
TACKLING POOR PERFORMANCE IN LOCAL GOVERNMENT: A CONSULTATION PAPER

1 SUMMARY

- 1.1 This report summarises the content of the Government's consultation paper on tackling poor performance in local government, for Members' information and comment. Officers' views are given on the paper, on which comments are invited by 30th September, 2002.

2 INTRODUCTION

- 2.1 In the White Paper "Strong Local Leadership – Quality Public Services", the Government set out its commitment to strengthening the partnership between Central and Local Government, acknowledging the role played by local authorities both in community leadership and in local service delivery.
- 2.2 The White Paper outlined the Government's desire for a comprehensive performance management framework for improvement in Local Government. Members have already seen two consultation papers from the Audit Commission on this and the methodology that will be employed.
- 2.3 This latest consultation paper, from the Office of the Deputy Prime Minister (ODPM), outlines the Government's approach to tackling the poorest performing authorities identified through the Comprehensive Performance Assessment (CPA) framework process. As the consultation paper says, the CPA reports will identify poor performing authorities and their failure to deliver continuous improvements as required by best value, thus providing potential grounds for intervention under Section 15 of the Local Government Act 1999.
- 2.4 At the same time, the Government also outlines that it reserves the right to initiate urgent interventions in circumstances where, for example, children are at risk, public health is jeopardised or where the corporate arrangements of a council are in a state of actual or imminent collapse, again under the auspices of the Local Government Act 1999.
- 2.5 The main details of the consultation paper are outlined below.

3 DETAILED CONTENT

- 3.1 The Government acknowledge that tackling poor performance, whether in individual services or corporately, is the responsibility of local elected Members and their officers. Where it is not addressed quickly and effectively, local people are denied the quality of service which they rightly expect. In the first instance therefore, councils will be accountable to local people for their performance.
- 3.2 Appendix 1 outlines the main symptoms of poor performance as identified by Government.
- 3.3 A Council identified through the CPA process as poor-performing will be expected to prepare a recovery plan, normally with 3 months. The recovery plan will be the centrepiece of a poorly performing authority's improvement planning process. It will identify the key actions and solutions that are necessary to deliver essential improvements to service delivery. It will need to tackle all the weaknesses identified in the CPA. It will address any problems of leadership and management, failings of financial and other corporate systems, and the shortcomings of core corporate services as well as specific service areas. It will prioritise actions and will specify clearly the measures that are needed, will identify clear milestones and identify the cost of the support required to deliver improvements.
- 3.4 The Office of the Deputy Prime Minister (ODPM) will appoint a relationship manager to engage with the Authority, initially by convening a round-table meeting with the Council, also involving the external auditor and relevant inspectors.
- 3.5 The ODPM's relationship manager will recommend to Ministers whether further intervention is needed and if so, what form it should take. A framework contractor may be appointed to provide advice on the content of the recovery plan and the capacity of the authority to implement it.
- 3.6 The Government will seek to agree with the authority that the implementation of the recovery plan is overseen by a Partnership or Improvement Board, jointly appointed by the Government and the authority. The Members of the Board could include experts in those areas of weakness identified in the CPA. It should include those with relevant operational experience – for example, chief executives or chief officers, business executives, elected members, or someone with local community knowledge.

- 3.7 Implementation of the recovery plan may involve the appointment of interim managers to replace senior staff pending longer term senior management changes.
- 3.8 Where the Government decides that formal intervention is needed, it may use its powers under the Local Government Act 1999 to appoint a nominee to carry out specified functions of the authority, including to ensure the implementation of an adequate recovery plan, appointment of interim managers or use of contractors. A Partnership Board would also be appointed to oversee progress in this case.
- 3.9 The Government might require consultation with local people, and possibly a referendum, on alternative governance arrangements where poor governance is contributing to poor performance.
- 3.10 The Government wishes to keep its involvement in the running of local government to a minimum. Where statutory powers of intervention have been used, recovery plans would therefore be expected to include a provisional exit strategy, which would be firmed up progressively as key milestones are achieved.
- 3.11 The aim would be to return functions to normal council control, firstly when improvements are well established and are judged to be sustainable, and secondly when the council's political and managerial leadership are sufficiently improved to secure key service outcomes without further assistance or directions. Decisions on these matters would be informed by the relationship manager, and the information available from framework contractors and other forms of assessment, including inspection. The views of any Partnership Board established for the purpose of monitoring the implementation of a recovery plan would also be taken into account.
- 3.12 The Government recognises that for the poorest performing authorities well targeted support can be a cost effective means of securing vital improvements in key areas of local performance. The 2002 Spending Review therefore included new funding for capacity building and intervention.
- 3.13 The Government would wish to concentrate its efforts in order to assist the poorest performing authorities to achieve a rapid recovery. Without rewarding failure, it will adopt a pragmatic view on funding. Where external help is commissioned to assist authorities to prepare a recovery plan – and in some cases to support implementation – Government would be prepared to consider funding of such costs from central funds, but would normally expect the council to fund the improvement identified in the plan from its own resources (costing and budgeting for the changes will be part of the plan).

4 OFFICER COMMENT

- 4.1 Whilst the Government's desire to improve local government is to be applauded, officers are of the view that the content of this consultation paper again reinforces the perception that local government is seen by Central Government as local administration focussing on the delivery of the national agenda, rather than democratically elected local government, with a focus on possibly differing local priorities and issues.
- 4.2 It is considered that there should be greater emphasis placed by Government on intervention as a last resort to be avoided wherever possible, with more thought given as to how to engage locally with politicians and the electorate where issues of local poor performance are identified. It may be by local choice that a particular service area is poor, with resources taken from that area to fund other services deemed to have a higher local priority.
- 4.3 The involvement of Ministers and officials in such a direct way as outlined in the paper, even as a last resort, is of concern. Poor performing councils should retain responsibility for leading and implementing improvement wherever possible – sustained improvement can only come from within an organisation. It is difficult to see how the proposed approach will achieve this.
- 4.4 It is also felt that any intervention must be flexible and sensitive to local circumstances. Councils are different and a one-size-fits-all approach is likely to do more harm than good. Similarly, placing set timeframes against different parts of the intervention process is likely to prove unrealistic, as much will depend upon the nature of the issues raised, the characteristics of the local authority and the mechanisms within Central Government to react in a sensitive and responsive fashion.

5 RECOMMENDATION

- 5.1 That the Committee, subject to Members' comments, endorses the officer comments outlined in the report. (CEX)

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Background Papers:

Government Consultation Paper: Tackling Poor Performance in Local Government

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APPENDIX 1

SYMPTOMS OF POOR CORPORATE PERFORMANCE

Those authorities that are identified as performing poorly across a range of functions will not all have the same symptoms, but can be expected to demonstrate some or all of the weaknesses frequently listed in the corporate assessment methodology used by the Audit Commission as part of the CPA process.

Ambition

- Poor political leadership
- Poor managerial leadership
- Lack of clear vision for the future
- Community leadership not evident or weak
- Conduct not at expected levels by member or officers
- No clear statement of expectations of conduct

Focus

- Political conflict adversely affecting confidence and management decisions

Prioritisation

- Little account taken of surveys of local people's views and opinions
- Lack of challenge from the community

Capacity

- Poor relationship between officers and members
- Poor or ineffective partnerships
- Responsibility and accountability not clear, or shared

- Ineffective organisational structures to deliver improvement
- Poor corporate systems (e.g. financial, personnel, IT)
- Poor procurement capacity
- Poor support to elected Members

Performance Management

- Lack of personal accountability for performance and/or resources
- Processes not well defined or understood
- Poor service standards or performance indicators (PIs)
- Lack of agreed PIs
- Little challenge of poor performance

Investment

- Poor cost effectiveness
- Resources shifted in an unplanned way in response to difficulties or changes not foreseen
- Poor strategic planning and financial management
- Inadequate risk management systems and financial control systems

Achievement

- Lack of confidence in the Council
- Failure to deliver an adequate level of service in one or more key areas