

## **Centre for Public Scrutiny: Annual Report to LGA for 2018/19**

### **Purpose of report**

For information.

### **Summary**

The Centre for Public Scrutiny (CfPS) is commissioned by the LGA to support sector-led improvement by providing advice, guidance and support to local authorities on governance – with a focus on the operation of councils' overview and scrutiny arrangements.

The purpose of this report is to provide the LGA Leadership Board with an overview of the CfPS delivery of the LGA funding contract 2018/19. This also provides the Board with an update on broader CfPS developments and the focus for 2019/20. The summary below is supported by a copy of the CfPS Annual Report ([Appendix 1](#)) which is submitted to Companies House and the Charities Commission.

### **Recommendations**

The LGA Leadership Board is asked to note and provide any feedback on the performance of CfPS.

### **Actions**

As directed by Members.

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## **Centre for Public Scrutiny: Annual Report to LGA for 2018/19**

### **Introduction**

1. The purpose of this report is to provide the LGA Leadership Board with an overview of the CfPS delivery of the LGA funding contract 2018/19.
2. This paper also provides the Board with an update on broader CfPS developments and the focus for 2019/20. The summary below is supported by a copy of the CfPS Annual Report (**Appendix 1**) which is submitted to Companies House and the Charities Commission.

### **Background**

3. CfPS was founded in 2003 by the LGA, the Chartered Institute of Public Finance and Accounting (CIPFA) and the Local Government Information Unit (LGiU). The aim at the time was for CfPS to be a national centre of excellence to support local government in delivering its scrutiny obligations. Since then it has established itself as the leading national voice on scrutiny within local government, and on a range of other issues relating to governance and decision-making across public services. Throughout that time CfPS has maintained a positive and close working relationship with the LGA.
4. Lord Bob Kerslake is Chair of CfPS and Cllr John Riley currently represents the LGA on CfPS's Trustee Board. The LGA Contract Manager for CfPS is Dennis Skinner, who also sits on the CfPS Advisory Board.
5. The grant award from the LGA to CfPS in 2018/19 was £180k. Finance and HR services are procured from the LGA (present annual cost of £36.4k) and one member of the CfPS staff team is an LGA secondee. Two other secondees from LGA became CfPS employees from July 2019. In total the CfPS core team (both secondees and employees) is 5.5 FTEs, with two additional members of the team on short-term contracts providing delivery and research support. The business model for delivery is to create project teams which draw on a network of partners and experienced associates to meet the client's need.

### **CfPS Strategic Direction**

6. Since the appointment of a new Chair and Chief Executive in 2015, CfPS has continued to proactively support local government, alongside diversifying into new sectors to widen its charitable impact and create a financially sustainable organisation.
7. Reflecting the financial challenges facing local government and the wider public sector, CfPS has faced significant reductions in funding in recent years. In response, action has been taken to broaden the client base, reduce cost income ratios and operating costs. Good progress has been made however reserves have been used and following a loss of £53k in 2018/19 reserves fell to £142k,

below the level of £200k set as by the Board as the CfPS reserves policy, reflecting charity good practice.

8. Further steps have been taken in 2019/20 to reduce staffing costs and increase business development.. The current financial position at the half-year point is positive (profit of £62k, with reserves increasing to £203k), and whilst this is normal for the first half of the year, there is a good pipeline of business and a number of proposals being considered by both public and private sector organisations. This leads us to be cautiously optimistic, but we are conscious that the position remains challenging, particularly with continued uncertainty nationally. Progress will be closely monitored and regularly reported to the LGA.

### **2018/19 LGA Performance Summary**

9. CfPS works closely with the LGA to provide targeted improvement support to councils, as well as supporting scrutiny functions and practitioners with policy and practical support. This is working well overall, particularly for those councils who require significant support, there is still potential for closer working in some areas.
10. LGA funding also supports CfPS in its policy development and research role in relation to scrutiny and governance. Work in 2018/19 was developed and delivered under three different workstreams, as set out in our March 2018 programme proposal:
  - 10.1 **The financial challenge.** Councils face not only an unprecedented squeeze on resources, but uncertainty about future funding sources. This reflects the reality for the sector since at least 2010. Increasingly, commercialisation is seen as a key method to bring about some financial stability – but it brings with it challenges around governance and risk which are yet to be fully addressed;
  - 10.2 **The democratic challenge.** There is the risk of an increasing disconnect between local people and councils' understanding of them, and their needs. Councillor-led scrutiny is part of the answer to this challenge; reflecting and reviewing governance more generally is another part;
  - 10.3 **The complexity challenge.** We have engaged in the past few years on a variety of issues which fall under this broad subject. Our work on commissioning and transformation in 2015, our 2015-17 work on devolution, and our broader work on partnership working and collaboration highlights the increasing challenge posed by complexity in governance.
11. During 2018/19, CfPS was contracted by the Ministry for Housing, Communities and Local Government to assist in the production of revised Scrutiny Guidance for local authorities.

Improvement support

12. Quarterly updates have been provided to the LGA on our performance in 2018/19;
  - 12.1 support on improvement: 50 days of CfPS time are set aside, to be used on a “call off” basis by Principal Advisers to support improvement in councils (10 in 2018/19). This is complemented by additional payment through grant outside of the core contract for support to councils in priority need; and
  - 12.2 helpdesk support (54 in 2018/19): CfPS provides support to those working in governance and scrutiny (including councillors) in local government, on demand, by phone or e-mail.
13. Crucial to the successful delivery of CfPS support is the need to engage with the LGA’s sector-led improvement offer, being directly involved in the work of Principal Advisers and the Peer Review process.

Other support delivered as part of the core contract

14. The LGA grant also supported the delivery of the following in 2018/19.
  - 14.1 A discussion paper on political culture, which has fed into our 2019/20 work on governance risk and improvement;
  - 14.2 A discussion paper on intervention, risk and oversight, which has also fed into our 2019/20 work on governance risk and improvement (funded out of the core grant);
  - 14.3 Produced a full revision of our Practice Guides, republished as a single “Good scrutiny guide”, which was published after the delayed launch of the statutory guidance in May 2019 (see below);
  - 14.4 Produced “Scrutiny frontiers”, a digest of excellent examples of scrutiny work from around the country, which will now be an annual publication;
  - 14.5 Carried out a survey of the perceptions of officers and members on overview and scrutiny, published in December 2018;
  - 14.6 Delivered a full events and conference schedule, including our annual local government conference in December 2018 attended by 165 people and a series of national training events monthly throughout 2018/19, engaging with over 150 people;
  - 14.7 Published more regularly detailed blogs about issues of interest to scrutiny practitioners;
  - 14.8 A more targeted and robust approach to delivery of our “helpdesk” service, and better analysis of its impact. This saw an increase in use of our helpdesk from 2017/18 figures.

Other support delivered separately to the core contract

15. In 2018/19 we delivered several pieces of paid work outside of our core contract. These were:

- 15.1 Support to the Combined Authorities Governance Network. We convened three meetings of this new network in 2018/19, securing engagement and attendance from almost all (M)CAs and the delivery of several research products on FOI, information sharing and LEP/CA working relationships;
- 15.2 Guidance for Police and Crime Panels. We worked with colleagues in the LGA's community safety team and with colleagues at the Home Office (alongside other stakeholders) to produce an update to our 2012 guidance to PCPs. This was launched at an LGA event in Q1 19/20;
- 15.3 "10 questions" guide on suicide prevention. We produced a practical guide for scrutiny practitioners on how to engage with policy on suicide prevention;
- 15.4 Direct support to councils. We provided support to a number of authorities outside of our 50 days envelope, generally paid for from Principal Advisers' regional budgets. This included work in Northamptonshire, LB Kingston and West Midlands Combined Authority.

#### Our approach to evaluating our work

16. CfPS constantly keeps under review how the impact of its work is evaluated. In previous years we have used our annual survey as the primary source of evidence for this evaluation. 2018/19's annual survey was a shorter version (biennially, our surveys ask more detailed technical questions about CfPS's work, with the next of these surveys taking place in 2019/20). As such a range of techniques are used to evaluate:
  - 16.1 Evaluation forms following meetings and events. These show a consistently excellent level of satisfaction and engagement with our training offer, and events funded by the LGA.
  - 16.2 Follow-ups with councils where we have provided advice, guidance and support. Depending on the support we have provided we will generally follow up qualitatively with councils six months or a year following that support. In most instances we can demonstrate that our support has a direct, positive impact on the quality of scrutiny in those authorities. In the few cases where performance issues have been identified, CfPS management has acted to resolve these as quickly as possible and lessons learnt to avoid future concerns.
  - 16.3 Download figures for our publications. Although a blunt tool in itself, download figures can give us a useful sense of the reach of our publications, particularly when seen alongside other quantitative data, such as the number of people signed up to our mailing list and survey response figures. Overall, download figures show solid interest particularly in newer, and more practical publications. Publications tend to have a long lifespan; CfPS publications from 2014/15 and earlier continue to be downloaded and actively used, and part of our ongoing work is ensuring that such work remains relevant.
17. Feedback received at regional scrutiny meetings and other networking events. Although informal and qualitative in nature, these face-to-face opportunities for feedback are important for us in understanding the needs of the core audience of scrutiny practitioners who we serve. Regional scrutiny networks exist in most English regions and we commit to attending each at least once (and usually

twice) annually. Work in 2018/19 revealed where some regional networks are in abeyance – through a lack of consistent officer support, mainly – and work in 2019/20 is underway at the time of writing to reinvigorate those networks which may have become dormant.

18. Through our Helpdesk support during the year we provided guidance and information to 54 councils. 20 of the approaches were dealt with substantively at the time, as they were queries requiring mainly signposting and technical advice. The remaining 34 were on more complex issues, mainly requiring advice on the intersection between scrutiny, governance, party politics, organisational development etc.
19. Direct support of 50 days was used across 10 councils; Ashford, Cambs & Peterborough, Dacorum, Dorset, Harrow, Kensington & Chelsea (work in addition to governance review), Milton Keynes, North Kesteven, Thurrock & Uttlesford, ranging from 1 days' support to over 12. We have fed back directly to Principal Advisers on the specific outcomes of this support council-by-council.
20. Detailed figures relating to the above are reported regularly to our Board, and to individual Board members. The LGA also has a Trustee representative on the CfPS Board and a place at the Advisory Board. Some are also included in the Annual Report attached.

### **2019/20 – LGA Work Programme**

21. CfPS's work in 2019/20 is focusing on three areas;
  - 21.1 Political culture. Drawing on our work in 2018/19, this incorporates our major research work on governance and risk. It also includes plans to directly engage with senior leadership and members on the executive side to demonstrate the practical support that the leadership of local authorities might make to scrutiny;
  - 21.2 Scrutiny improvement. This is focused on embedding the statutory scrutiny guidance and supporting improvement through the development of our "Good scrutiny guide" and our Scrutiny Improvement Review. We are also developing a range of other additional guidance documents to support practitioners to review subjects such as equalities, climate change and social care;
  - 21.3 Financial scrutiny. Recognising the continued importance of this issue we are working with the LGA and other partners to improve the quality of budget scrutiny and scrutiny of in-year finance issues, principally the interface between scrutiny and audit.

### **Next steps**

22. The Leadership Board's feedback on CfPS' performance and areas of focus is welcomed.