

## AUDIT COMMISSION CONSULTATION ON THE NEW CPA FRAMEWORK - RESPONSE TO QUESTIONS

- Q:** We have outlined some guiding principles in Section 3; are there any others you think we should be following?
- A:** *In addition to those identified in paragraph 30 (page 10 of the consultation Paper) there should be a commitment to transparency of the process, to ensure legitimacy, acceptability by the public, users and authorities, thus ensuring the status of the process is not impaired. Above all, however, the process must be consistent with Community Strategy and "localism" agendas. Democratic mechanisms that properly arrive at local priorities should be acknowledged and no penalty occasioned when they do not accord with often poorly evidenced national agendas, which because of local socio-economic and other structural considerations, have little or no relevance.*
- Q:** 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?
- A:** *The concept of peer input is sound and for the most part they have been well regarded activities. They benefit from a real understanding of dealing with conflicting issues locally, acknowledge political legitimacy and enhance the creditability of the whole process as they can be represented as experienced practitioners. The only caveat is to ensure that there is a rigorous training and accreditation exercise for those involved in such work. Peer reviews should still be encouraged as a good periodic exercise consistent with the obligation for continuous improvement. As such, they ought to provide a starting point to the Commission's assessment activity. However, more importantly, they should be involved in any validation, moderation and quality assurance processes, as well as Service Assessments and reviews following formal appeals.*
- Q:** How do you think that the key elements of CPA should be used in relation to District Councils' CPA? Please indicate the relative weighting or priority each element should have: Use of Resources, Service Assessment, Corporate Assessment, "Direction or Travel" or score judgement, how they should be brought together to allow re-categorisation.
- A:** *Despite previous representation, the Commission still appears unable to accept the frailty of relying so much on Best Value Performance Indicators, particular types of output data and unit costs. It has been consistently shown that these suffer from two inadequacies. The first relates to the timeliness of the data - by the time it is drawn together by the Audit Commission, audited and published, it can be two years old. Not only have local issues moved on, but so have government agendas, priorities and, indeed, the Audit Commission's own definitions of particular PIs and introduction of new ones. The second relates to the veracity of the financial and other statistical data they rely upon. We have shown this is unreliable, with definitions misinterpreted, external audit inspection of them variable, and the potential for manipulation to advantage. The best that should be said of such data is that it provides pointers, rather than conclusions, and needs explanation.*

*One of the key principles identified by the Commission for approaching the new framework CPA is that Councils "should be seen from the perspective of service users" (paragraph 30, page 10, Consultation Paper). However, this does not appear to find explicit expression in the proposed key elements of CPA. It is surely essential that a judgement is made on how well the district council is achieving its stated priorities and how rigorous, inventive and thorough its approach has been and how it is learning from what it is doing.*

*The Commission acknowledges that the "first round of CPA for Districts 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". Whilst any revised regime will be different in emphasis and more challenging, it is surely right that the outcomes, particularly the Improvement Plans agreed with Audit*

*Commission Relationship Managers and in some cases Government Offices, should be used as the basis for moving forward. It is felt, therefore, that if the Commission's intention is to embed the concept of continuous improvement into the culture of local government, there must be "ownership" both at a political and managerial level within each authority. Responding to having things "done to them" will not achieve that long term goal, particularly as frameworks are prone to tinkering for a whole range of legitimate and other reasons.*

*A rigorous judgement on the progress in relation to the Improvement Plan/"Direction of Travel" is consistent with the options now being canvassed by the Commission. Taken together with an assessment of how well the Council is achieving its stated service priorities, these two elements should make up not less than half of the total priority and relative weighting ascribed to whatever key elements are settled upon. Locally occasioned (rather than externally caused) failure to deliver on stated service priorities and the Improvement Plan should result in a re-categorisation downwards. Achieving say over 80% of the Improvement Plan targets and service priorities should prompt reclassification upwards subject to no substantial deterioration in the other key elements.*

- Q:** 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?
- A:** *For the reasons detailed already, the second of these two options is to be preferred, but there needs to be clarity as to what approach will be adopted for existing "good" and "excellent" Councils and how assessment of Councils considered for re-categorisation should be conducted.*

Runnymede Borough CouncilCIVIC OFFICES REPROVISION SUB-COMMITTEEAPPENDIX 'B'22 September 2005 at 7.30pm

Members of the Sub-Committee present: Councillors J.R. Furey (Chairman), J.E. Haas (Vice-Chairman), Mrs L.M. Gillham, P.A. Greenwood, R.K. Habgood and Ms C.M. Simmons

Members of the Sub-Committee absent: None

NOTIFICATION OF CHANGES TO SUB-COMMITTEE MEMBERSHIP

The Conservative Group had notified the Chief Executive Officer of its wish that Councillor C.J. Norman be removed from membership of the Sub-Committee and that Councillor Ms C.M. Simmons be appointed in his place for a fixed period ending on the day after the meeting and that thereafter Councillor Norman should be reappointed.

The Runnymede Independents Group had notified the Chief Executive Officer of its wish that Councillor A. Alderson be removed from membership of the Corporate Management Committee and from this Sub-Committee, and that Councillor Mrs L.M. Gillham be appointed in his place for a fixed period ending on the day after the meeting, and that thereafter Councillor Alderson should be reappointed to the said Committee and this Sub-Committee.

The Chief Executive Officer had given effect to these wishes in accordance with Section 16(2) of the Local Government and Housing Act 1989.

MINUTES

The Minutes of the meeting of the Sub-Committee held on 6 September 2005 were confirmed and signed as a correct record.

POTENTIAL WORK PROGRAMME AND REPORTS

Detailed consideration was given to the shape of the Sub-Committee's work programme and the matters upon which it wished to receive reports.

Members were of the opinion that one of the principal tasks would be to firmly establish the Council's service aspirations, performance and process requirements in the new offices. Clear definitions of the principles to be applied were essential to the planning of service provision and the utilisation of the new office space. This was illustrated by the proposals for the implementation of a Customer Relationship Management solution where it would be necessary to arrive at a clear view of the desired outcomes before the process mapping could be completed and any final procurement decision made.

Other aspects of the project requiring the attention of the Sub-Committee included Member training requirements, the Council Chamber and Civic space and a variety of IT and Safer Runnymede investment decisions. Members were also to receive costed options in respect of fixtures and fittings while a range of issues concerning front of house arrangements, such as configuration and the effect on relationship mapping, would need to be determined. It was agreed that the full cost plan, principally the responsibility of the retained Quantity Surveyors, should be reported to every meeting of the Sub-Committee to assist with budgetary control of the project. If necessary, the Sub-Committee would also seek to identify value engineering opportunities in order to manage any cost pressures as might occur. Although the recent Alexi Marmot report had indicated that there was no significant desire for changes to council services on the part of the public, it was recognised that there was, nevertheless, a need to plan for technological advances and changes in service standards and public expectations. The Council would therefore have to confront issues such as the use of wireless technology, and departmental relationships where there was linkage and overlap in process and responsibilities.

Members considered it essential to involve other Councillors in the establishment of the service and process framework which would guide the work of the Sub-Committee. To this end it was felt that all Members should be invited to participate in a preliminary scoping exercise to be undertaken along 'Planning for Real' type lines. The reports of the various Officer level project groups and the IT Member Working Group would also inform the Sub-Committee's deliberations, as would the findings of the Alexi Marmot report in respect of the aspirations of residents and the business community. It was emphasised that the scoping process needed to be manageable and restricted to those who were sufficiently acquainted with the parameters of the project.

**RESOLVED that -**

- i) **the Sub-Committee's work programme should include the matters referred to below:**

**Front of house aspirations and options  
Re-engineering opportunities  
IT and Safer Runnymede investment options  
Options re examples of fixtures and fittings  
Council Chamber and Civic space  
Definition of performance and process requirements  
Member training requirements;**

- ii) **reports and recommendations be submitted to the Sub-Committee from the relevant Project Groups and IT Member Working Group on these matters as appropriate;**
- iii) **a preliminary scoping exercise be undertaken with all Members to further inform the Sub-Committee's deliberations; and**
- iv) **the full cost plan be submitted to each meeting of the Sub-Committee.**

**STAGE D DESIGN PROPOSALS**

By resolution of the Sub-Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 8 of Schedule 12A to Part 1 of the Act.

Further consideration was given to the design and cost proposals for the new Civic Offices in the light of the general presentation of the design concept to all Members on 20 September 2005.

The Sub-Committee noted that the feedback from the presentation had confirmed the view that the Stage D proposals were broadly consistent with the objectives for the project. Significant reservations remained only in respect of the corner treatment of the Council Chamber and aspects of the Station Road frontage, including the extent of the brickwork cladding and the use of narrow supporting pillars. In particular, concern was expressed at the angular nature of the external elevation on the corner of the Council Chamber and the potentially awkward juxtaposition with the adjoining properties. Proposals to address this by setting the new building back from the line of shops would serve only to expose the side of the Chamber, which was unrelieved by glazing in order to respect the privacy of its immediate neighbours. It was considered that the positive statement which the angular features sought to make would inevitably be compromised by the imperfect nature of the available sightlines. Members noted that the architects would be revisiting these aspects of the proposals with a view to meeting the concerns expressed.

**RESOLVED that -**

**the Stage D design proposals be approved as meeting the objectives of the Civic Offices project, save for the reservations outlined above in respect of the corner treatment of the Council Chamber and aspects of the Station Road frontage.**

NEGOTIATIONS WITH PROSPECTIVE OCCUPIERS OF NEW CIVIC OFFICES

By resolution of the Sub-Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraphs 7 and 9 of Schedule 12A to Part 1 of the Act.

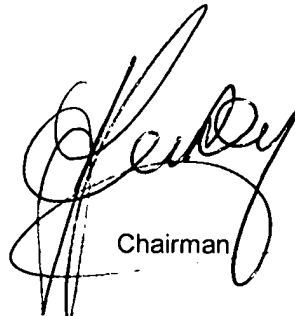
The Sub-Committee received details of the ongoing negotiations with those public agencies which had expressed an interest in co-locating services in the new Civic Offices.

Members were informed that discussions with the Police Service for the accommodation of its Addlestone staff with the Safer Runnymede facility were at an advanced stage. Talks were also taking place with Surrey County Council's Library Service with a view to the incorporation of a library/resource centre in the new building. It had, however, so far proved to be difficult to establish with any clarity the needs of a third potential partner.

In noting the nature of the proposed transactions, the financing arrangements and the likelihood of an agreement in each case, the Sub-Committee recognised the potential policy and service benefits arising from the co-location of services but emphasised that the Council could not expose itself to the associated construction costs on a speculative basis. Agreement would need to be reached with the prospective occupiers on Heads of Terms before the detailed design (Stage E) was signed off and the tendering process commenced. It was important, however, that the attempt to secure the participation of partners on acceptable terms did not significantly delay the overall project. Members therefore agreed that negotiations with the interested parties would have to be concluded by the middle of November in order to prevent slippage in the timetable. The terms would be structured in such a way as to safeguard the financial interests of the Council and provide for the recovery of the costs of provision.

**RESOLVED that -**

- i) the current position on negotiations with potential occupiers be noted;**
- ii) the principles guiding the negotiations with third parties outlined above and in paragraphs 3.6 and 3.7 of the agenda report be endorsed; and**
- iii) Officers be asked to bring the negotiations to a conclusion by the middle of November, so that the project timetable can be broadly maintained.**



Chairman  
21/11/05

(The meeting ended at 9.50pm)

**MINUTES OF THE LOCAL GOVERNMENT ACT MEMBER WORKING GROUP**  
**MEETING HELD ON TUESDAY, 11 OCTOBER 2005**

Members Present:

Councillor G B Woodger (Chairman)  
 Councillor J R Ashmore  
 Councillor J M Edwards  
 Councillor Mrs L M Gillham  
 Councillor P Greenwood  
 Councillor C J Norman

Apologies for absence received from:

Councillor R K Habgood  
 Councillor J R Ray  
 Councillor N Thewlis  
 Councillor P B Tuley

1. **The Framework for CPA for Districts from 2006**

The form and content of the Audit Commission's Consultation Paper was briefly outlined by the Chief Executive and reference was made to the full document, as well as the summary that Officers had prepared.

Councillor Woodger provided feedback from the Audit Commission's sponsored conference at Portsmouth, which he had attended with the Director of Administration & Leisure. He felt that the Commission were taking lots of comments and potential criticisms and not feeding a great deal back. However, it was clear that they were keen to secure views of the individual local authorities. Particular points centred around the major criticism for potential backward classification, despite positive "Direction of Travel" statement and the desire for annual assessments.

A general discussion on the merits of the various options ensued. Members were keen that whatever was chosen should demonstrate clarity, consistency and transparency. It was acknowledged that the difference between the two Groups of Options were that Group A allows re-categorisation of every authority on a rolling basis by 2009, whereas Group B involves an annual review of information already being gathered to see if re-inspection is warranted.

Members' preference centred around the Group B Options (4 and 5), but it was not clear from the Consultation Paper what the content and emphasis would be for existing "good" and "excellent" authorities. It was concluded that subject to assurances that the service assessments would be relevant and proportionate, and the resource commitment reasonable, Option 4 was likely to achieve the continuing improvement amongst most authorities that were supposed to be the policy aim at the centre of these proposals.

**It was agreed** that the recommendations to the forthcoming Corporate Management Committee (3 November) would be framed accordingly.

2. **Value for Money Self-Assessment Submission to the Audit Commission**

The Chief Executive detailed the background to this requirement in the brief introduction to the paper. The Self-Assessment document would be considered by the local Audit Manager in the Use of Resources Assessment. This, in turn, formed one of five evidence sources the Audit Commission would use in preparing the Direction of Travel Statement, which is to be reported in the Annual Audit & Inspection Letter published in February or March 2006. Members noted that this was a significant enhancement to the work normally undertaken as part of the Annual Management Letter and this would not now be presented to Members in November/December as has been the practice in previous years.

There were one or two corrections to which Members drew attention, but they did feel that this was an important, worthwhile and informative document, which should be shared with all Members. The Chief Executive indicated that it was being referenced as part of an information item on the revised arrangements for Audit Reporting and Direction of Travel Statement to 3 November Corporate Management Committee and he would ensure this was made available to all Members.

Reference was also made to the recent identification by the Audit Commission of Runnymede as a "best practice" authority as far as Value for Money policies and practice are concerned. **It was agreed** this should be included in the agenda item for Corporate Management Committee.

3. **Options for Partnership Working with the County Council**

The detailed draft report was considered by the Working Group. Councillor Woodger made reference to discussions that had taken place with the County Council Leader, the Chief Executive and the Local Committee Chairman and Area Director.

After careful consideration, Members were of the view that they would wish to recommend to Corporate Management Committee (3 November). **It was therefore agreed** that subject to settling satisfactory agenda management, timing and other issues, the Council should be encouraged to participate in a formal partnership committee.

4. **Local Area Agreement for Surrey**

This was introduced by the Chief Executive, who stressed that this was a major initiative by Government and the Local Government Association, and the concept was now being rolled-out across the country. Whilst acknowledging that the discretionary funding streams in Surrey had focused solely on that relating to Home Office Crime & Disorder reduction monies, there was potential medium term significance.

**It was agreed** reports would be brought forward once the form of Agreement and themes for inclusion had been settled.

5. **Update on CPA Improvement Plan**

A comprehensive schedule was tabled for the Working Group's detailed consideration. A range of points were raised on the individual entries and targets. **It was agreed** this item should be placed on the Corporate Management Committee agenda on 3 November.

6. **Any Other Business**

The Chief Executive outlined the changes the Audit Commission/Local Audit Manager propose with the replacement of the Annual Management Letter in the late Autumn, with an Annual Audit & Inspection Letter in February/March.

This would be the subject of an Information Item, again to Corporate Management Committee on 3 November.

7. **Date of Next Meeting**

Agreed during January/early February 2006, with a view to considering the final proposals from the Audit Commission on the new CPA regime.