



SOLACE RESPONSE TO LGA 'TAKING STOCK' CONSULTATION

INTRODUCTION

Solace welcomes this consultation, which offers a timely and helpful opportunity to reflect on sector-led improvement – as well as wider issues of accountability, inspection and improvement across the sector. Solace has been, and will continue to be, clear about our support for the principle and practice of sector-led improvement. Previous policy reports issued by the Society have set out this support, both in specific professional areas and at a corporate level.

However, we agree with the LGA that it is an opportune moment to 'take stock' and to take a clear and challenging look at how the sector moves forward. We would also add that while sector led improvement has had its successes, both individual examples of leadership and service failure and the nature of ever changing risks within the sector mean that we must not be complacent and must ensure the approach adequately reflects the principles on which the work is based.

SPECIFIC RESPONSES

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

Yes they are generally relevant, but we suggest some changes

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

Sector-led improvement, though a separate issue, is clearly entwined with questions about the legitimate role of national Government in inspection, improvement and accountability. This is acknowledged in Principle B, which states that councils are *primarily* accountable to their local communities. We believe this is correct and are strong advocates of local accountability.

However, we believe these principles could and should be strengthened by a clearer account of the legitimate, though rightly limited, role the sector believes that Government should have in accountability and improvement terms. This should set out a clear principled stance on when Government inspection and/or intervention are warranted and, conversely, when they are not. By staying silent on this element the sector abdicates its leadership role, and enables individual Governments and individual Government departments to take inconsistent approaches.

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?

Wherever possible, improvement mechanisms should seek to focus on thematic, place-based and multi-agency approaches. We recognise the challenges inherent in this approach given the LGAs status as a membership body of local authorities. However, as the question rightly implies – this shift must be recognised.

Within the SLI model itself, we believe there is much to be commended and learnt from in some of the grant funded programmes run to support local places in managing their local health and care systems. Such work seems to strike a helpful balance between offering real, tangible support to local authorities in particular while not being excessively or unnecessarily parochial or institution-bound.

As such approaches continue to develop, we also believe that both SLI and more formal, centrally driven inspection or accountability models, must refocus away from institutions and toward ‘client groups’ and ‘risks’ or ‘outcomes’. For example, we believe it is increasingly untenable for inspection in children’s services and safeguarding to be unable to ‘follow the risk’ wherever this presents itself in the public sector – in local authorities, the police or health services for example.

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

We believe there are a few key priorities in strengthening local accountability in the sector:

1. Transparency and Open Data

Councils are already one of the most transparent areas of the public sector. Performance, spending and other data are already being released by many councils. However, we believe there is still much more that can be done in this space. Councils are unique within the public sector, combining local accountability with a very broad set of organisational functions. Such a combination strengthens the need for transparency and openness to enable local people to make fair and consistent comparisons across places.

2. Strengthening scrutiny

It is becoming increasingly accepted within the sector that the role of formal and informal scrutiny within local authorities needs to be strengthened in some places. We will not repeat the excellent work already undertaken by the Centre for Public Scrutiny (CfPS) but would urge the LGA and local authorities to take their recommendations seriously.



This also applies to other publically funded organisations within a locality, which should also be held to account by local people through the scrutiny process. This could manifest itself in a local public accounts committee, but should also include an acceptance that organisations including non-maintained schools, housing associations and health organisations should expect scrutiny locally and should take an open and transparent approach to information and data to ensure that this is facilitated.

3. Moving from communications to engagement

The rise of digital communication tools, including social media, is part of a wider societal trend which is rendering institutions more permeable and breaking down established hierarchies. Local government is not immune to this pressure, indeed in some ways it is more exposed to it than other parts of the public sector. A powerful impact of these changes is the need for all institutions, particularly public ones, to deepen and broaden their engagement with their local residents. Many places have already recognised this and much good work has been done. However, we believe many councils will need to move further in this regard.

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?

A critical component of enabling local people to hold councils to account is, as the question suggests, the availability of good *comparative* performance data. LG Inform is a first step in this direction. In our view, the LGA could and should play a critical role in brokering agreement across the sector on data standards and formats. This would then enable local residents, businesses and others to build their own tools to scrutinise and compare performance across different places. In our view, the LGA needs to balance work which resources the collection and presentation of data itself with work which aims to ensure consistent standards of collection and presentation are encouraged across the sector.

Moving forward we believe that local authorities will have a crucial role as 'stewards of public data'. We are already beginning to see this role emerge in some places, for example in the way that Transport for London (TfL) has approached open data. Rather than releasing apps or products itself, TfL has self-consciously defined its role as one of providing reliable and regular data to the public. This has enabled an eco-system of private sector solutions to develop which enable residents to make efficient use of the transport infrastructure.

It is unlikely that the private sector and/or interested individuals will ever implement the full range of tools the sector may feel it needs. However, encouraging consistent standards will enable greater plurality to develop – allowing the LGA to focus its resources where the sector believes it needs such tools and where the market is not in a position to provide them.

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

We would again urge the LGA to consider the excellent work done by the CfPS. We would also re-iterate the importance of transparency and good quality, timely and helpfully presented data to scrutiny as well as wider public accountability.

We would also suggest that building scrutiny into the ongoing learning and development of officers throughout a local authority, within all tiers and service areas, is crucial to helping emphasise its importance in the democratic process. It is also acknowledged that the executive system of local authority governance, in addition to its clear merits, has resulted in a reduction in the number of opportunities for more junior officers to engage with local politicians. Involvement in scrutiny, as well as being crucial in its own right, should also be seen as a valuable way to build the political understanding of officers.

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

Peer challenges, and other components of SLI, seek to play multiple roles. On the one hand, they are a tool to help local authorities improve what they do and to receive helpful outside challenge and support. They are also an assurance tool, both for the managerial and political leadership of the authority in question, but also for Government and local residents.

In our view, the core components do seem to miss several features one would want to focus on if driving improvement and service quality, alongside providing assurance, are also core goals. In particular, the current core components do not include, on the surface, anything around transparency and data. They also do not bring innovation or risk to the forefront.

In terms of the role of peer challenges in providing assurance, it is our view that the lines of enquiry and areas of focus of reviews are driven too heavily by 'local choice'. While there is a role for local choice, there is also a role for the sector collectively identifying priority areas for focus and pursuing these (as we have addressed this in more detail in question 12).

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

Yes

9. Should all corporate peer challenge reports be published?

Yes – all should be published

(We cannot conceive of an extenuating circumstance that would justify the non-publication of a peer review, though we do recognise that there is often some sensitivity around the timing of publication. While such reviews do not have the same legal status as external audits, we believe publication should be considered a non-negotiable part of the peer review process.)

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

Yes

Individual authorities will rightly decide how they choose to respond to reviews and local residents, local scrutiny and governance processes and other mechanisms will hold them to account on this. However, it is clear that there should be an expectation that some form of plan is put in place to deal with the recommendations and that this should be published.

Our caveat is that we would not want to see this general expectation turn into a prescriptive requirement which also specified further details about the form and function of such a plan. Specifying such further detail is likely to be unhelpful as the response will, rightly, look different in different places.

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

We would fairly strongly contest the framing of this question. We believe that a better way to frame this question is to ask if 'there are other things we should do to drive improvement and service quality in the sector and to provide assurance to the public that councils are being challenged to continuously improve'.

Considering this form of the question, it is our view that improvement activity in the local government sector is relatively under-resourced in relation to other elements of the public sector. This is, in part, a question of improving the incentives for both Government and individual local authorities themselves to invest in collective, sector-led infrastructure to offer improvement support. To this end, we would suggest one possible mechanism in which central Government, possibly DCLG, offers its contributions to SLI on a 'match-funded' basis. For every £1 contributed by a local authority to LGA membership, and thus to the SLI activity delivered by the organisation, Government would also contribute from a pot which is otherwise used to fund central inspection. This creates a dual incentive, encouraging investment within the sector and gradually shifting the proportion of resource Government puts into inspection and sector-led improvement respectively.

As we have noted in questions 7 and 12, we also believe there is a legitimate role for the LGA to be more forceful in setting out core components of some sector-led improvement activity. For example, peer reviews should reflect a balance between the councils requested areas of focus and a set of priorities informed by a wider understanding of the potential risks and areas of opportunity across the sector.

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

We believe there are a few key changes the LGA could make to strengthen its improvement offer:

- i) Effectively balancing LG Inform resources between brokering and implementation of data standards across the sector alongside developing and delivering tools which the sector needs but which the market is not able to provide.
- ii) Greater sharing of the collective lessons emerging from peer reviews. Individual peer reviews clearly offer a great deal of value to individual authorities. However, we believe more could be done to draw out some of the key lessons which will apply to other local authorities and to share these across the sector.
- iii) Related to the above, we also believe that there is an opportunity for individual peer reviews to be firmer in reflecting a balance between these collective lessons and the areas of focus the individual authority would like support with. We believe more can be done to reflect on the patterns and themes emerging from individual reviews about the key areas of risk or opportunity, nationally or within a region.

These findings *can and should* inform the lines of enquiry which future peer reviews pursue, complementing those chosen by the authority themselves. This opportunity, to *collectively* seek to recognise risks and opportunities and to then look at how these play out in an individual place is something the LGA is uniquely positioned to do given its democratic legitimacy within the sector. It is also in line with Principle C of the Key Principles set out in the consultation document.

- iv) We recognise that some of the LGAs improvement activity is undertaken 'behind the scenes' – with LGA staff and others working with specific places to provide support and challenge. Such activity has a place in the improvement offer, and there is a case to be made about the effectiveness of approaching some issues this way. However, the consultation document makes no reference to this more 'informal' offer. While we recognise the challenge in achieving this, we feel it is important for the sector to find a way to better evidence the impact of these activities – and the role they have to play in both driving improvement and providing assurance to the wider sector, the public and Government.
- v) We believe there are significant opportunities in further developing and expanding the regional offer around sector-led improvement. Regional approaches allow for variation to suit local needs and context as well as fostering the relationships and institutional bonds needed in delivering wider public service reform.

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

Yes

(This answer is with the proviso that inspection is not about particular *services*, but is rather a place-based, multi-agency approach to providing assurance about the effectiveness of safeguarding arrangements)

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

No / Don't know

(We are agnostic about the organisation that undertakes inspection. Whichever organisation does take on this role will need two things however: firstly it will need the legal powers to pursue risk wherever it lies within public services & secondly it will need the expertise to do this. Currently we remain unconvinced that Ofsted meets either of these conditions. However, if these conditions could be met within the current organisation we have no in principle objection.

We are also increasingly concerned at the ability of the existing inspectorate to act independently when they are appointed and funded by the relevant Government department. We would recommend that inspectorates are instead held to account and report to Parliament, in a similar way to the National Audit Office. Fundamentally, inspection only works when the inspectorate is seen as credible and has the confidence of the inspected.)

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

Only in areas of high risk. For example, an inspectorate to retain a reserve power to inspect in geographies where evidence from school inspections have identified the potential for significant failure within the local authority.

We would also like to take this opportunity to re-highlight our concerns that in some places, Ofsted appears to be inspecting school improvement services to academies – in direct contradiction to DfE policy that local authorities should not play a role in academy improvement. While we believe local authorities have a legitimate interest in the performance of all schools in their place, we cannot have a situation where the inspectorate takes a different view of local authority duties to the relevant government Department.

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

See answer 14

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?

Yes

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?

See answer 14

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?

We do believe there is the need for a bespoke peer review model around Child Sexual Exploitation. More generally, we believe the peer review model should have sufficient flexibility to effectively focus on the specific challenges and needs of individual places, informed by both their own self-assessment and by the themes and patterns emerging from previous reviews.

This relates to our answer to question 12. The LGA, and the wider sector, has a legitimate role identifying emerging risks and therefore partially directing where, when and what is reviewed rather than leaving all of the initiative to individual authorities. We believe this approach is underpinned by Principle C of SLIs Key Principles, which rightly asserts that alongside responsibility for their own performance, councils have a *collective* responsibility for the performance of the sector as a whole.

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?

As we noted in our response to question 3, we believe there is much to be commended in the many of the grant-funded programmes to support changes across adults' services and health. In particular, we welcome the flexible and non-parochial way in which they work across local public services.

We would note that this area of improvement activity appears to disproportionately resourced relative to other areas of local government activity. We recognise that this is, to a degree, unsurprising given the proportion of local government spending in this area and the scale of the transformation challenge facing local health and care economies in the coming years. This could also, to some degree, be justified by the very different regulatory and accountability landscape in adults services. The lack of an inspection framework, such as the one that operates in children's services, looking at the safeguarding of vulnerable older people could be seen to increase the need for strong, sector-led programmes of improvement support.

We also recognise that much of this work is grant-funded by the Department of Health. While we welcome the resource available to support such activity, we would urge the LGA not to allow these programmes to be excessively dominated by the needs of the Government department funding them. Such programmes should not slip across the boundary that separates genuinely sector-led activity from activity which is merely sector-delivered. This may also require efforts to rebalance the contribution made by the Government and by the sector itself.

As indicated in earlier responses (question 12 and 19) we also think there could be further efforts to share the learning from this activity, and for such learning to inform future improvement work.

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

We believe that for sector-led improvement to be a success it must achieve two core objectives. Most importantly, it must offer the genuine support and challenge needed to help authorities drive improvement and innovation. Secondly however, it must also provide assurance to the public.

Compulsion

It will only be possible to achieve these two goals, in our view, if the system has a degree of compulsion. We recognise the challenge in introducing compulsion within a membership organisation. However, if SLI activity is to offer genuine assurance to local communities, it must be compulsory to participate and (where it is a formal peer review) to publish findings. Where such activity is of the more 'informal' style (referenced in our response to question 12, section iv) we believe the LGA needs to better evidence the impact of such activity to provide the necessary assurance. Such an approach is legitimate and is supported by Principle C underpinning sector-led improvement, that '*Councils have a collective responsibility for the performance of the sector as a whole*'. It is further supported by the LGAs unique role and its democratic legitimacy within the sector.



Compulsion could be underpinned by making participation a compulsory part of LGA membership, and if this were possible Solace would be in favour. If this proved difficult to implement, another approach would be to underpin compulsion with a backstop of Government inspection. The LGA could be clear that authorities who do not participate will be named, and their details will be passed onto the Government. It would then be for the authority concerned to provide sufficient assurance to Government in those limited areas where the sector agrees Government has a legitimate interest (see question 2). The authority could do this through either commissioning an external report, or through being subject to Government inspection.

New models of improvement

We believe the sector also needs to strongly consider whether or not there is a future model of SLI which sits 'between' lighter-touch peer reviews and full government inspection. Such a model would seek to provide external challenge, review and scrutiny to places who have demonstrated themselves either resistant to conventional peer review and/or to clearly not recognise or respond to evident weaknesses. We believe such an approach could involve a jointly commissioned third party being deployed to undertake harder edged (but non-inspectorial) reviews. These third parties could be jointly commissioned by the sector and other Government departments where appropriate – building, for example, on recent the model underpinning the Kerslake Review in Birmingham.

We recognise that this would challenge the LGA's present membership model. However, if the sector is to properly limit inspection to a small number of places where the high risk warrants Government involvement, we believe that we need to have a much sharper and firmer SLI offer targeted at the more challenged end of the performance spectrum.

Transparency and openness

If we are to both drive improvement and provide assurance to the public, the sector will also only be achieved if local authorities continue to build on their firm strides toward transparency and openness. We firmly agree with the first core principle underpinning SLI, that councils are primarily accountable to their local communities and not to Government. Transparency, the publication of useable, standardised open data and a culture of engagement are the underpinning components which enable local people to hold their councils to account. Future work on sector-led improvement should bring an even greater focus on how these can be driven across the sector.



Releasing capacity

Our final additional point would be the need for a clearer strategy for releasing expertise across the sector to fulfil the potential of sector-led improvement. Collective responsibility for the performance of the sector as a whole implies that we need to be firmer about ensuring councils are freeing up resources within their own organisations to take part in sector-led improvement activity.

We recognise this is, in some ways paradoxically, becoming both increasingly difficult and increasingly essential. The need for strong, well-resourced sector-led improvement programmes is clearer than ever – driven by both increasing localism and the financial pressure being placed on the sector. Simultaneously, that same financial pressure is challenging the ability of individual authorities to release the necessary resources. We would welcome a more open debate as a sector about how this is best achieved.



BACKGROUND

Solace is the representative body for over 1200 Chief Executives and senior strategic managers working in the public sector in the UK. We are committed to promoting public sector excellence. We provide our members with opportunities for personal and professional development, and seek to influence debate around the future of public services to ensure that policy and legislation are informed by the experience and expertise of our members. Whilst the vast majority of Solace members work in local government we also have members in senior positions in health authorities, police and fire authorities and central government.