



## Another step forward: but is it in the right direction?— a review of the Audit Commission's year two aspirations

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The Audit Commission recently published 'Another step forward'. This document is a review of Best Value to date and a statement of what they now expect local authorities to begin to deliver from year two under the Best Value regime.

It is not a typical Audit Commission product. It is either a manifestation of major frustration at local government's failure to grasp the significance of the requirements. Or it is a deeply cynical assessment of the Best Value efforts over which their auditors, together with Wendy Thompson's inspectorate, have sat in judgement. In other words is it cock up or conspiracy?

Consider the following passages:

- 'Few authorities are ambitious or urgent enough in what they are seeking to achieve through best value.'
- 'It appears to be genuinely surprising to some authorities that inspectors are focused on outcomes—now and for the future.'
- 'Some officers report they are going through the motions.'
- 'In some cases, the real purpose of best value has been forgotten.'
- 'At the end of reviews, many review teams are still unclear as to what problems they are seeking to address, even though they have spent significant time considering solutions.'
- 'Other authorities that are internally focused (for example, viewing staff concerns about change as a reason not to improve services) or process focused (for example, assuming that quality assurance accreditation equals a good service, when it may indicate reliability but of the wrong service).'
- 'Competition is not well developed at many authorities.'

Whether it is frustration or cynicism that generates such a commentary only time will tell.

What is certainly evident however is that, when the Audit Commission accuses local authorities of a lack of radical thought, absence of mould breaking strategy, failure to concentrate on the outcomes, they are the pot calling the kettle black.

It is asking local government, a deeply traditionalist sector, imbued with a reactive rather than a visionary mindset, to change culture in the space of a millisecond when it has

ensured that the parties, with which it colludes to oversee the implementation of the 1999 and 2000 Local Government Acts, are dedicated to the maintenance of the status quo.

Take, for example, this reference in its document:

- 'In many cases, BVRs are focused on delivering incremental change or gently confirming the need to keep the status quo'.

Now think about these statements which the IDeA claims are the prerequisites of the personnel its selects to advise on the application of Best Value:

- 'ability to comprehend the difficulties being experienced by officers and members and to provide support tactfully and sensitively in these circumstances.'
- 'ability to provide insight into complex political issues and experience of dealing with elected members.'
- The person specification includes a number of specific topics where specialised knowledge and expertise are required. The list (e.g., corporate relations, e-government and customer access) contrasts with the concerns of the Audit Commission: 'In many cases, authorities are running best value as a competing strategy to their approaches to many other topics (for example, e-government)'.
- In the IDeA booklet *IDEA Performance Support*, the IDeA is clear that the performance support team members, who are 'assembled to provide the help needed' will be 'largely senior serving local government officers and elected members'. The team will 'normally be led by a serving chief executive'.

In other words, it elects to choose the advisers, the pioneers of Best Value, from the very ranks of the sector which, when judged on two counts, has been deemed to be failing: the relevance and quality of the services they provide to their multifaceted communities and by the evident lack of democratic involvement.

Further, it is no surprise to note that the inspectorate too is drawn, in the vast majority, from the same sample. How cosy!

The Audit Commission states, 'The IDeA is offering an extended range of support and advice, which authorities should take advantage of'.

Is this a case of the inspectorate failing to conduct a 'reality check' on a product it appears to fully endorse?

If the Audit Commission practiced what it appears so keen to preach, why has it not encouraged a radical, iconoclastic and better value option—the involvement of private sector companies to undertake audit and inspections, and to open local government minds to the means by which the unthinkable may be embraced and organisations learn to swivel 180° so that they focus on those they profess to serve rather than on the maintenance of the self-serving integrity of their own establishments?

So, by recruiting from the very sector within which the government is determined to engender the concept of continuous improvement, these bodies ensure the perpetuity of all that legislation sought to change.

However willing, these recruits cannot apply a radical, customer-focused analysis to the situation. It is not in their make up. It is not what they entered public service for.

Most conspicuously it is the chief executives who fail because of their inability to engender the 180° swivel and to comprehend how they should encourage their organisation to embrace the specialist skills without which Best Value is a dead duck.

The application of rigorous customer and market research is the cornerstone of the development of an effective strategy in local government as it is with any corporation that needs to identify and meet customers' needs. Authorities who think citizens' panels and the such like are profound evidence of the fulfilment of the requirement to undertake consultation are guilty of cynical practice and, worse, a lack of professional responsibility.

Note that the Audit Commission states, 'Consultation and comparison are vital activities to find out how current performance compares with customer expectations and with other service providers. They can also identify new needs, opportunities and ways to deliver. However, if the time spent on these activities (consultation and comparison) is not productively converted into service improvements, then the time spent has little value'.

It got that right. But, if the document is evidence of its thinking, it has not thought through or, rather, cannot communicate, how well designed, conducted and analysed research can produce the qualitative and quantitative linkages which may illuminate and sustain the strategic reviews which lead to radical redirection to achieve far reaching objectives.

And if the Audit Commission cannot identify or articulate these links that bridge a critical gap in the process, what chance is there that the closed loop of advisers, auditors and inspectors will know what to look for, let alone assess?

Second, the need to sell itself to its public effectively is almost completely unrecognised. Local authorities have arrogance towards their citizens which is borne of their inheritance. Democratically assuming the roles of the 'lords of the manors', they, as in Russian history, enrobed themselves in czarist trappings. Local authorities are not driven by customer expectations, by an active dialogue with communities. They

lead by telling, not by selling policy and it is hardly surprising that the electorate has switched off.

Research and promotion are key elements of the discipline of marketing and marketing is a professional skill which local authorities, under the cosh of Best Value, fail to adopt at their peril.

The concept of 'intrepreneurship' could be useful. Intrepreneurship flourishes in an organisation that encourages risk taking and does not condemn failure. But the Audit Commission fails to promote it.

Worse still, the Audit Commission fails to highlight one of the key reasons why, to the detriment of Best Value, this is not happening.

It goes to the heart of the matter and it lies fairly and squarely with leaders and chief executives.

Whereas these chairs and CEOs fail to lead in the application of the above skills that are crucial to the successful implementation of Best Value, they diligently pursue their traditional instincts by binding Best Value to the corporate centre. Perceived no doubt as a prudent exercise in damage limitation, they pursue a 'top-down' policy and appoint corporate Best Value teams to provide the documentation and methodology to steer services on the BVPP hit list through the process. These teams led and staffed by officers who, having little or no direct experience of management and less still of front line service delivery, are incapable of the mindset and skills that are required to promote confidence in the adoption of radical challenge. Worse still, authorities, perceiving little or no value in the concept of effective management, determine to appoint officers quite divorced from the unit under review as leaders of the process with the result that line managers and their staff are sidelined.

While the adoption of external skills and attitudes to break the mould may seem threatening, there is no excuse for the Audit Commission not to highlight unequivocally the need for their adoption and point to the lack of such skills as a paramount reason for failure. The Audit Commission should stop using imprecise phrases, such as 'drilling down or upwards through these (strategic leadership, operational management and front line delivery) levels to convert their (the effective authority's) aims into achievements', particularly when the performance management framework in the statutory guidance is a model of clarity.

In 1992, Peninah Thomson, in her paper *Public Sector Human Resource Management: an Agenda for Change*, published by Kogan Page, referred to the inappropriateness of the old stereotypes in the public and private sector and the rapprochement noted between the two sectors already manifesting a step change. She continues, 'the key question in the public sector is no longer why?, but why not?; a fundamental shift'.

Best Value requires more of these step changes. Many are happening but they need recognition and confirmation that they are steps in the right direction. Those step changes not yet in place need to be identified and explained expertly. That way will signal the end to both frustration and any conspiracy theory that local government is being led up the garden path.