



Briefing 09/61

November 2009

Best Value Two Consultation Analysis

To: All Chief Executives, Main Contacts and Email Contacts (Scotland)

CC: All Chief Executives, Main Contacts (England, Northern Ireland and Wales)

Key issues

Scrutiny through shared risk assessments with scrutiny partners.

Self evaluation and improvement support

Peer involvement as part of BV2

Focus on services and outcomes on partnership working

A stronger voice for citizens and service users

A Report by the Accounts Commission

1. Introduction

This briefing features the key findings of the Best Value Two Audit Consultation Report, of which APSE was one of the respondents. The consultation had been intended to gauge the opinion of councils, consumer organisations, the Scottish Government and all other interested parties. Initial analysis of responses as well as key points raised at consultation meetings with council leaders, Chief Executives and other interested parties has revealed broad support for the overall direction of travel of the Best Value audits, the ambition to deliver streamlined scrutiny through shared risk assessments with scrutiny partners, the conclusion that self evaluation and improvement support need to feature more prominently in the audit, the proposed introduction of peer involvement as part of BV2, the need for a stronger focus on services, outcomes and partnership working plus a stronger voice for citizens. Conversely, results have also revealed that some approaches must be reconsidered, including the approach to auditing equalities and sustainability as part of BV2 and that strong consideration must be given to how BV2 reflects the views of citizens and service users. A wide range of organisations responded to the consultation, the types of which are listed below

Respondent type	Number	%
Councils	29	56
Professional Accountancy bodies	5	10
Local Government community planning bodies	3	6
Audit providers	2	4
Consumer groups	1	2
COSLA/SOLACE	1	2
Scottish Government	1	2
Improvement Bodies	1	2
Sustainability bodies	3	6
Professional Associations	1	2
Inspectorates	1	2
Ombudsman	1	2
UK Audit Agencies	1	2
Voluntary sector umbrella organisation	1	2
<i>Total</i>	<i>51</i>	<i>100</i>

Further information on Best Value 2 Consultation Analysis and Proposed Accounts Commission Responses can be found at the following: www.audit-scotland.gov.uk

2. Overview of Responses

Shared Risk Assessment and Joint Scrutiny Planning

The report states that there was 93% support for the proposal that the BV2 process will be founded upon annual shared risk assessment, updated annually and involving all relevant scrutiny bodies. APSE welcomes this support as local authorities have developed comprehensive systems to manage performance over the past ten years which should be used, and could ultimately lead to a reduction in duplication. However, APSE also believes that there should be an emphasis upon shared vision between external scrutiny bodies and that the importance of best practice should be maintained with recognition for good performers. Events will be held by the Accounts Commission this year in order to explain how the Shared Risk Assessment and Joint Scrutiny Planning process will be rolled out so that by Spring 2010, a three year rolling scrutiny Assurance and Improvement plan has been agreed with all Scottish Councils.

Self Evaluation

There was quite strong support, 89% that self evaluation evidence be placed at the heart of the risk-assessment process, based around the following principles,

Culture

- be embedded in the culture of the organisation
- be a continuous, systematic process as opposed to an event

Design

- be focussed on outcomes for and the experiences of service users/ citizens
- support the achievement of organisational or partnership objectives
- be 'owned' by those carrying out the self-evaluation
- lead to targeted action, improvement and future planning
- be flexible and have the scope to recognise differences in service levels and types
- be built on existing good practice and relevant existing standards
- be rigorous, comprehensive, systematic and transparent
- be based on a wide range of evidence

Accountability

- dovetail with the essential functions of external scrutiny bodies to ensure that those who need less scrutiny get less scrutiny
- be integrated with, and form part of, the organisational or partnership performance management and public reporting arrangements

Process

- be participative
- be focused on identifying strengths and weaknesses or areas for improvement
- involve a wide range of stakeholders
- be recorded and reported

APSE agrees that self-evaluation is a strong method for councils to identify its key areas of strength and best practice and that self evaluation is a very important component within a continuous improvement environment. How self evaluation will feed into scrutiny risk assessments and contribute to more proportionate and streamlined scrutiny is currently being tested through the Pathfinder audits at Angus Council, Dundee City Council, East Ayrshire Council, the Highland Council and the Scottish Borders Council, with two dedicated Shared Risk Assessment sites at Fife Council and West Dunbartonshire Council. Whatever the outcome, APSE believes that Audit Scotland should not prescribe which methodology of self evaluation should be used by councils but instead a broad range of indicators across the performance spectrum of input, process, output and outcome measures should be used and that the methodology used should meet a set of criteria, particularly in relation to validating the data. Also, a combination of measures which assess council services in relation to past performance and comparisons with like-for-like organisations should be used to assess both positional and improvement information.

Good Practice

The report also states that there is broad support (78%) for the proposed approach to identifying and disseminating good practice. APSE supports this approach, as a key part of any performance enhancing framework is to learn from the information, to identify best performance and to disseminate it. APSE has a strong track record of undertaking work in this area over a number of years with local authorities in Scotland. APSE's advisory networks can be utilised as vehicles to discuss and develop best practice, its performance networks benchmarking system provides tangible evidence of best performance and its best value consultancy helps deliver reviews, support and analysis. APSE has also developed models such as the Competitiveness Continuum which can be utilised by its membership to continuously review and improve services. APSE would suggest that a review system should be in operation in order to ensure that any processes undertaken are indeed effective and reliable.

Corporate BV2 Characteristics

Much of the consultation responses suggested a refreshing of the Best Value statutory guidance issued in 2004, in order to provide a clear shared set of expectations of what characteristics make a Best Value Council. The Accounts Commission are currently discussing this with the Scottish Government. Overall APSE believes that the proposed characteristics of a Best Value council are relevant.

Service Performance & Outcomes

67% of respondents agree with the proposals relating to the broadening of evidence base for service performance and outcome assessments. However, some issues were raised regarding the availability and quality of outcome data. APSE members have expressed concern that local data versus statutory data and/or national comparisons may impact upon comparability and as such, measures may be required in order to ensure that such difficulties are avoided.

Auditing Partnerships

75% of respondents, including APSE, believe that public bodies should work together in order to improve services. APSE also believes that there may be better assessments of partnerships over time. However, concerns also exist concerning councils potentially being held accountable for the failure of partners to deliver on their commitments. The Accounts Commission has recognised this concern and will ensure that judgements will reflect local circumstances. Some respondents suggested increasing the pace of the new approach to auditing partnerships. BV2 Pathfinders will enable the consideration, if and how quickly the partnership and area focus of BV2 should be extended. A set of common principles has already been agreed for the audit of Best Value that can apply to all public bodies with the Auditor General for Scotland which would provide a platform for developments of this kind.

Single Outcome Agreements

55% of respondents agreed with the “step-wise” approach to reflecting Single Outcome Agreements as part of BV2. APSE would agree that SOA’s are a useful development, but could be viewed as still having some distance to travel before forming a solid link between everything that a council and partners do on national priorities. The Audit Commission will proceed on the basis set out in the BV2 consultation document and will keep it under review as the SOA process matures over time.

The Views of Citizens and Service Users

APSE is committed to a partnership between the local council, its employees and the community. As such APSE welcomes the involvement of relevant stakeholders. However, Audit Scotland should ensure that they safeguard against proposing consultation or feedback methods which favour the view of a minority, such as enthusiastic amateurs or even extremists. Therefore, in measuring outcomes, a range of methods should be used, such as the tried and tested surveys developed by APSE. Various methods are currently being tested through the BV2 pathfinder audits. Further consultation with stakeholders will then be adopted before a final decision on how to progress in BV2 is reached.

Elected Member and Officer Peer Involvement

There was 84% support for the planned introduction of peer involvement as part of BV2. APSE favours the involvement of senior officers and elected members from other bodies within audit teams. This provides the benefits of learning directly from others and providing additional expertise from those involved in delivering services. This approach has been used in Wales through the Wales Programme for Improvement and has produced benefits. APSE also worked in partnership with the IDeA and LGIU to deliver the National Councillor Peer Mentoring Programme in England and has a number of accredited Councillors undertaking this work throughout the UK.

Proposed New Judgements on 'Direction and pace of Change' and 'Capacity for Future Improvement'

In the Consultation it was stated that "both proposed judgements would also reflect inspectorates' judgements of leadership and capacity for improvement in the main council services: education, social work and housing" (page16). APSE would disagree with solely focusing on these council services, it should not be Audit Scotland who decides which services are the most important to the local community. A notable omission is environmental services which are one of the most visible services for the public and have a massive influence on both the public's quality of life and how the council is judged. Several respondents highlighted the difficult balance that would need to be struck between recognising local context and the position that individual councils are at in their 'improvement journey' whilst at the same time making fair and equitable judgements. Engagement with COSLA, SOLACE and the Scottish Government will be held in developing these proposals, being tested through BV2 pathfinders.

The Role of the Commission

The main issue raised is how the Accounts Commission handles Best Value audits and its relationships with councils and greater transparency of the work of the Commission. APSE would suggest that it may be helpful to keep inspection proportionate to risk, so that high performing councils need not be inspected as frequently as lower performing councils. An issue raised in the consultation responses was related to perceived inconsistency between draft reports, the Controller of Audit report and the Commission findings. Other issues included, improved communication and contact, including out-with audit times, consultation on media releases, keeping councils informed of pathfinder developments and the possible use of seminars to disseminate information about the Commission and its work. When the final decisions about BV2 are published, information will be provided about the procedures the Commission will follow in overseeing BV2 and in handling individual reports and its engagement with councils.

Fee Regime

APSE believes that inspection fees should be proportionate and kept to a minimum. Inspection should be proportionate to the risk so that resources are directed to those areas in need. APSE also believes that greater support for improvement should be provided to local authorities where they are under-performing. The Audit Commission has stated that although a move to a fee regime which is wholly proportionate and risk based would not be straightforward, they will raise this issue when consulting with COSLA and the Scottish Government on the further development of BV2.

Sustainability

The consultation document referred to Best Value audits having a “focus on environmental sustainability”. APSE, along with others suggested that focus should also include other issues such as the local economy. The Audit Commission states that it does not intend to replace or neglect economic or social elements in BV2 work and will continue to work with the Sustainable Development Commission and the Sustainable Scotland Network to develop their approach to auditing sustainability.

Equalities

The Commission states that the BV2 equalities framework has been designed so that it can be integrated across the five corporate assessment criteria and that they will continue to work with the Equality & Human Rights Commission to ensure a coordinated approach where appropriate and that our respective roles are clear to councils and other interests.

3. Conclusion and APSE comment

APSE believes that the independent audit and inspection of public services is vital and that public services should be highly transparent and accountable and views best value as a valid and important method of improving public services. It is clear from the consultation findings that BV2 intends to continue to promote public accountability and support improvement, independent of both Scottish ministers and the Scottish Parliament, whilst continuing to play a role in public service improvement. It appears that there will be a strong emphasis on self-assessment and on the range and quality of information that councils provide about how they are performing and improving. This is welcomed by APSE as local authorities have developed comprehensive systems to manage performance over the past 10 years which should be used and this will ultimately lead to a reduction in duplication. As a result, systems that have been developed and refined over the years by local authorities such as APSE’s performance networks will be an invaluable tool in BV2 (<http://www.apse.org.uk/performance-network.html>).

Many aspects of the consultation represent a natural progression in a continuous improvement environment, however, APSE would urge Audit Scotland to learn from the lessons of Comprehensive Area Assessment in England, for example, the dangers in using crude labels such as the demoralising effect that these have on councils who were labelled as ‘weak’.

It is also suggested that there will be a stronger focus on partnership working and will assess how effectively councils are working with other partner organizations, such as police, fire & rescue, the NHS and the voluntary sector. APSE would stress however, that in moving towards more outcome and local area based targets, the local council is not judged for services provided through these other bodies that are out of their

control. APSE is committed to a partnership between the local council, its employees and the community and welcomes the involvement of relevant stakeholders. However, care should be taken to avoid consultation or feedback methods that favour the view of enthusiastic amateurs or even extremists. Therefore in measuring outcomes, tried and tested surveys such as those developed by APSE should be utilised. APSE also favours the involvement of senior officers and elected members from other bodies within audit teams. This approach has been used in Wales through the Wales Programme for Improvement and councils may benefit further from speaking to colleagues in Wales on the benefits of this approach. Finally, APSE would encourage a stronger focus on the promotion and commending of practices that councils are doing well, rather than a continued focus on their failings and awaits the findings of the BV2 path finder audits.

Gary Mooney
Research and Advisory Officer