09. In these circumstances it may be appropriate to provide transitional protection of corporate assessment scores along similar lines to those in place for single tier and county councils¹.
- 63 Some essential modifications would be required to the single tier and county council framework. For example, service assessment(s) would need to reflect district council functions and could be developed as one or a series of blocks as discussed earlier.

¹ See paragraphs 72-74 of *CPA – The Harder Test*.

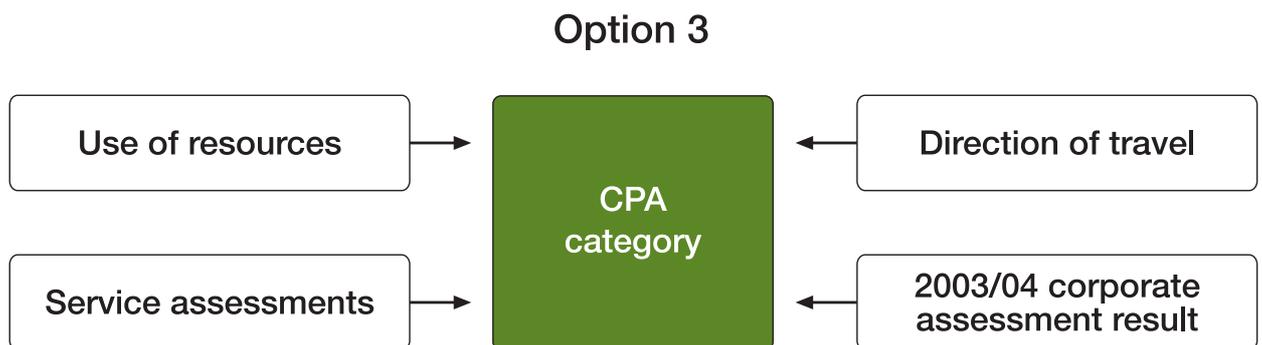


- 64 Consideration would also need to be given to the most appropriate CA activity and in particular how to measure achievement.
- 65 This option is likely to require the highest resource commitment both in terms of the financial cost of inspection activity and the resource required within district councils to prepare for the various elements of the framework.

Option 3

- 66 This option takes existing performance information as its starting point.
- 67 The framework under this option would bring together the following components:
- use of resources assessment;
 - service assessment;
 - direction of travel statement; and
 - 2003/04 CA result.

- 68 A rules set would be devised to produce a CPA category. As there would be no separate corporate assessment activity the direction of travel and/or use of resources assessments would need to be enhanced to cover key aspects of corporate performance (including performance management).
- 69 This would be the least resource intensive option of Group A but would require the use of a CA score which could be up to six years old by 2009. It would also be necessary to pilot a rules set which is robust. This option would have the disadvantage of not providing any assessment in relation to the local and national shared priorities such as safer and stronger communities nor reviewing user focus, diversity and human rights through a new corporate assessment.



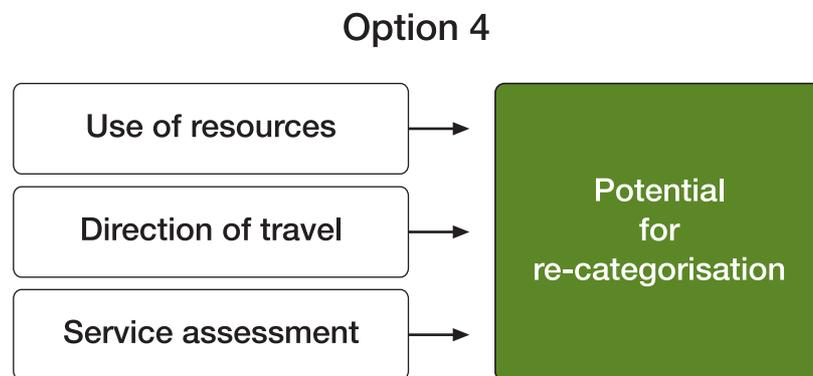
Group B

Option 4

70 In this option the framework would bring together annual:

- use of resources assessments;
- service assessments; and
- direction of travel statements;

to provide the basis for a Commission decision as to whether or not to undertake further assessment activity and an opportunity for re-categorisation. The further assessment activity would be a proportionate CA.



71 This new CA activity would only be carried out at those councils where:

- there was sufficient evidence of sustained performance that was significantly better than that indicated in the original CA, and the council wished to be considered for re-categorisation; or
- there was evidence of significant weakening of performance.

- 72 Excellent councils would not feature in this process unless they showed significant signs of weakening performance. Other councils would only feature if they wished to devote time and effort to the re-categorisation process, or if they showed significant signs of weakening performance.
- 73 The CA activity would provide an opportunity to probe areas highlighted by the use of resources, service and direction of travel assessments and, on the basis of risk, could consider:
- ambition and prioritisation;
 - capacity and performance management; and
 - achievement. This could focus on what the council is achieving across the range of its activities either against its own local priorities or against a set of cross-cutting themes based on the local/central government shared priorities or both.
- 74 The different options for a proportionate CA for district councils will be piloted. These will need to ensure that comparison can be made between the old and new categories for district councils.

Option 5

- 75 Similar to option 4 but without service assessments. Annual use of resources and direction of travel statements would be used together to provide the basis for deciding whether or not to undertake further activity. Again any additional activity would only be carried out at those councils where and when sufficient evidence of progress or regression was found.
- 76 Both this option and option 4 would be less expensive than options 1 and 2, and would only involve councils that wished to be considered for re-categorisation, or that showed signs of significant weakening performance.

5

Quality assurance and review

- 77 We will continue to build quality assurance (QA) arrangements into our processes for delivering CPA and each of its elements. Our approach will be to design into our arrangements specific requirements for QA and at all key stages of assessment including:
- selection and training of those carrying out assessments;
 - planning of assessment work, including scoping of fieldwork;
 - evidence gathering;
 - reporting; and
 - review.
- 78 A number of key principles inform our Commission wide approach to quality and will apply equally to a future district council CPA framework:
- support for the four stages of planning, delivery, reporting and follow up;
 - fairness and consistency of standards and judgements;
 - adding value through the assessment process;
 - risk based and proportionate;
 - based on clear national principles and guidance;
 - involving people with the right skills and support to carry out their respective roles;
 - supported by robust audit trails and clear judgements; and
 - build on what works and make effective use of existing approaches and systems.
- 79 No matter how clear and open the process, disagreements will arise from time to time. Where an authority is dissatisfied with a scored judgement made by the Commission it can request a review of that judgement. Where a review is conducted it will be carried out by senior officers who were not involved in the original work. Full details of our review procedure for scored judgements can be found on our website at www.audit-commission.gov.uk

6

Opportunities for getting involved

- 80 The District Council Reference Group which played a key role in developing the first round framework has been re-formed and invitations extended to a number of additional district councils to seek to enhance further the extent to which it represents the spread of councils.
- 81 A list of those councils on the Reference Group is set out in Appendix 1.
- 82 This group will continue to meet throughout the consultation period and engage with us in moving forward to develop an appropriate framework.
- 83 We shall also hold a series of consultation events commencing in October:
- | | |
|------------|--------------------------|
| 14 October | Tonbridge, Kent |
| 24 October | Castle Donnington, Derby |
| 25 October | Bridgwater, Somerset |
| 27 October | Redworth, County Durham |
| 28 October | Alton, Staffordshire |
| 31 October | Cambridge |

Full details of dates and venues are posted on our website.

- 84 We also intend to work with a number of pilot councils to test component elements of a new framework. We have invited provisional expressions of interest from district councils and shall be contacting councils with further detail as to the piloting activity shortly. Any further expressions of interest should be made by 30 September 2005 by email to cpa@audit-commission.gov.uk.

Conclusion

- 85 This consultation looks ahead to CPA for district councils from 2006. The future CPA assessments will provide us with more information on how well local authorities are working with others to deliver outcomes for local areas.
- 86 A future framework must be informed by the guiding principles of Strategic Regulation which is at the heart of our approach to CPA. We have set out a series of options for consideration and encourage responses on these and any other aspect of the future CPA framework for district councils.

7

Consultation questions

1. Guiding principles for overall district council CPA framework

- 1.1 We have outlined some guiding principles in section 3; are there any others you think we should be following?
- 1.2 Do you think that peers should play a part in our assessment activity and if so what do you think is the best way of using them?

2. Key elements of CPA

- 2.1 How do you think that the key elements of CPA should be used in relation to district council CPA? Please indicate the relative weighting or priority each element should have:
 - 2.2 use of resources assessments?
 - 2.3 service assessments?
 - 2.4 corporate assessments?
 - 2.5 direction of travel statements or scored judgements?
 - 2.6 How should they be brought together to allow recategorisation?

3. Re-categorisation

- 3.1 The consultation paper sets out two approaches:
 - re-categorisation of all councils through a programme to be delivered over a number of years (group A); or
 - options that allow the Commission to identify, from initial evidence of improvement, that a council may be ready to be considered for re-categorisation (or where service or corporate failure indicates a potential need for re-categorisation) before activity to confirm whether re-categorisation should take place (group B).

Which of these two main approaches do you prefer?

3.2 Of the five framework options outlined in the consultation paper, which do you prefer and why (see section 4)?

3.3 How burdensome do you think each option would be?

3.4 Is there an alternative framework you would suggest?

4. Quality assurance

4.1 Do you have any comments on our approach to quality assurance?

5. Other comments

5.1 Do you have any comments on any other aspect of the consultation paper or any issue in relation to the future framework for district council CPA?

Appendix 1

DC Reference Group

Adur District Council	Allerdale Borough Council
Arun District Council	Ashford Borough Council
Braintree District Council	Bridgnorth District Council
Cambridge City Council	Canterbury City Council
Chichester District Council	Chiltern District Council
Colchester Borough Council	Craven District Council
Crawley Borough Council	Durham City Council
Easington (District of)	East Hampshire District Council
East Lindsey District Council	East Northamptonshire Council
East Staffordshire Borough Council	Exeter City Council
Fareham Borough Council	Gloucester City Council
Gosport Borough Council	Hastings Borough Council
Horsham District Council	Hyndburn Borough Council
Ipswich Borough Council	Kettering Borough Council
Mid Sussex District Council	Newark and Sherwood District Council
North Cornwall District Council	North East Derbyshire District Council
Norwich City Council	Nuneaton and Bedworth Borough Council
Oswestry Borough Council	Pendle Borough Council
Penwith District Council	Purbeck District Council
Richmondshire District Council	Rochford District Council
Salisbury District Council	South Bedfordshire District Council
South Norfolk District Council	South Northamptonshire Council
South Oxfordshire District Council	South Ribble Borough Council
South Shropshire District Council	South Staffordshire Council

Spelthorne Borough Council

Tandridge District Council

Three Rivers District Council

Wansbeck District Council

Wychavon District Council

St Edmundsbury Borough Council

Taunton Deane Borough Council

Vale Royal Borough Council

Worthing Borough Council

Wycombe District Council

Appendix 2

Local Services Inspectorate Forum (LSIF) service assessments agreed principles

The following principles have been agreed by the inspectorates, including the Commission, represented on the LSIF. The principles are relevant to all service block assessments that contribute to CPA. It is recognised that not all service block assessments will include on-site inspection activity but, where they do, those principles relevant to inspection activity will apply.

Consultation

The way in which the assessments are constructed, and any periodic changes to these, including criteria for judgement and, where relevant, the way in which any data is manipulated, will be consulted upon with relevant stakeholders. The final frameworks will be made public in good time for authorities to understand the likely impact for them.

Content

The assessments will focus on current performance in the service area rather than on improvement. They should cover at the very least what would be commonly considered to be the critical issues with each service area, and preferably all of, or the majority of, the full scope of that service area.

The service assessments will take a strong user focus, taking account of the quality of direct service delivery to the customer. To ensure that any inspections¹ are focused on users the following principles of user-diversity-focused inspection have been agreed by the LSIF:

- inspections should evaluate whether statutory requirements on equalities, diversity and human rights are being addressed;
- inspections should challenge service providers to promote and outline their approach to equality, diversity and human rights;
- inspections should examine the access to and impact of services for all sections of the community, including minority and disadvantaged groups;
- inspections should take account of, and report on, the views of users and of particular communities, including those groups of users who may be hard to reach;
- inspections should examine the processes and models that are in place for understanding service users and communities and for gathering service users' views, and judge whether those processes are effective and appropriate;
- inspections should make use of any valid, existing information from recent consultations with individuals, communities or groups carried out within or by the inspected body;
- if inspectors judge that insufficient information on users' or particular communities' views is available, inspections should incorporate arrangements to gain those views where appropriate;
- inspections should examine whether the outputs of local consultation and other user feedback, for example, complaints, influence decision making about how services can be improved and whether they result in appropriate changes to service delivery; and
- inspections should ensure that their findings are reported in a form that is accessible to the different local population groups.

¹ Where inspections are carried out as part of an assessment.

The assessments will explicitly include value for money considerations in arriving at a final score.

Where an overlap exists between service assessments, or with the shared priority elements of the corporate assessment, there should be an explanation of the reason for the overlap.

Methodology

The 'owners' of the assessment will ensure that they are transparent about the processes and timeframes that apply in arriving at the service block assessment for an individual council and the reasons for these.

The way in which the assessments are arrived at will be demonstrably consistent across relevant authorities.

Where there is an expectation of continuous improvement, for example, due to changes in legislation, professional standards and user requirements, the assessment methodology will reflect this.

The assessment methodology will be constructed in such a way that both improvement from a poor performance position and maintenance of high performance are captured, both being desirable within a balanced assessment framework.

Scoring

The assessments will either directly provide, or be capable of transparent conversion into, scores on a 1 to 4 integer-only basis, with 4 being high.

The 'pitch' of these scores will be as follows:

- 4 – A service¹ that delivers well above minimum requirements for users.
- 3 – A service that consistently delivers above minimum requirements for users.
- 2 – A service that delivers only minimum requirements for users.
- 1 – A service that does not deliver minimum requirements for users.

¹ 'Service' may refer to several services or functions working together.

There will be no direct or indirect quotas or other restrictions on the numbers or proportions of authorities that score in each category.

The assessments will, as far as possible, take account of the impact of local circumstance on performance, including deprivation or other structural factors.

The information on which these assessments are based will be robust and reliable, and there will be a sufficient amount of it for the purposes of properly assessing the relevant performance of the particular body.

Annual updating

The assessments will be capable of annual updating, including for 'excellent' councils.

Assessments will be capable of annual updating without the need for 'on-site' inspection activity where necessary (for example, in 'excellent' councils).

The assessments, or all the components that together make up the assessments, will be 'signed off' (including having ministerial agreement where necessary), not be subject to any further change (for example, as a result of an ongoing 'appeal') and delivered to the Audit Commission by a date to be agreed.

Appendix 3

The Principles of Public Services Inspection

The principles of inspection in this policy statement place the following expectations on inspection providers and on the departments sponsoring them:

1. The **purpose of improvement**. There should be an explicit concern on the part of inspectors to contribute to the improvement of the service being inspected. This should guide the focus, method, reporting and follow-up of inspection. In framing recommendations, an inspector should recognise good performance and address any failure appropriately. Inspection should aim to generate data and intelligence that enable departments more quickly to calibrate the progress of reform in their sectors and make appropriate adjustments.

2. A **focus on outcomes**, which means considering service delivery to the end users of the services rather than concentrating on internal management arrangements.
3. A **user perspective**. Inspection should be delivered with a clear focus on the experience of those for whom the service is provided, as well as on internal management arrangements. Inspection should encourage innovation and diversity and not be solely compliance-based.
4. **Proportionate to risk**. Over time, inspectors should modify the extent of future inspection according to the quality of performance by the service provider. For example, good performers should undergo less inspection, so that resources are concentrated on areas of greatest risk.
5. Inspectors should encourage rigorous **self-assessment** by managers. Inspectors should challenge the outcomes of managers' self-assessments, take them into account in the inspection process, and provide a comparative benchmark.
6. Inspectors should use **impartial evidence**. Evidence, whether quantitative or qualitative, should be validated and credible.
7. Inspectors should disclose the **criteria** they use to form judgements.
8. Inspectors should be **open** about their processes, willing to take any complaints seriously, and able to demonstrate a robust quality assurance process.
9. Inspectors should have regard to **value for money**, their own included:
 - Inspection looks to see that there are arrangements in place to deliver the service efficiently and effectively.
 - Inspection itself should be able to demonstrate it delivers benefits commensurate with its cost, including the cost to those inspected.
 - Inspectorates should ensure that they have the capacity to work together on cross-cutting issues, in the interests of greater cost effectiveness and reducing the burden on those inspected.
10. Inspectors should **continually learn** from experience, in order to become increasingly effective. This can be done by assessing their own impact on the service provider's ability to improve and by sharing best practice with other inspectors.

Source: The Government's Policy on Inspection of Public Services, www.cabinetoffice.gov.uk/opsr

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high quality local and national services for the public. Our remit covers around 11,000 bodies in England, which between them spend more than £180 billion of public money each year. Our work covers local government, health, housing, community safety and fire and rescue services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we monitor spending to ensure that public services are good value for money.

For further information about the Audit Commission, visit our website at www.audit-commission.gov.uk

This report is available on our website at www.audit-commission.gov.uk. Our website also contains a searchable version of this report.

Audit Commission

1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

www.audit-commission.gov.uk