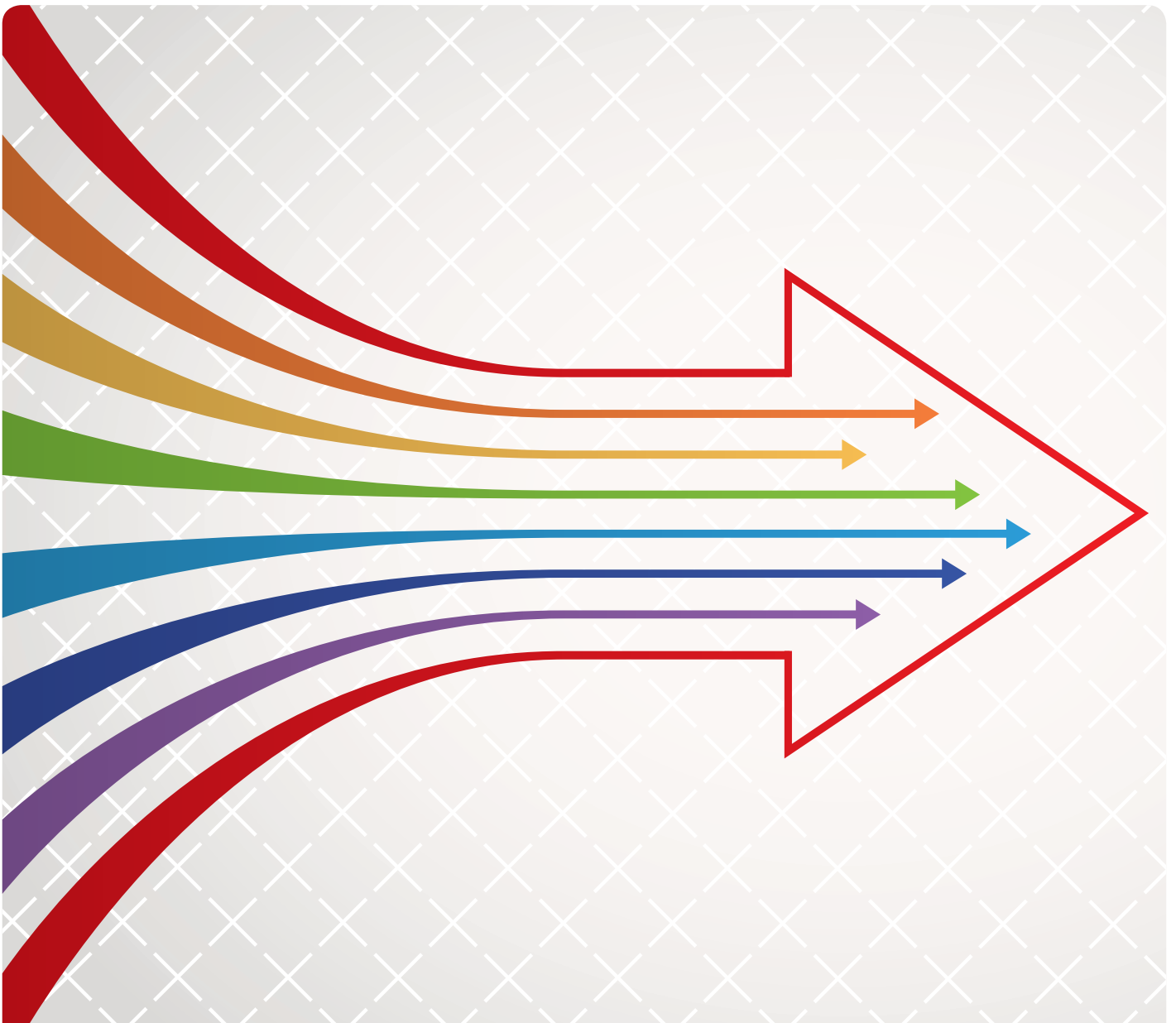


Taking stock

Where next with sector-led improvement?



Contents

Foreword	4
Introduction	5
Key principles and future challenges	6
Consultation questions 1-6	8
Improvement, assurance and intervention	9
Consultation questions 7-11	11
Improvement support	12
Consultation question 12	12
Children's services, adult social services and health	12
Consultation questions 13-19	13
Consultation question 20	14
Conclusion	15
Consultation question 21	15
How to Respond	15
Appendix A	16
Appendix B	17

Foreword



Three years ago the Local Government Association (LGA) published 'Taking the lead' setting out an approach to improvement in local government developed and agreed with councils.

It has been a success. As the wide-ranging evaluation demonstrated:

- residents remain satisfied with and continue to trust their local council, despite the increasing financial constraints being faced by the sector
- councils' performance across a wide range of metrics continues to improve
- the approach and offer of support from the LGA is welcomed and valued by councils.

But as public expectations continue to rise, resourcing pressures increase and political parties begin to think about potential policy changes impacting on local government we need to ask whether it is the right approach for the future or whether any changes are needed.

This consultation paper is your opportunity to tell us – please take it.

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a horizontal line and a vertical stroke that loops back up to the top of the 'P'.

Cllr Peter Fleming
Chairman, LGA Improvement
and Innovation Board

Taking stock

Introduction

Sector-led improvement is the approach to improvement put in place by local authorities (including Fire and Rescue Authorities) and the Local Government Association (LGA) following the abolition of the previous national performance framework. It is based on the fundamental principles that councils are responsible for their own performance and are accountable for it locally (not nationally), and that the role of the LGA is to support the sector.

The success of the approach is demonstrated by the results of the independent evaluation of sector-led improvement which has been used to track the impact of the approach and the LGA's contribution to it – since 2011. Despite having to deliver savings amounting to almost 40 per cent, councils have continued to deliver high quality services which are accountable to local people and trust in councils from the public remains high. The support provided by the LGA has had an impact and has been very well received by councils. A summary of the key facts and some of the research findings are set out in Appendix A. However, external stakeholders and the public still remain to be convinced about the robustness of the sector-led approach when there is no national system or obligation to be involved.

While inspection in many areas has ended, children's services are still subject to an inspection regime. Increasingly, many in the sector are now starting to question the credibility and objectivity of Ofsted given the increasing number of councils being rated in the lowest two categories and the consultation provides an opportunity to comment on the future of inspection in children's services.

The publication of the evaluation findings, coinciding with the run up to the next General Election, provides a good opportunity to 'take stock' and consider, with local authorities (including Fire and Rescue Authorities) and our key stakeholders, whether any changes to the approach are necessary. While it is unlikely that political parties will be highlighting issues around improvement in their forthcoming manifestos, it is the case that they are starting to develop their thinking and Appendix B summaries the position as we understand it at the moment.

All these factors provide an opportunity for the sector to review the suitability of the current approach to sector-led improvement. This consultation invites your views. Please take the time to respond.

Details on how to respond can be found at the end of this document.

Key principles and future challenges

The context within which local authorities (including Fire and Rescue Authorities) operate continues to change. A key starting point must be to ask whether any of these changes challenge the fundamental basis and principles on which sector-led improvement rests.

Government funding to local authorities for local services will have been cut by 40 per cent by May 2015. Councils have responded well, rising to the challenge. But there is more to come. At the same time public expectations remain high and demographic trends signal further pressures on already stretched services.

Sector-led improvement: key principles

At the heart of the approach to sector-led improvement is a set of core principles that have been developed with and re-affirmed by the sector. They are that:

- a)** Councils are responsible for their own performance and improvement and for leading the delivery of improved outcomes for local people in their area.
- b)** Councils are primarily accountable to local communities (not government or the inspectorates) and stronger accountability, through increased transparency, helps local people drive further improvement.
- c)** Councils have a collective responsibility for the performance of the sector as a whole (evidenced by sharing best practice, offering member and officer peers, etc).
- d)** The role of the LGA is to maintain an overview of the performance of the sector in order to identify potential performance challenges and opportunities – and to provide the tools and support to help councils take advantage of this approach.

Place-based approach: The momentum towards a stronger place-based approach to local public service delivery continues unabated – from the early days of community strategies and local strategic partnerships through local area agreements, total place pilots to community budget pilots – getting stronger at each stage.

A place-based approach to the integration of local public services and associated spending decisions is a key ‘ask’ we and councils are making of central government. In recent months, there has also been a focus on the work of combined authorities and agreement by Government to devolve some more Government programmes to them. How should sector-led improvement respond to the move towards a more place-based approach?

Local Accountability: One of the earliest actions of the incoming coalition Government was to dismantle much of the old top-down performance management framework to which local authorities had been subject. It had lost any ability it might have had to drive improvement and the cost of maintaining the complex architecture (estimated at £2 billion) was simply unsustainable.

Councils have always been at the forefront of the accountability and transparency agenda. Almost all decisions are made in public. Decisions are subject to scrutiny by the public, media and scrutiny committees. Councils consult and engage with the communities they serve far more than other parts of the public sector. But is there more that councils should be doing to strengthen local accountability or for councillors to exercise effective scrutiny?

All councils make information about their performance available on their websites and through other means. In the field of adult social care, the LGA and the Association of Directors of Adult Social Services (ADASS) have encouraged all councils to produce a “local account” on an annual basis setting out for the public an account of what has been achieved with the resources available.

More broadly, LG Inform, the LGA's online data comparison service, has now been made available to the public. LG Inform stores around 2,000 different measures, allowing officers, councillors and the public to assess the performance of councils and Fire and Rescue Authorities against a wide range of metrics and also compare performance with other areas. But is there more that councils or the LGA should do to provide opportunities for the public and others to have comparative data about councils? For example should all councils be expected to carry out and make public a self-assessment each year?

Consultation questions

1. Given the current and future challenges facing the sector, are the principles on which sector-led improvement is based still the right ones?

Answer options:

Yes, they are still all relevant exactly as they are

Yes they are generally relevant, but I suggest some changes

No, none of them are relevant now

Don't know

2. If you answered no, or suggested changes, what would you suggest as alternatives/ additions?

3. How should the increasing role that councils play in working with other parts of the public sector on a place-based approach be reflected in sector-led improvement?

4. Is there more that all councils should do to strengthen local accountability in their areas? If so what?

5. Do councils or the LGA need to do any more to ensure that local people and others have the comparative performance data they need to hold councils to account? If so what?

6. Is there anything more that needs to be done to help councillors exercise effective scrutiny?

Improvement, assurance and intervention

One of the key underlying principles of sector-led improvement is that local authorities are accountable to local people and communities, not to central government or the inspectorates and, as part of our offer to the sector, we made available a range of support to help local authorities strengthen local accountability. The LGA has always been clear that while our role is primarily to provide support to authorities we will also maintain an overview of the performance of the sector so that we can ensure that we continue to develop the right forms of support, but also to ensure we can respond quickly to challenges with individual councils or groups of councils and offer appropriate support.

Yet Government continues to collect huge amounts of data from the sector (estimated at around 40,000 data items per council per year) and in some instances this data is being used to make judgements about performance. For example, the Department for Communities and Local Government (DCLG) uses data returns to monitor the speed with which councils process planning applications. Planning authorities who process 40 per cent or less of major applications within 13 weeks may be designated as, 'poorly performing' and as a result applicants may choose for their application to be handled by either the local planning authority or the Planning Inspectorate.

Some stakeholders believe that the lack of a national framework or system allows some authorities to effectively opt out of sector-led improvement and therefore there is a danger that councils that are "coasting" or where performance is declining, are not being sufficiently challenged by the sector to improve. The fact that corporate peer challenge is voluntary is held up by many as an example of why sector-led improvement may lack sufficient rigour and coverage.

The Public Accounts Committee has raised concerns about what is perceived to be a lack of knowledge by Government about the performance of councils, on the basis that it still funds local government to a significant extent and are relying on councils to deliver many of their policy objectives. The current Government has so far resisted re-entering this space but there are concerns that a future government could be minded to introduce at least some form of a national performance management system.

Some commentators within local government and central government have suggested that the LGA should take a tougher line and that sector-led improvement should have more bite. This includes an expectation that all authorities should have a corporate peer challenge and that without everyone participating it undermines sector-led improvement. While it is the case that the overwhelming majority of authorities have published their peer challenge report and many have published a response or action plan, the fact that this is not always the case can also undermine our approach to sector-led improvement.

Moreover, in the past few months, there have been two high profile cases where central Government has used its inspection powers to go into a council to gather evidence which allows the Secretary of State to decide whether to formally intervene or not. This is the first time that Government has used such powers since 2008 and could signal a growing appetite to intervene.

The Government has adopted a different approach to inspection in these two cases. In the case of Tower Hamlets, it commissioned PwC but in the case of Rotherham it appointed Louise Casey, a DCLG official, as the 'inspector'. The way these inspections have been carried out and the formal engagement with the council has therefore varied and there appears to be no clear or standard process in place.

This is in contrast to the way “Corporate Governance Inspections” were carried out previously which included a clear methodology and process for clearing a report with the council and often member or officer peers participating as part of the inspection team.

In addition, Sir Bob Kerslake has recently completed a review of the governance and organisational capabilities of Birmingham City Council. The methodology he adopted for the review was based on the principles of the LGA’s peer challenge model and included an advisory panel of member and officer peers.

In the light of all this activity, do we need to re-position sector-led improvement slightly and, in particular, the peer challenge element?

All corporate peer challenges look at the things we know are critical to local authority performance and improvement, as well as providing lots of flexibility about the rest of the scope of the challenge. The five core areas are:

1. Understanding of local context and priority setting
2. Financial planning and viability
3. Political and managerial leadership
4. Governance and decision-making
5. Organisational capacity.

Do we need to make any changes to the way we deliver corporate peer challenge, including the core components?

The stakeholder (particularly Government’s) concerns about sector-led improvement could largely be dealt with if every authority committed to a peer challenge every four or so years with the reports all made public and a commitment to an action plan and follow up. This would re-position peer challenge as more than just an improvement tool but it is likely to be seen as attractive to whichever party is in control after the general election and would mean that pressure for Government to fill this space would be significantly reduced.

A possible alternative is that government decides that if peer challenge remains voluntary that it will create some form of diagnostic or inspection to provide them with the reassurance it needs to be carried out in authorities which do not participate in peer challenge.

In addition, it is likely that there may continue to be occasional instances in the future where government may want to use its powers of intervention. Even in these cases, there could be value in offering to work with government on the methodology it adopts when carrying out such inspections and potentially play a role.

Consultation questions

7. Do you have any views on the core components of a corporate peer challenge?

8. Should all authorities be expected to have a corporate peer challenge on a regular basis, say every four years?

Answer options:

- Yes
- No
- Don't know

9. Should all corporate peer challenge reports be published?

Answer options:

- Yes – all should be published
- Yes – unless there are exceptional circumstances
- No – this should be a matter of local choice
- Don't know

10. Should all authorities be expected to produce an action plan following a peer challenge?

Answer options:

- Yes
- No
- Don't know

11. Are there other things we should do to limit government's potential appetite for inspection?

Improvement support

In summary the LGA's core support offer has included:

Support to assist local politicians to lead both their places and their authorities through a range of **leadership programmes**.

At no cost, a regular corporate **peer challenge** to every authority.

LG Inform – the sector's own online data sharing and benchmarking service.

Helping the sector to capture and **share good practice** through the web, including the creation of Knowledge Hub.

Helping councils to drive down costs through our **productivity programme**.

Working with the regional and other infrastructure to ensure that the most is made of the resources available.

Authorities have valued the support that has been provided but looking ahead are there some key changes you would like to see? For example, should we do more to support councils to make savings? Is there more that can be done to share good practice or foster innovation?

Consultation question

12. What changes would you like to see from the LGA's improvement offer?

Children's services, adult social services and health

Over the last three years, the LGA, working with Solace, the Association of Directors of Children's Services (ADCS) and ADASS has developed a comprehensive programme of support across children's social care, adults and health improvement building on the elements of the 'core' offer. ('Sector-led improvement in local government'. LGA June 2012).

Children's services: The LGA offers a range of support to councils for children's services including safeguarding children peer reviews, safeguarding practice diagnostics, care practice diagnostics, leadership essentials for lead members for children's services and a new diagnostic for Local Safeguarding Children Boards.

The recent events in Rotherham have brought renewed focus on child sexual exploitation and there is an element of tackling this within the LGA's existing offer but councils may want more support in this area.

Similarly, events surrounding the Trojan Horse letter in Birmingham have demonstrated

the unclear and overlapping accountability arrangements for schools and a number of councils have suggested that the LGA should now develop a specific improvement offer to help councils adapt.

The current inspection regime for children's social care, through Ofsted's Single Inspection Framework, is onerous and to date no council has received the highest rating of outstanding. Inspections can impact on staff morale and councils' ability to attract and retain staff.

A new integrated inspection programme is being piloted to assess the effectiveness of all agencies in an area in keeping children safe. Rather than a single inspection across all agencies, as the LGA and others have called for, it is proposed that separate inspections will continue through individual inspectorates within a similar timeframe and with the addition of a joint assessment of the Local Safeguarding Children Board.

Questions have been raised about public confidence in Ofsted following a number of cases where judgements have been downgraded after a high profile incident, both in schools and councils. The LGA has called for an independent review of the inspectorate.

Consultation questions

13. Is there a continued need for the inspection of services that protect and care for children and young people?

Answer options:

- Yes
- No
- Don't know

14. If you answered yes, should that inspection be carried out by Ofsted?

Answer options:

- Yes
- No
- Don't know

15. Is there a continued need for the inspection of councils' school improvement services?

Answer options:

- Yes
- No
- Don't know

16. If you answered yes, should that inspection be carried out by Ofsted?

Answer options:

- Yes
- No
- Don't know

17. Should separate inspections of agencies contributing to the protection and care of children, such as councils, health and the police, be replaced by a single inspection of services across all agencies in an area?

Answer options:

- Yes
- No
- Don't know

18. If a new multi-agency inspection for the protection and care of children is developed, should this be delivered through Ofsted, another existing inspectorate or a new inspectorate?

Answer options:

- Ofsted
- Another existing inspectorate (e.g. Care Quality Commission, Her Majesty's Inspectorate of Constabulary, Her Majesty's Inspectorate of Probation)
- A new inspectorate
- Don't know

19. Do councils need further support, such as bespoke models of peer review for child sexual exploitation or schools improvement, to meet the challenges faced in children's services? If so, what?

Adult social care and health: Continuous sector-led improvement in adult social care is led and coordinated by TEASC (Towards Excellence in Adult Social Care). A Board chaired by ADASS with membership from the LGA, Department of Health (DH), Care Quality Commission and Think Local Act Personal oversee a programme of regionally based improvement which is robust, transparent and has the increasing respect and confidence of sponsors and stakeholders.

At a national level LGA and ADASS work with experts in the sector to develop self-assessment and reporting tools – Managing Risk, Use of Resources, Commissioning for Better Outcomes, Safeguarding Adults, Adult Social Care Framework (ASCOF) performance – which Directors of Adult Social Services (DASSs) use in peer challenge at a regional level. In some regions, there is an improvement board chaired by a Chief Executive who oversees the improvement work and in some it is chaired by regional DASSs – often the Chair of the ADASS region.

The ASCOF data shows that nationally, performance in adult social care is increasing, despite having to make significant budget savings (over 20%) over recent years. Whether this would have been achieved without a continual focus on improvement, supporting leaders to lead, ensuring authorities who are struggling are picked up and supported by peers and the LGA, making the tools for improvement available to the sector is a major part of the debate.

The strong links between the national team and the regional programme support teams and with the DASSs through ADASS contributes to the increasing transparency

which makes this approach more robust. Capacity in this system is currently stretched and we have recently introduced the Adult Improvement Advisers (AIA's) to support the LGA Principal Advisers and the regional DASS lead to embed the programme of improvement in each region and to support local authorities on particular areas of challenge.

Continuous sector-led improvement is therefore a major part of how adult social care has managed to maintain their performance and has become the way change is embedded in adult social care.

More recently the LGA, ADASS and the regions have been commissioned by DH to help councils deliver a number of specific changes in adult social care and health. This has led to a number of joint programmes dealing with the Better Care Fund, Care Act and Winterbourne View.

Some of these programmes might more strictly be thought of as providing implementation support as opposed to 'improvement'. The LGA working jointly with DH and other partners, has developed stocktakes to support local planning and inform national support and resource discussions, providing reassurance at all levels.

This has sometimes felt uncomfortable for some in the sector but by being part of the process we have played a key role providing confidence back to Government about the sector's ability to deal with these challenges.

Consultation question

20. Do you have any comments about the arrangements and support put in place to help councils and their partners implement changes across adults and health programmes?

Conclusion

It is now over three years since we launched 'Taking the lead' setting out the approach to sector-led improvement and the LGA's support offer. A lot has happened since then.

We have the experience of providing a wide range of support; we have the lessons from the independent evaluation and the

policy and financial context within which local authorities (including Fire and Rescue Authorities) work is becoming clearer, if no less challenging.

It is therefore opportune to 'take stock'. We are keen to do this with local authorities and for their views to inform how the approach and offer develops.

Consultation question

21. Do you have any other comments about the current approach to sector-led improvement?

How to respond

This consultation invites the sector's views about the future of sector-led improvement and the shape of the LGA's support offer to the sector. We are keen to receive a wide range of views, from leading members and officers in local authorities (including those involved in scrutiny), from national stakeholders in Government departments and the Inspectorates and from partners with which councils work locally.

The closing date for the consultation is Friday 13th March 2015. An online form has been set up to provide a quick and convenient method for responding.

All leaders and chief executives have been sent their own unique link to the online form. If you are a chief executive or leader and you have not received your unique link, please contact kate.cooper@local.gov.uk, who will forward this to you.

Anyone else wishing to submit a response can generate their own unique link by clicking here: <http://survey.euro.confirmat.com/wix9/p1841157349.aspx>

Please note that unique links should not be shared with colleagues unless you would like them to fill them in on your behalf, as their response will overwrite your own.

We have set up the online form to provide a quick and convenient method for responding to the consultation. However if you would rather respond by email or another method, please feel free to do so. Responses can be sent directly to kate.cooper@local.gov.uk.

All responses will be treated confidentially by the LGA. Information will be aggregated, and no individual or authority will be identified in any publications without consent.

If you have any queries about this consultation, please contact nick.easton@local.gov.uk.

Appendix A

Sector-led improvement: Key facts and evaluation findings

- Nationally, nearly three quarters of almost 100 indicators have improved since 2010.
- Residents trust in councils is high: when asked in July 2014 whether they most trusted their local council or the Government to make decisions about how services are provided in their local area, 80 per cent said their local council (significantly higher than the 70 per cent a year previously), while just 14 per cent most trusted the Government.
- The percentage of leaders and other senior councilors agreeing that the LGA understands what councils need to help improve their service and organisational capacity has increased from 70 per cent in 2012 to 79 per cent in 2013.
- Over 350 peer challenges have been delivered, making use of thousands of peer days donated by councils and the research found that the challenges were helping councils drive forward improvements.
- Ninety three per cent of leaders and chief executives said the support from the LGA had had a positive impact on their authority.
- Support from the LGA's productivity programme had helped councils achieve savings in excess of £400 million, equivalent to a saving of £8 for every £1 of investment.
- Over the three years over 2,000 councillors had been trained and developed through the LGA's leadership programmes and a further 300 graduates had been recruited through the National Graduate Development Programme.
- LG Inform has received over 66,000 visits from 36,000 unique visitors since it was launched and is now available to the public.

Appendix B

Policy Context

In the run up to the next General Election the political parties will be reviewing their thinking about local accountability and performance. The impact of the Scottish Referendum and the subsequent debate around devolution continues, but in the meantime:

For the Conservatives the commitment to localism and local accountability is likely to remain a key feature of the approach to local government, maintaining the reduced burden of data reporting and inspection. There has been a noticeable focus on transparency and this may remain, with ministers also continuing to make their views known about specific issues as they arise (of which the joint letter from Eric Pickles MP and Nicky Morgan MP about safeguarding vulnerable children is an example). Separately, the Government has recently announced that it intends to explore how the budget given for improvement services can be opened up to competition.

The Liberal Democrats pre-manifesto document re-affirms the Party's commitment to decentralisation and commits to a reduction in DCLG's powers to interfere in democratically elected local government in England and to the establishment of a commission "..... to explore the scope for greater devolution of financial responsibility to English local authorities....." At the same time there is a commitment to spread democracy in everyday life, including by "..... increasing the opportunities for people to take democratic control over the services on which they rely". (A Stronger Economy and a Fairer Society: Enabling every person to get on in life. August 2014).

The Labour Party in the final report from their Innovation Task Force (People-powered public services. Local Government Innovation Task Group. July 2014) has suggested that the next government should review existing data reporting requirements to ensure they are fit for purpose in a more devolved system. This should focus on fewer strategic outcomes rather than a larger number of narrowly defined targets. Local authorities would need to publish data on outcomes being delivered in their communities in a clear, comparable and accessible way so that they can be held to account by local people for their performance.

In addition to accountability by people, a 'light touch' approach to performance management is suggested and would need to be agreed with central government. This would seek to detect and respond appropriately to underperformance:

- For authorities improving outcomes: no need for any action.
- For authorities not improving outcomes: a toolkit of options would be available which range from self-improvement measures to peer challenges, which have been shown to effectively drive improvement by identifying unique issues with a council's performance and taking bespoke measures to overcome them.
- For authorities persistently failing to make progress: the centre retains reserve powers to intervene as a last resort. Options would be available to initiate appropriate special measures such as the direct appointment of time-limited commissioners, a boundary review or a governance review.

The Taskforce recommends a separate and more intensive approach to challenging safeguarding to ensure standards are monitored and constantly driven up. Safeguarding peer challenges (both child and adult) should be conducted every three years, and the challenges should cover all services with safeguarding responsibilities in the area including the council, health bodies and the police.

The Public Accounts Committee has been pressing Government about how it ensures it is better informed about the situation on the ground among local authorities across England, in a much more active way, in order to head off serious problems before they happen. To date Government has stopped short of re-creating a performance management or inspection regime which provides them with such reassurance but the debate about this has not gone away.

Finally, the DCLG select committee have said in the next Parliament they will launch a review of councils' scrutiny functions.



Local Government Association

Local Government House
Smith Square
London SW1P 3HZ

Telephone 020 7664 3000
Fax 020 7664 3030
Email info@local.gov.uk
www.local.gov.uk

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For a copy in Braille, larger print or audio,
please contact us on 020 7664 3000.
We consider requests on an individual basis.