Market renewal pathfinders

Independent scrutiny arrangement
The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local and national services for the public. Our work covers local government, housing, health and criminal justice services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we monitor spending to ensure public services are good value for money.

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Introduction

The Audit Commission has been appointed by the Office of the Deputy Prime Minister to assist in the assessment of Market Renewal Pathfinders. Each Pathfinder has to produce a prospectus setting out a strategic plan for their area. The Commission’s role will be undertaken in three parts:

- firstly, scrutinising the evidence base and working methodologies used in the diagnostic process;
- secondly, scrutinising the proposed solutions set out in the prospectus and other Pathfinder documents; and
- thirdly, monitoring the implementation of delivery programmes ensuring that review flows from learning.

Implicit in the process will be a sharing of learning, good practice and the reasons for success and failure.

This paper sets out the scrutiny framework which has been developed in conjunction with Pathfinder representatives. Many other local authorities also suffer from similar problems of dysfunctional housing markets, collapse, abandonment and low demand. This framework is therefore being shared as a self assessment tool to help local authorities gain a better understanding of the problem, what has led to it and the processes which may be appropriate for starting to develop solutions.

Scrutiny Focus

Although there are many common issues across the Pathfinders, each will be dealing with distinctive patterns of geography, politics, economy, inter-organisational dynamics, market forces and aspirations. Any scrutiny has to understand all of these and their impact, while working around some core methodology. The headlines of this methodology will therefore address:

- the diagnosis of the current position;
- the drivers that led to it;
- the solutions; and
- programme delivery.

This paper sets out the key questions for consideration.
**Diagnosis**

Analysis of the diagnosis of the current market position

Key Questions

- What information base has been constructed?
- What data sources have been chosen and why?
- How reliable are the data sources and can they be compared?
- What soft data has been canvassed?
- What trend analysis has been done?
- How have stakeholders been identified and consulted?
- What evaluation has taken place of previous and ongoing initiatives?
- What analysis has taken place of neighbourhood adjacency issues including population movement and sub-regional impact?
- To what extent has planning been drawn into the sub-regional context and linked into the analysis?

**Drivers**

Analysis of the key drivers that have led to the current position

Key Questions

- How have key drivers for market decline/collapse been identified?
- What is the evidence on which this is based?
- Are these drivers getting weaker or stronger?
- Are they being monitored, if so by whom?
- What is the inter-relationship between the drivers?
- Are key drivers local, regional or national?
- Which of the drivers can be in influenced in the long and short term by intervention?
- Which programme of intervention will influence the drivers?
- Who are the stakeholders and have they been engaged in commenting on the drivers?
- What is the forward forecast if market renewal does not happen?
- Are there any policy gaps and/or deficiencies which can be addressed at a local, regional or national level?
Solutions

What solutions are being proposed and would they be effective?

Key Questions

The solutions

● Are the proposals a realistic and relevant response to the problems experienced/forecast?
● What is the explicit link between the problem and the solution proposed?
● What option appraisal has taken place in arriving at the solutions?
● What are the likely consequences of the proposed ‘solutions’ on adjacent areas?
● How do proposals link with other relevant strategies, particularly the regeneration agenda?
● How has programming of non-housing activities been sequenced to deliver regeneration?
● What service and product outcomes are envisaged and are they likely to be sustainable in the long term?
● How robust are the proposed delivery vehicles?
● Have the key risks been identified and how will they be managed?

The resources

● What are the resource consequences of the solutions at a local, regional and national level and for whom?
● How have investment strategies, housing and others, been co-ordinated?
● Have all potential funding avenues been explored?
● What value for money and or cost benefit analysis tests have been applied to the proposed solutions?
● Are the proposed solutions deliverable, if so who is to do what and in what timescale?
● What procurement arrangements are envisaged and what is the value for money, quality and reliance of the providers?
The community
- What community input has there been or will there be into the details of the proposals?
- What communication has taken place on a neighbourhood and Pathfinder basis?
- Who are you trying to attract and how do you see that happening?
- How is community cohesion being addressed?

The governance
- What governance arrangements will be in place and who will manage what?
- How will the Board demonstrate accountability?
- Does the strategy reflect the economic and political environment and values of partner organisations?
- Are partners signed up to delivering their part of the solution?
- How are partners creating organisational capacity to meet the proposed requirements in terms of investment and ongoing service provision?
- What policy integration, beyond housing is being developed to ensure that economic development, planning, education and infrastructure do not operate in isolation?
- How have policies been aligned to reflect Market Renewal impact?

Programme

How is the programme being delivered?

Key Questions

The management process
- Is the programme, and its sequencing, consistent with the original proposals?
- Is it being delivered in a manner that brings people together or keeps them apart?
- What is the quality of partnership working and is it adding value to the delivery of solutions?
- Is it impacting in the way it was envisaged?
- Is resource consumption as forecast?
- How are slippage resources being redistributed?
- Have commitments been honoured?
- Where necessary has corrective action been taken?
- How is the management of transition, in relation to urban management issues being addressed?
- What performance management arrangements have been put in place?
The outcomes

- How is the impact of the programme being measured over a short, medium and long timeframe?
- How is the programme being monitored and expenditure tracked so as to ensure gap funding is not taking place without good cause?
- Does the operational plan clearly show who runs projects, what are the milestones, outcomes and internal monitoring arrangements?
- What key indicators are being used in addition to the core indicators, and how do they change during the life of the project?
- What will be judged as success by main stakeholders?

The community

- What do residents say about involvement, the impact of solutions and their ownership?
- What do they say about the future?
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