

MURPHY, P. and JONES, M., 2016. [Building the next model for intervention and turnaround in poorly performing local authorities in England.](https://doi.org/10.1080/03003930.2016.1171755) *Local*

Government Studies. ISSN 0300-3930

<http://dx.doi.org/10.1080/03003930.2016.1171755>

Abstract

This paper examines the design and implementation of the two recent models or strategies adopted for the intervention and turnaround of poorly performing local authorities in England in the two distinct periods of 2002-2008 and 2011-2015. The first was integral to the Comprehensive Performance Management regimes, while the second was developed under the Sector Led Improvement regime. The intention is not to determine which regime has, or had, the most merit or inadequacies, but rather to [synthesize knowledge and](#) identify areas that could be improved as policy and practice moves forward, particularly in the light of the recent general election in the UK. The paper finds that both models have merits as well as weaknesses, dependent upon context and policy priorities. It provides a review of when and where alternative models should be used, and a contribution to the development of the next regime. This, the authors contend, should have a greater emphasis on achieving more appropriate levels of public assurance than the current model is providing.

Key words: Corporate Intervention, Strategic Turnaround, Performance Improvement, Public Assurance, Performance Measurement,

Introduction

The external inspection and subsequent intervention in public services by agencies of central government in the UK dates back at least to the inspection of schools under the factories Act of 1833 (Martin 2008) and the establishment of Her Majesty's Inspectorate of Constabulary in 1856 (Murphy 2014). It has of course become an enduring world-wide phenomenon (Beeri 2013a, Beeri 2012b, Rutherford 2014). The response to adverse inspection or audit reports has also been a mixture of internal and external actions, advice, and assistance, often to be followed by re-inspection. Together with the increasing demand for economic, efficient and effective public services over the last 30 years, has naturally come the desire for economic, efficient and effective action to address substantially underperforming public services or public organisations.

Post 2008 recession austerity measures introduced by central government in the UK have meant that local public service delivery bodies are experiencing an unprecedented period of change and uncertainty, [although these circumstances are not confined to the UK](#). As the Coalition Government increasingly adopted, applied and prolonged the theory and practice of cutback management between 2010 and 2015, local bodies have had to respond to the demands of reduced financial resources, while faced with an ageing population and rising expectations of public services. These have been accompanied by the introduction of alternative delivery models and hybrid models of governance such as those occasioned by, the introduction of Police and Crime Commissioners, the continuing devolution of powers to Scotland and Wales, the restructuring of Health and Social Care under the 2012

Act, and the creation of new Combined Authorities in Local Government. This comes at a time when, in the name of 'austerity localism' (Lowndes and Pratchett 2012), centralised performance measurement, management and monitoring within the local government sector, has largely been reduced to individual service-based inspection regimes. The pre-2010 performance management regime co-ordinated by the former Audit Commission has been replaced by voluntary, peer review and sector-led mechanisms which potentially reduce public assurance, and increase the risk that organisational failure will re-emerge within the sector in the future (Murphy et al 2012, 2014, Murphy and Greenhalgh 2013, 2014). Although the formal closure of the Audit Commission was finally completed by the end of March 2015, following the enactment of the Local Audit and Accountability Act 2014, its responsibilities had already been emasculated, and its resources significantly reduced, by the time the CLG Select Committee report reported on its demise in 2011 (House of Commons 2011).

The purpose of this paper is to compare the intervention and turnaround regimes that operated in local authorities in England between 2002 and 2008, under the former Comprehensive Performance Assessment regime (CPA), with the current 'sector-led intervention model' (SLI) which has effectively operated since 2011 (LGA 2011); and for which a series of recent evaluations have been published, most notably from the main proponents and developers of the model, the Local Government Association (LGA), (Bennett et al 2014, Downe et al 2014a, Downe et al 2014b, LGA 2012a, 2012b, 2013, 2014, Planning Advisory Service 2013, Shared Intelligence 2013, 2014). [The intention is to synthesize knowledge of the field highlight areas for further research or investigation and inform policy and practice in this area.](#)

The intervening period between 2008 and 2011 was, to an extent, a transition period within which major restrictions on the financial resources of local authorities were introduced by the new Coalition Government, and, amongst a number of other public bodies, it was announced that the Audit Commission was to be abolished (DCLG 2010a). The closure of the Audit Commission followed one of the longest select committee investigations and reports of the Coalition Government's tenure. This focused on audit and inspection in local public services, which was directly linked to the announcement of the abolition of the Commission by the Secretary of State (House of Commons 2011).

The LGA, who are the representative body that collectively advocates on behalf of local authorities in England were the main [proponents](#) of sector led performance management and support both before, and after, the CPA framework was introduced in 2002. CPA was led by central government, and co-ordinated by the former Audit Commission (Campbell-Smith 2008) who published their final evaluation of the CPA regime in 2008 (Audit Commission 2008).

CPA utilised external inspectorates, external peers and 'change agents' and was often characterised as being a 'top down and centralised' performance management regime. CPA was however a unique era in the performance management of English local government, corresponding as it did, with the introduction of a national and comprehensive system of performance indicators and comparable standards and measures across all local authorities. CPA, allowed a comparison of corporate and service performance to be undertaken across the whole local authority sector for the first time (Audit Commission 2001, 2005).

Following the 2015 general election, and building on earlier reports from the National Audit Office (NAO) (2013a, 2013b), there have been increasing calls for reform and change in the governance, accountability, public assurance and management of local public services (Timmins and Gash 2014, CIPFA 2015, Brown, 2015, Murphy & Greenhalgh, 2015, Ferry and Murphy, 2015).

This paper focuses on one aspect of the performance management regime, namely the intervention and turnaround arrangements for addressing significantly under-performing local public services. More specifically, it concentrates on the corporate, or organisation-wide, intervention arrangements for local authorities, which are generally considered to be the most politically sensitive interventions and undoubtedly had the most significant impacts on public policy, service design and delivery since they were introduced in 2001. [It is also an area of increasing international academic interest \(Beerl 2012, 2013b\).](#)

The paper will therefore very briefly examine the literature of strategic turnaround and intervention before contextualising, and strategically positioning, the role of corporate intervention. The two regimes will then be investigated to compare and contrast their strengths with a view to informing policy and practice in the future. This need to look to the future, and a desire for continuous improvement, is also a stated concern for the LGA, which recently produced a consultation on the SLI regime (LGA 2015), following the publication of the reports mentioned above (Bennett et al 2014, Downe et al 2014a, Downe et al 2014b, LGA 2012a, 2012b, 2013, 2014, Planning Advisory Service 2013, Shared Intelligence 2013, 2014).

The more specific focus of this paper is greatly informed by the Bennett et al report (2014) for the LGA, which looks specifically at comparing three potential intervention

approaches (which they refer to as 'self', 'sector' or 'centre') to the turnaround of significantly underperforming councils and attempts to provide an 'ideal model' for the future. Our purpose is not to contradict the basic thrust of this and associated reports (on the contrary we support a substantial amount of it), but to respond positively to their initiative, and to build upon or refine some of their analysis, conclusions and recommendations, so as to help inform more economic, efficient and effective interventions in the future.

Literature

This paper builds on studies of corporate intervention, turnaround and recovery in local authorities, many of which focussed on the early years of CPA (Turner et al, 2004; Boyne, 2004; Jas and Skelcher, 2005; Turner and Whiteman, 2005; Wilson and Moore, 2007). Writing later, Beerli (2009, [2012](#) [2013b](#)), Douglas et al, (2012), Jones, (2013) and Murphy et al (2014) take an ex-post, longitudinal view of the CPA era, triangulating corporate assessments with reflections from senior practitioners and regulators and allowing the themes emerging from previous studies to be developed. This information complements the substantial evidence presented to the select committee (House of Commons 2011) and the Audit Commission's series of national reports (Audit Commission 2001, 2009). All, report favourably on the process and concluded with useful lessons that, in many cases, were adopted by both national and local government when developing the future generations of local authority performance regimes under Comprehensive Area Assessment (CAA) and SLI.

Unsurprisingly there is less academic literature evaluating the current SLI regime because of its contemporary nature. Many of the studies that have been undertaken, have either been produced or commissioned by the LGA (Bennett et al 2014, Downe et al 2014a, Downe et al 2014b, LGA 2012, 2013, 2014, 2015, Planning Advisory Service 2013, Shared Intelligence 2013, 2014,). However, the authors consider there is sufficient evidence emerging to begin to make comparisons and draw out some lessons for the future development of the intervention regime.

Contextualising Corporate Intervention

A high-level generic model, for designing and assessing the strategic, operational and financial performance regimes in locally delivered public sectors and services, has been identified from the current and previous performance management regimes for local government and other locally delivered public services in England. It builds upon, but extends, previous performance management regimes and frameworks, particularly CPA, CAA, and the more recent SLI regime, as well as individual service models. It also identifies the key areas for addressing corporate interventions. It is complemented by an assessment of the current state of maturity, and level of sophistication, of the 'evidence base' currently available for assessing corporate performance as assessed against the generic typology shown in Figure 1. This high-level indicative typology was developed contemporaneously with CPA and was used to scope 'fitness for purpose' of contemporary and subsequent intervention regimes for locally delivered services from 2002 to 2009. It has also been used in subsequent academic papers (see Murphy and Greenhalgh 2013).

Insert Fig 1 about here

The generic model differentiates four conceptual areas of interest or 'domains', which are shown in simple terms in figure 2 below but comprise:-

- An assessment of strategic and operational performance of the organisation,
- An assessment of the finances and resources and their assurance and resilience,
- An assessment of the individual and collective performance of collaborations and partnerships the organisation is strategically involved in delivering,
- An assessment of the organisation's improvement and innovation and its contribution to systemic improvement in its services or sector.

These domains all need to be addressed in any strategic turnaround or corporate intervention.

Insert Fig 2 about here

The remainder of this paper will consist of a brief summary of the lessons learned from the CPA interventions and the more recent SLI interventions, that are largely summarised by Bennett et al (2014), followed by a brief discussion and some conclusions and recommendations for further enhancing the regime.

Local Authority Corporate Intervention under CPA

In a recent study by one of the authors into the nature of strategic turnaround within English local authorities during the CPA Jones (2013), identified a number of underlying causes of corporate failure and subsequent recovery approaches adopted by improving local authorities, which can be used to help evaluate the usefulness of CPA as a mechanism for identifying and transforming poor performances. Taking a

longitudinal view of 23 case study local authorities, across the whole of the CPA period the study undertook an in depth analysis of the archival record of corporate inspections and performance reports, as well as key informant interviews with senior officers within turnaround authorities and government lead officials (who played a key role in brokering improvement either through direct intervention or support),

It is important to recognise that CPA did not occur in isolation and was in fact part of a package of scrutiny and performance regimes that had developed and evolved under the Labour government of the early 2000s. *Figure 3* below shows how CPA connected with other initiatives during this time and *figure 4* demonstrates the level and extent of scrutiny extant during this time, of which CPA was one, albeit significant, element.

Insert Fig 3 about here

Insert Fig 4 about here

It can be seen that external scrutiny during this time was a mix of statutory/non-statutory and peer and professional assessment. In truth, there was a lot of it and it is easy to see why CPA (and its replacement CAA) in particular, becoming a relatively easy political target as **being** over-bureaucratic and costly (House of Commons 2011). However, in the context of turnaround and improvement, CPA did provide a useful and necessary vehicle for identifying poorly performing councils, some of which were described by a 'Lead Official' leading the case study interventions (all of whom, at least in the early days, were senior ex-local authority officers) as 'undeniably unacceptable to any of the three party political leaderships (Conservative, Labour and Liberal Democratic) of the LGA, the Audit Commission,

the former Improvement and Development Agency (IDeA) or the government' (Jones 2013).

The costs of the CPA Intervention model were also far lower than previous peer-based initiatives from the former IDeA, in for example the London Borough of Lambeth, or the previous alternative of undertaking from the inspectorates of a series of service interventions such as the Education intervention in Leicester City; interventions that followed the issuing of Public Interest Reports by external auditors; or the high profile intervention in the London Borough of Hackney in 2000 (Campbell-Smith 2008, Audit Commission 2002).

Jones identified a range of underlying causes of poor performance present in failing councils at that time, namely;

- Lack of corporate capacity and capability,
- Lack of strategic leadership skills,
- Denial of the problem,
- Insularity and lack of self-awareness,
- Abnormal factors, incidents and events,
- Multiple and major service performance failings,
- Poor stakeholder management,
- Poor external collaboration,
- Poor prioritisation,
- and poor financial management.

(Jones, 2013)

There is clearly some overlap and considerable similarity between these causes and the findings of other studies, (Bennett et al, 2014 at p8, provides a summary of these). However, of key concern to this paper is the finding that the problems associated with poor performance were exclusively internally driven and stemmed from poor leadership and governance in terms of failing to recognise that organisations were poorly performing in the first place (Jones, 2013). Indeed, the problem was so inherent in poor councils that some even misread voluntary inspections and LGA arranged peer reviews prior to the first CPA inspections, considering themselves to be good and therefore taking no significant action to improve, when in fact they subsequently were assessed as poor or weak after formal inspections under CPA.

This is not to say that all poorly performing councils were in denial or misread the well-intentioned signs. Indeed, at least two councils, Coventry and Bury, following initial peer assessment, took pre-emptive action a year in advance of the first CPA inspection to remove the incumbent Chief Executive, and in the former case the council leader. However, this tended to be the exception rather than the rule and it was not usually until after a CPA corporate inspection that senior personnel changes (officer and elected representatives) occurred.

Jones found that CPA itself was the key trigger event that prompted the process of turnaround, and without its visible and inescapable scrutiny and comparison, change would not have occurred, a point that was recognised by all of the local authority officials interviewed for that study. This is not to say that those that underwent turnaround disliked CPA, and it is important to recognise that there were different levels of intervention in place ranging from the draconian to the supportive (ODPM 2003a, 2003b, [Beerli 2012](#)). The key question posed by lead officials during the

initial review of failing councils was if the council had the 'will and the where-with-all' to get itself out of trouble. If it did, then the accompanying regime, which included peer assessment and peer support, was generally supportive and the lead officials left as soon as the council was on a demonstrably sustainable recovery trajectory. There was therefore a recognition of the need for "self-improvement" and the need for sustainable recovery under CPA, which is also a major finding of the recent studies into the previous and current performance frameworks from Bennett et al.(2014) Downe et al (2014) and others

It is also clear that as CPA and related inspections built up an individual organisational and collective body of robust evidence, the issue of 'denial' gradually receded as coercive and mimetic isomorphism spread (Di Maggio and Powell 1991). In fact the range of improvements experienced under CPA (Bennett et al, 2014; Jones, 2013) included developing a better understanding of roles and relationships between officers and elected officials (especially in terms the inter-relationship between them), the introduction of new people and structures as well as strategic processes including the prioritisation of resources and performance management. They also included improvement in, so called 'external facing' approaches such as gathering intelligence and working with others. Significantly, these changes collectively brought about an increase in self-awareness that became increasingly important in the sustainability of successful turnarounds.

As assessed against the typology for the evidence base of performance management regimes shown in Figure 1 above, CPA was data rich, using information from a variety of sources and weighting this to form the overall assessment. It also increased the transparency and visibility of this information through the routine publication of inspection reports and assessments by the Audit

Commission. Similarly, a range of tools and techniques, were developed appropriate to the elements within the assessment in which they were used, e.g. external inspection reports from regulators, peer assessments and finance and audit inspections. The network of lead officials working with the Audit Commission and IDeA-commissioned peer assessors collectively provided a substantial co-ordinating framework aimed at ensuring consistency of approach and [open, robust](#) reporting. CPA also introduced for the first time the assessment of a range of strategic and corporate processes through 'key lines of enquiry' looking at collaborative working and engagement, leadership and governance arrangements and capacity as well as the way that internal and external scrutiny and challenge was undertaken and embedded. Finally through an assessment of ambition and 'direction of travel' (progress) it also raised the profile of the need to be focussed on the real and not [merely](#) the perceived needs of a locality in its wider context.

Jones (2013) [and Beerli \(2012\)](#) have shown that despite the centralist nature of CPA, it was not wholly top-down and unsupportive. Indeed, the intervention process could, where appropriate, be a light touch affair. However, the strength of CPA was in its trigger capacity and this was largely due to the comprehensive nature of the evaluation, its collective and mutually supportive use of expert agencies to provide an evidence base, and the sanctions that went with it in terms of transparent and public reporting.

The compulsory nature of CPA also ensured that poorly performing councils were identified and the reasons for this poor performance were articulated, 'surfaced' and addressed. Given that a key finding of most of the earlier studies (Turner et al, 2004; Jas and Skelcher, 2005; Turner and Whiteman 2005), is that poor councils initially fail to recognise the need to engage with comparative exercises and do not perceive

themselves to be poor (something which changed in councils during CPA), demonstrates this was a key strength of CPA. Clearly only a small minority of councils were failing and to some other councils CPA was considered an unnecessary burden but the question remains, without the external and independent scrutiny offered by CPA, would there have been an increasing scope for poor councils to slip through the net, only coming to light when it was too late? This is especially poignant during the period of austerity when councils are embarking on radical and therefore relatively risky strategies of redesign and realignment. It also raises the issue of transparency and public assurance, which we will return to later in this paper.

Local Authority Corporate Intervention under Sector Led Improvement

As mentioned above, this part of the paper is heavily dependent on analysis of a number of recent reports sponsored by the LGA, and in particular, the studies by Downe et al (2014), which is an evaluation of the LGA's Corporate Peer Challenge (CPC), and Bennett et al (2014), which is an appraisal of three alternative approaches to corporate turnaround, namely self-improvement, sector-led improvement and centre-led improvement. The study by Bennett et al (2014) is built upon a literature review of the CPA era and detailed case studies of the Doncaster and Wirral interventions since the general election of 2010.

The current paper compares interventions under CPA with the corporate peer challenges under SLI. At this stage it is important to note two things, CPA and Central Government Intervention was developed and supported by the previous government under CPA, but at each stage of CPA (and its successor CAA) there

was greater involvement and support provided by the local government sector collectively i.e. they were progressively moving towards SLI. However, as the select committee reports show, (House of Commons 2011) after the general election of 2010, both the new Coalition Government and the LGA, (which were by this time, both dominated by the Conservatives), clearly supported and embraced SLI.

Secondly, in addition to other primary research, the LGA study had access to the first 40 CPC reports and studies of the CPA literature (Bennett et al 2014), while our analysis only had access to the CPC reports that have been published on the LGA website (a minority of reports issued to date). Our analysis compares this material with a document analysis of 23 primary case study reports and material, previously in the public domain, but no longer publically available following the abolition of the Audit Commission and the transfer of only part of its archive (and the capacity to interrogate that archive) to the National Archives. This was supplemented with interviews and participant observation from former lead officials (including one of the authors) who were responsible for 20 intervention cases.

Bennett et al (2014) suggest that there are four broad stages that characterise successful turnaround,

- Triggers that help overcome denial and accept the need to change which can come from challenge, persuasion, compulsion and /or threats,
- Formulation of an effective recovery strategy,
- Retrenchment and stabilisation and action, monitoring and capacity building,
- An exit strategy when confidence is restored, performance management embedded and ownership or responsibility is resumed.

“But understanding what achieves turnaround in particular situations involves further lessons under 5 major headings” (Bennett et al 2014 p7), all of which were included in the study by Jones, (2013) and one of which is the focus for the current paper i.e. “Self, sector or centre which is the best approach and what are the conditions for success”. Bennett et al suggest that there is a clear value hierarchy to turnaround, *if other things are equal* (original author’s emphasis), namely self-improvement, sector-led improvement and only, as a last resort, central government led intervention. The authors would agree with this value hierarchy, as would the overwhelming majority of people interviewed for our own studies (government officials, auditors and improvement professionals, managers and politicians involved in the case studies).

Bennett et al (2014), later accept that both sector-led and centre-led approaches can effect turnaround and that there is no ‘one best way’ capable of achieving it. They do however conclude that “.....an approach that supports self-led turnaround and after that favours SLI, is more consistent with a ‘localist’ philosophy than one based on central government intervention. It also potentially brings practical benefits in terms of cost, disruption and sustainability” (2014 p 43). The localist philosophy (as a broad approach) is not however too dissimilar to the devolutionist aspirations of the previous labour government or the subsidiarity principle established in article 5 of the Treaty on European Union, which suggests that problems should be dealt with at the most immediate (or local) level consistent with their solution. The issue of whether it brings practical benefits in terms of costs is an issue we will return to later in this paper when we also consider some other perspectives such as transparency and public assurance.

Bennett et al, (2014) having helpfully explored the optimisation of self and sector-led improvement also provide an ‘ideal model’ for the improvement landscape which

accepts that even under optimal conditions for self-improvement and SLI, the backstop of central government intervention is likely to need to remain.

They therefore suggest the agreement of a protocol to be applied to those situations where there is sufficient evidence-based concern about the conduct or performance of a council. They do not acknowledge them, but equivalent protocols were rapidly developed and issued to lead officials (after consultation with the LGA and the Audit Commission) under CPA (ODPM 2003a, 2003b), while equivalent protocols for example in Fire and Rescue interventions have been produced as a result of Section 24 of the Fire and Rescue Services Act during the CPA era, as well as a revised protocol in 2012 under SLI.

Although the authors of the two reports (Bennet et al, 2014, Downe et al 2014), are far more nuanced and sophisticated in their considerations and conclusions, the LGA in its final report on the evaluation of the SLI concludes that:-

“an independent evaluation of SLI compared to central government intervention, for turning round a council that is visibly failing, concluded that a sector-led approach is better in supporting councils in their improvement journey, *all else being equal*” (LGA 2014 p 5 current authors’ emphasis).

Moving Forward: some conclusions and recommendations.

The purpose of this paper was to appraise and compare the intervention and turnaround regimes that operated in local authorities under CPA with the current regime under SLI, [in order to synthesize current knowledge on the subject and inform future policy and practice](#). The two regimes have therefore been examined to

compare and contrast their strengths, and to identify potential weakness in order to help develop policy and practice in the future.

In so doing, it is useful to remember that although the intervening period was largely a transition period, there were undoubtedly valuable aspects, particularly from the Comprehensive Area Assessment and Total Place initiatives, that were recognised by both central government and local government and the deliverers of local public services in other sectors, as well as by those who represent them collectively, their professional institutions and their regulators (LGA 2010, Hayden et al 2010). These lessons however, tended to revolve around improvements in collaborative working and partnerships, the development of national and local data, and information and intelligence that led to improvements in the local and national evidence bases available to all parties, of which the development of Joint Strategic Needs Assessments was an obvious example. There was however less progress made in the areas that are the focus of this paper, namely the performance management regime for local government as a whole and the efficiency and effectiveness of the intervention regimes for poorly performing councils and other local service delivery bodies.

We believe that our research [for this paper](#), the earlier work by Jones (2013), and the work sponsored by the LGA, particularly the report from Bennett et al (2014), [have](#) far more upon which all parties and commentators can agree on than they would disagree. Bennett et al, suggest that critical to any strategy is:-

....“the recognition of the factors and circumstances that are unique to each poorly performing local authority, and that the design of the intervention therefore accounts

for these features as contextual factors that need to influence and support intervention processes.” (2014 p10) and

....“What is critical is an authoritative voice capable of formulating and implementing a credible strategy which properly understands why turnaround is needed, and how those problems can be connected with a well-resourced and effectively managed strategy of engagement” (2014 p11).

This echoes the New Labour government’s mantra of “what matters is what works” from the early days of corporate intervention under CPA. In the first rounds of intervention under CPA, all lead officials and chairs of Government Monitoring Boards were former Directors or CEO’s of local authorities, although towards the end senior civil servants, regional office officials, auditors and others, without that background and experience, were sometimes appointed. It also reflected the more subtle changes in the Audit Commissions approach to designing its frameworks. This drifted from a clear focus on facilitating rapid improvement in Local Authorities, to **much** more of a ‘compliance’ based approach as auditors rather than inspectors reported to monitoring boards. A ‘tick box’ and bureaucratic mentality also re-emerged in the middle to late years of CPA, after reductions to the Commission’s financial support from central government were included in the Comprehensive Spending Review of 2005 (Campbell-Smith 2008).

The current research has however highlighted, inter alia, some key areas for improvement, some of which are confirmations of areas and issues highlighted in earlier literature, and some of which we believe are new.

The operation of collecting, analysing and using information for this study has itself highlighted a significant deterioration in the national evidence base. The availability

and ease of accessing performance information; the adequacy of the tools and techniques for interrogating and quality assuring its content; and the reduction in the systematic support infrastructure for improvement and innovation built or reliant upon it has all contributed to this deterioration (Ferry and Murphy 2015). This is largely as a result of the closure of the Audit Commission, the IDeA and related improvement agencies in Health, Police etc. and the reduction in budgets of those that survived. One particular key aspect for this study was the failure to keep the Audit Commission's comprehensive organisational archive publically available and in one place, including its archive of individual authority reports and the incalculable corporate memory loss that went along with it.

Research for this paper also highlighted the loss of a range of previously sophisticated tools and techniques to interrogate the evidence base. Neither the National Archives nor the LGA website are an adequate substitute for the previous inter-active Audit Commission and IDeA websites, and we are left to wonder why this invaluable archive wasn't transferred, in total, to the National Audit Office. The NAO were clearly identified early in the process by the Secretary of State as the intended guardians for ensuring the future financial assurance and co-ordination of public audit. It would have been particularly useful for the Secretary of State's proposed army of armchair auditors (DCLG, 2010b).

A comparison of the current state of the evidence base for local authority performance against the developmental model outlined in figure 1, would show that the evidence available in 2010 (up to the announcement of the abolition of the Audit Commission), was undoubtedly improving and equated to category 3, on the typology. However, rather than moving forward, and perhaps being fit for purpose at

some future point for a self-regulating regime, the evidence base has in fact deteriorated to, at best, a 'data rich' category 2 state.

This points to the second area that this research has highlighted where 'other things' have not 'remained equal' for local government improvement, (whatever approach is adopted), namely the accountability and transparency of the information available for the financial assurance and the performance management of individual authorities and local government sector collectively (Ferry and Murphy 2015). The LGA's final evaluation report (LGA 2014), points to 'stronger local accountability' and supports this with subjective evidence from opinion polls; the self-interested views of senior members and officers about accountability in their own authorities, and the 'increased confidence among government departments and their inspectorates in the theory of SLI and local accountability since the LGA "baseline" interviews of 2012 – although it notes that they wanted to see more evidence of it working in practice.

This contrasts with our own evidence and experience. From an admittedly small sample of senior and middle managers from local authorities (circa 65), i.e. those who undertook the performance management modules in our postgraduate part time courses over the last five years. For their assignments, these students assess and compare two performance management regimes and not surprisingly, often look at CPA and SLI since they have personal experience of both. They are asked to look at the regimes from the perspective of the public interest rather than from the interest of central or local government. They generally considered that there was more merit in the previous regime than in the current regime seeing the latter as more partial, opaque, voluntary and far poorer in terms of quality assurance and, more especially, [accountability transparency and public assurance](#).

Finally, all the evidence points to a need for an open, transparent, robust and independent appraisal of the costs and benefits of alternative forms of intervention, and the likelihood of sustainability of the different approaches in particular circumstances. Although the authors no longer have access to the assessments, they are aware (from personal involvement in one case), that such a high level appraisal of CPA costs were undertaken in 2001 when DETR were responsible for the local government sector.

Bennett et al (2014 p16) state “it is important to note that a variety of commentators have concluded that central interventions can be relatively cost effective even taking into account the associated collateral and non-financial costs”. Ministers at the time of CPA found that the services that the public were having to endure (in some cases for some considerable time), and for which they had no choice about paying, were so unacceptable, that expediting their improvement called at that time for a more radical and sometimes more coercive or directive approach. The alternative of extending the pre-existing local government peer improvement programme was not acceptable on economy, efficiency or effectiveness grounds and more radical action was considered necessary.

More recently, the issues in Rochdale and Birmingham, suggest SLI may not be adequate in all individual cases, and the recent report from Transparency International (2013) on corruption in UK local government, suggests a more systematic response needs to be complemented by a more robust intervention model than the one currently in place.

This paper has provided a contribution to the review of alternative intervention models and made suggestions as to when and where the different approaches

should be used. Our findings acknowledge that both CPA and SLI have merits and weaknesses depending on the context and policy priorities. However, the evidence base used by the latter was more partial not least because, there is a reduced level of public access to quality assured public data and information relating to local authority performance.

This study highlights the need for a more comprehensive analysis and appraisal of both the CPA and SLI regimes than is currently available. Such an analysis would facilitate the development of a future regime that is more balanced, proportionate and cost effective, while providing efficacy across a range of circumstances, and in so doing would provide a more appropriate level of public assurance.

References:

Audit Commission. (2001). Changing Gear. Best Value Annual Statement. London: Audit Commission.

Audit Commission. (2002). Force for Change: Central Government Intervention in failing Local Government Services. London: Audit Commission.

Audit Commission. (2005). CPA – the way forward. Audit Commission London.

Audit Commission. (2008). Report in the Public Interest under Section 8 of the Audit Commission Act 1998 Doncaster Metropolitan Borough Council. London: Audit Commission

Audit Commission. (2009). Final Score: the impact of Comprehensive performance assessment of local government 2002-2008. London: Audit Commission.

Beeri, I. (2009). 'The Measurement of Turnaround Strategies in Local Authorities', *Public Money and Management* 29, 2 pp 131-135

Beeri, I. 2012. Turnaround Management Strategies in local authorities: not only for poor performers. *Local Government Studies*, 38 (4) pp 461-483.

Beeri, I. 2013a. Direct administration of failing local authorities: democratic deficit or effective bureaucracy? *Public Money and Management*, Vol 33 (2) 137-144.

Beeri, I. 2013b. Government Strategies towards poorly-performing municipalities: from narrow perceptions to ineffective policies. *Lex-Localis – Journal of Local Self Government* Vol 11 (1) pp 33-52.

Bennett, Allen, T Grace, C and Martin, S. (2014). Self, sector or centre? Approaches to turnaround. London: LGA.

Boyne. G. (2004). 'A 3Rs Strategy for Public Service Turnaround: Retrenchment, Repositioning and Reorganisation', *Public Money and Management* 24, 2 pp 97-103

Brown L. (2014). *The future of Fire and Rescue Services in England – a survey for Shadow Minister Lyn Brown MP*. London: House of Commons.

Campbell-Smith, D. (2008). *Follow the Money: The Audit Commission Public Money and the Management of Public Services 1983-2008*. London: Audit Commission.

Chartered Institute of Public Finance Accountants. (2015.) *Protecting the public purse: The future of public audit*. Cipfa/PF Perspectives London: CIPFA.

DiMaggio, P. and Powell, W. (1991). *Introduction – The new institutionalism in organizational analysis*. Chicago: University of Chicago Press.

Douglas D. Jenkins, W. and Kennedy, J. (2012). 'Understanding Continuous Improvement in an English Local Authority', *International Journal of Public Sector Management*, 25, 1 pp 17-33

Downe, J. Martin, S. and Doring, H. (2014). Supporting councils to succeed. Independent evaluation of LGA's corporate peer challenge programme. London: LGA.

Department of Communities and Local Government. (2010a). Eric Pickles to disband Audit Commission in new era of town hall transparency. Available at <https://www.gov.uk/government/news/eric-pickles-to-disband-audit-commission-in-new-era-of-town-hall-transparency> accessed 15/12/2015.

Department of Communities and Local Government. (2010b). Eric Pickles 'shows us the money' Departmental books are opened to an army of armchair auditors. Available at <https://www.gov.uk/government/news/eric-pickles-shows-us-the-money-as-departmental-books-are-opened-to-an-army-of-armchair-auditors> accessed 15/12/2015.

Ferry L. and Murphy, P. (2015). A Comparative review of Financial Sustainability, Accountability and Transparency of Local Public Service Bodies in England under Austerity. Report to the National Audit Office.

Hayden, C., Jenkins, I., Rickey, B., Martin, S., Downe, J., Chan, D,L., McLarty, K.,Pierce, A., and Collins, B.,(2010). CAA an evaluation of year 1 London Shared Intelligence.

House of Commons. (2011). Select Committee: Audit and inspection of local authorities - Communities and Local Government Committee 4th Report Norwich: TSO.

Local Government Association. (2010). CAA evaluation: a sector perspective on year 1. London Local Government Association

Local Government Association. (2011). Taking the lead: self-regulation and improvement in local government London: LGA.

Local Government Association. (2012a). Research report: National Foundation for Educational research 2012 Evaluation of early adopter sector-led improvement programme pilots London: LGA.

Local Government Association. (2012b). Research report: National Foundation for Educational research 2013 Evaluation of the sector-led peer challenge programme London: LGA.

Local Government Association. (2014). Evaluation of sector-led improvement London: LGA.

Local Government Association. (2015.) Taking stock: Where next with sector-led improvement? London LGA.

Lowndes, V and Pratchett, L. (2012). Local governance under the Coalition Government austerity, localism and the big society. *Local government Studies* Vol 38 (1), pp21-40.

Jas, P and Sketcher, C. (2005). 'Performance Failure and Turnaround in Public Sector Organisations'. *British Journal of Management*, 16,3 pp 195-210

Jones, M. (2013). *Corporate Recovery and Strategic Turnaround in English Local Government*. DBA. Nottingham Trent University.

Martin, J., 2008. *Inspection of education and skills: from improvement to accountability*. In Davis, H., and Martin, S., *Public Services Inspection in the UK* London: Jessica Kindersley.

Murphy, P. 2014 The development of the strategic state and the performance management of local authorities in England. In: P. JOYCE and A. DRUMAUX, eds., *Strategic management in public organizations: European practices and perspectives*. Abingdon: Routledge, pp. 243-255.

Murphy, P. and Greenhalgh, K. (2013). Performance management in fire and rescue services. *Public Money & Management*, 33 (3), pp. 225-232

Murphy, P. and Greenhalgh, K. (2014). Peer challenge needs an independent Fire Inspectorate. *FIRE*, 106 (July/August), pp. 17-19

Murphy, P, and Greenhalgh, K. (2015). A response to 'The future of Fire and Rescue Services in England available from the Fire Sector Federation and Nottingham Trent University

Murphy, P. Greenhalgh, K. and Jones, M. (2011). Comprehensive performance assessment and public services improvement in England? A case study of the benefits administration service in local government. *Local Government Studies*, 37 (6), pp. 579-599.

Murphy, P. Greenhalgh, K. and Jones, M. (2014). Housing and council tax benefits administration in England: a long-term perspective on the performance of the local government delivery system. *Local Government Studies*, 40 (5), pp. 729-744

National Audit Office. (2013a). Financial Sustainability of local authorities – Report by the Comptroller and Auditor General Norwich: TSO and London Houses of Parliament Shop. London.

National Audit Office. (2013b). Financial management in government – Report by the Comptroller and Auditor General TSO and London: Houses of Parliament Shop.

Office of the Deputy Prime Minister. (2003a). Government Engagement with Poorly Performing Councils: Practice guidance for Lead Officials London ODPM.

Office of the Deputy Prime Minister. (2003b). Government Engagement with Poorly Performing Councils: Practice guidance for Lead Officials 2nd edition London ODPM.

Planning Advisory Service. (2013). Impact evaluation assessment – 2012/13 end of year report. London: LGA.

Rutherford, A. 2014 Organizational Turnaround and educational performance: the impact of performance-based monitoring analysis systems. *American Review of Public Administration Vol 44 (4) pp 440-458.*

Shared Intelligence. (2013). Change gear! Learning from health and wellbeing pilots peer challenges. LGA London.

Shared Intelligence. (2013). Review if the health and wellbeing system improvement. London: LGA.

Timmins, N, and Gash, T. (2014). *Dying to Improve: The demise of the Audit Commission and Other Improvement Agencies*. London: Institute for Government.

Transparency International. (2013). *Corruption in UK Local Government: The mounting risks*. Transparency International UK London: available at www.transparency.org.uk accessed 2nd April 2015.

Turner D and Whiteman P. (2005). 'Learning From the Experience of Recovery: The Turnaround of Poorly Performing Local Authorities', *Local Government Studies*, 31, 5 pp 627-654.

Turner, D. Skelcher, C. Whiteman, P. Hughes, M. and Jas. P. (2004). 'Intervention or Persuasion? Strategies for Turnaround of Poorly-Performing Councils'. *Public Money and Management* 24, 4 pp 217.

Wilson J and Moore C. (2007). 'Leading and Measuring Improvement in Local Government: The Case of Redcar & Cleveland Borough Council', *Public Management and Policy Association* June 2007.

Figures

Figure 1. The four-stage development of the evidence base for a performance management regime for locally delivered public services.

Figure 2. The domains of potential interventions.

Figure 3: Factors affecting Local Government between 2000 and 2010.

Figure 4: Scrutiny processes acting on Local Government.