

Sector-led improvement evaluation: baseline report

Purpose

For discussion

Summary

The baseline report of the LGA evaluation of sector-led improvement is due to be published towards the end of September 2012. This paper summarises the content of the baseline report and the key baseline findings, against which the latter stages of the evaluation will judge progress.

Recommendation

That the report be noted.

Action

The full baseline evaluation report will be published towards the end of September 2012.

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Sector-led improvement evaluation: baseline report

Background

1. In November 2011, the Improvement Board approved the specification for an evaluation of sector-led improvement. The evaluation is running over a two year period, with the main aim of understanding whether, in the context of reduced resources within the sector:
 - 1.1 the approach to sector-led improvement has the confidence of the sector and the government and, as a result, the trust of the public;
 - 1.2 the sector has been able to strengthen local accountability;
 - 1.3 the sector is adopting the sector-led improvement approach and continues to improve with a reduced burden of inspection, and in the absence of top down performance assessment; and
 - 1.4 the tools offered to the sector have had a positive impact on the sector's capacity to improve itself.
2. Evaluation activity will be ongoing until the end of 2013. There are many different elements to the sector-led improvement programme and these will be evaluated to varying degrees of intensity over different timescales.
3. Reports will be delivered in three phases – a baseline in September 2012, an interim report in early 2013 and a final report towards the end of 2013. The purpose of producing three reports is to ensure that learning and feedback gained throughout the period covered by evaluation activities can be used to develop and improve the approach to sector-led improvement and the individual offers as quickly as possible.

Phase 1 Reporting September 2012	Phase 2 Reporting early 2013	Phase 3 Reporting December 2013
Baseline report	Interim report	Final report
Individual reports of elements of the offer		

4. The evaluation consists of two parts:
 - 4.1 overall evaluation of the **approach**; and
 - 4.2 evaluation of the LGA's **offer** of support to the sector.
5. In addition to this evaluation, separate evaluation activity is being undertaken to look at sector-led improvement in children's services and adult social care. To ensure a comprehensive assessment of sector-led improvement as a whole, elements of the sector-led improvement evaluation have been expanded to include questions about TEASC and CIB, where appropriate.
6. The purpose of the baseline evaluation report is to establish an initial picture, in the early stages of the sector-led improvement process. This will provide the basis against which the latter stages of the evaluation will judge the extent to which sector-led improvement is succeeding.

Baseline results

7. This section summarises the key baseline findings for those aspects of the evaluation for which results are available. These results will be reported more fully in the baseline report.

Key messages

8. For each of the evaluation objectives, the key findings from the baseline research are summarised below. Further details about the views from the perceptions audit, members of the public, chief executives and leaders and the survey of heads of policy and performance are at **Annex A**, attached.
9. Generally, it is too soon to draw conclusions on progress: this report provides an initial picture which will provide the baseline against which the interim and final evaluation reports will assess progress.

Does the approach to sector-led improvement have the confidence of the sector and the government and, as a result, the trust of the public?

10. Key stakeholders who were interviewed for this evaluation (including senior civil servants and regulators) are generally positive about sector-led improvement. The general view was that although implementation appeared to get off to a slow start, the pace of development is picking up.
11. However, a number of potential risks concerned stakeholders. First, there was a perception that there is a lack of transparency (for example, it is not mandatory to publish peer challenge reports); and secondly, there was some concern about managing the risk of underperformance (perhaps stemming from a lack of understanding of the sector's arrangements).
12. Overall, the sector itself is supportive of the approach. The survey of heads of policy and performance found that over half of respondents (59 per cent) had heard a lot or a moderate amount about the approach whilst a further 32 per cent had heard a little. The survey asked these respondents whether they think it is the right approach in the current context. Seventy five per cent agreed or strongly agreed, 16 per cent were neutral and only six per cent disagreed.
13. Awareness is also high amongst chief executives and leaders: in August 2011, 90 per cent of chief executives and 80 per cent of leaders questioned as part of a telephone survey had heard at least a little about the sector-led improvement approach.
14. A first round of polling has established the baseline for public trust – 10 per cent trust their council to a great extent and 51 per cent a fair amount. Further rounds of polling in the coming months will monitor any changes in this.

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Has the sector been able to strengthen local accountability?

15. It is too early to make a judgement on this, but the survey of heads of policy and performance provides a picture of the activity that is currently ongoing.
16. Overall, it shows high levels of some engagement and accountability activities such as consulting on proposals to get feedback and ideas (91 per cent are doing this) but also identified room for improvement. For example, 70 per cent of respondents' authorities will need to improve to reach the level of local accountability and engagement with residents that each authority aspires to.

Is the sector adopting the sector-led improvement approach and continuing to improve?

17. The survey showed a high level of confidence amongst respondents in the skills and capacity of both their own authorities and of the sector to monitor its own performance and continuously improve. Ninety five per cent of respondents were confident in their own authority to a great or moderate extent, and 83 per cent for the sector.
18. It is too early to judge whether this is happening in practice; later stages of the evaluation will draw on the baseline results and an analysis of performance data to judge progress.

Have the tools offered to the sector had a positive impact on the sector's capacity to improve itself?

19. The survey of heads of policy and performance revealed differing levels of awareness of the various offers. Awareness was highest for corporate peer challenge (84 per cent were aware) and Knowledge Hub (82 per cent). Five per cent had not heard of any of the offers.
20. Respondents were fairly positive about the likely impact of the support and resources on offer on both their own authority's capacity and the sectors capacity to monitor its own performance and continuously improve.¹ For both their own authority and the sector as a whole, around two thirds of respondents thought that these will have a great or moderate positive impact (66 per cent for their authority and 67 per cent for the sector).
21. **Annex B** (attached), 'Evaluating the offer of support to the sector', outlines in greater detail the specific strengths and challenges for the individual LGA offers.

¹ Note this question was only asked to respondents who had some awareness of the LGA's approach to sector-led improvement and/or of the resources offered by the LGA to support this.

Next steps

- 22. The baseline report will be published towards the end of September 2012. The report contains findings which will inform development activity within individual offers as well as informing development of the overall approach to sector-led improvement. Therefore publication will be accompanied by a programme of dissemination activities within the organisation, to ensure that these findings are acted upon.**

Annex A: evaluating the approach to sector-led improvement

Perceptions audit

Ipsos MORI carried out ten in-depth telephone interviews with key stakeholders in sector-led improvement during June and July 2012. These comprised:

- four interviews with those working for regulators, inspectorates and third sector organisations
- six with senior civil servants across the Department of Communities and Local Government, the Department for Education and the Department of Health.

The purpose of the interviews was to gather feedback on the direction of the sector-led improvement approach and perceptions of whether the sector is able to lead its own improvement. The key findings and recommendations coming out of these interviews are summarised below. The full report will be published alongside the baseline evaluation report later in September.

Key findings

- Awareness of the approach is high, and stakeholders are positive about the idea of sector-led improvement to drive forward change and innovation in the sector.
- It was also generally thought to be the case that although the implementation of sector-led improvement appeared to get off to a slow start, changes are now being seen and the pace of development is picking up.
- However it was noticeable that at least some of the stakeholders mistakenly perceive that the LGA offer is what constitutes sector-led improvement. Rather, the LGA offer is a small part of this; at the heart of the new approach is how councils are being held more locally accountable - making information available and consulting and engaging with the public, regardless of whether this is achieved through engagement with the LGA or via other means.
- Peer challenge was the most commonly mentioned aspect of the LGA offer – peer challenges give respondents confidence as the idea of sharing excellence across the sector is seen as a key benefit of the new regime.
- However, stakeholders perceive the system to be based on voluntary participation and there were concerns as to whether this would pick up those local authorities who are not performing well. This could then pose a reputational risk to the sector – will sector-led improvement only work for good performers?
- Another risk was felt to be around transparency, with the lack of publication of data (such as peer challenges not being systematically published and LG Inform not currently being open to the public). Stakeholders perceived this to mean the system is not publicly accountable.

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- It was acknowledged that sufficient capacity and resource need to be available for the system to be sustainable, particularly in these early stages when a cultural change needs to be effected in local authorities, in order to embed the new approach.

Stakeholders' suggestions for sector-led improvement

The following suggestions were made by stakeholders:

- Address the seeming lack of transparency – in particular a clear line is needed on whether peer challenge reports should have to be publicly available.
- Address concerns about those councils who may not choose to engage with the approach.
- Clarify triggers for intervention.²
- Support authorities to maintain public accountability.
- Reassure the general public and external stakeholders (those not involved in the programme) that peer review is not 'soft' or less rigorous than CAA/CPA.
- Establish common frameworks for the LGA approaches and provide models for councils and regions to use.
- Develop a narrative around the relationship between self improvement, regulation and inspection.
- Communicate the approach more widely across government to instil confidence.
- Invest in better knowledge dissemination.
- Communicate how the quality of peer challenge teams will be sustained as the volume increases.

Members of the public

Outlined below are the results from the first round of polling of 1,000 British residents carried out between 31 August and 2 September 2012. The purpose of the polling is to investigate the impact of sector-led improvement on the public. A further poll will be carried out in early 2013, and again in the autumn of 2013, to track public opinion over time.

At the simplest level, it can be argued that sector-led improvement is successful if public trust in local government remains the same or improves, despite the removal of much of the top down performance management and assessments.

- **How much do you trust your local council?** Sixty one per cent trusted their local council (10 per cent a great deal and 51 per cent a fair amount). This is a similar

² It should be noted though that rather than identifying 'triggers' for intervention, under sector-led improvement there is instead a system in place for managing risk. The fact that not all stakeholders seemed to appreciate this suggests the need to make the sector's approach for managing the risk of underperformance more widely known.

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level to that observed in the Citizenship Survey in 2009/10³. It is also worth noting that the Citizenship Survey recorded a steady increase in trust in the period 2001 – 2010.

The following questions explore local accountability and the extent to which the public feel they are able to influence their local council. Although it is challenging to ask residents directly about influence in a way that provides a meaningful response, research suggests strong links between feelings of influence and other factors that polling is more able to provide robust results for.⁴ These factors are:

- **Overall, how well informed do you think your local council keeps residents about the services and benefits it provides?** 66 per cent of respondents felt well informed (17 per cent very well informed and 49 per cent fairly well). Other surveys have identified a slight downward trend in the extent to which residents feel informed since 2010.
- **Overall, how satisfied or dissatisfied are you with the way your local council runs things?** Just under three quarters of respondents are currently very (19 per cent) or fairly (53 per cent) satisfied with the way their local council runs things. This is a similar level to that found by other surveys, and this has remained fairly consistent over the last couple of years.
- **To what extent do you think your local council acts on the concerns of local residents?** Sixty two per cent of respondents stated that their council does this a fair amount (54 per cent) or a great deal (eight per cent).

It is important to note that many different factors impact resident's feelings and opinions of local government, and it will not be possible to attribute any improvement or decline directly to sector-led improvement. However, it is important to track resident's feelings about councils over the evaluation period, identify whether any existing trends are continuing, and consider the impact that sector-led improvement might have had on this, in the context of the other evaluation findings.

Survey of heads of policy and performance

The survey was sent via email to heads of policy or performance in 394 councils and fire and rescue authorities across England, and was in the field over the course of May and June 2012. A total of 137 responses were received – a response rate of 35 per cent.

³ Note though that the Citizenship Survey was a face to face survey as compared to the polling which was conducted by telephone.

<http://www.communities.gov.uk/publications/corporate/statistics/citizenshipsurvey200910action>

⁴ Ipsos MORI, February 2012, Are You Being Served? Technical review of perception measures
http://www.local.gov.uk/c/document_library/get_file?uuid=f669da6b-083d-46cb-8311-f89187ea5a94&groupId=10171

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Key findings

Authorities are currently undertaking a number of activities to strengthen local accountability, but there is scope to increase the level and variety of activities undertaken. 70 per cent of respondents acknowledged that their authorities will need to improve in order to reach the level of accountability that they aspire to.

The recent economic climate is helping many authorities focus and prioritise work on accountability and improvement, but the impact it is having on the financial and staff resources available to undertake this work is proving challenging for some.

More needs to be done to publicise the LGA's approach to sector-led improvement (eight per cent of respondents had heard nothing about this). However, even those who weren't aware of the approach had some awareness of specific offers such as peer challenge. The majority of those who were aware of the approach supported it (75 per cent agreed or strongly agreed that the approach is the right one in the current context, 16 per cent were neutral and only six per cent disagreed).

The survey also asked about awareness of the specific offers from the LGA and these results are highlighted in the results section for each individual offer (see Annex B).

Chief Executives and Leaders

Telephone interviews were conducted with 50 chief executives and 50 leaders at an early stage in the sector-led improvement process, during August 2011. Respondents were asked about their awareness of *Taking the Lead* both as an **approach** to sector-led improvement and also in relation to the LGA's **offer** of support to the sector.

Awareness was fairly high: 90 per cent of chief executives and 80 per cent of leaders had heard at least something about the approach, whilst 88 per cent of chief executives and 76 per cent of leaders had heard at least something about the offer of support.

FURTHER SURVEY WORK IS BEING UNDERTAKEN WITH CHIEF EXECUTIVES AND LEADERS AS PART OF THE EVALUATION, AND THE RESULTS WILL BE PUBLISHED IN THE INTERIM EVALUATION REPORT.

ANNEX B: EVALUATING THE OFFER OF SUPPORT TO THE SECTOR

Local accountability - YouChoose

YouChoose is an online budget simulator that encourages members of the public to consider where council budget reductions should fall, where efficiencies might be made, and where income might be generated. It is offered at no cost to councils in England and Wales through a partnership between the LGA and the London Borough of Redbridge.

- There have been 169 expressions of interest in the tool in the period between when the partnership between the LGA and Redbridge was established in summer 2010 and August 2012.
- Over the same time period, 131 councils have been set up to use the tool.

The survey of heads of policy and performance suggests that there is some way to go before councils are using tools such as YouChoose to strengthen local accountability on a regular basis; whilst 27 per cent had used a budget simulation tool in the previous 12 months, 50 per cent had no current plans to do so. Therefore, it seems a key challenge for YouChoose will be to communicate to authorities the benefits and reasons to use the tool.

Challenge from one's peers

The LGA has offered every council one corporate peer challenge, at no cost, during the three years from summer 2011.

There is a high level of awareness in the sector of the free peer challenge. In the online survey of heads of policy and performance, 84 per cent of respondents were aware of this – the highest level of awareness of all the LGA offers. Further, peer challenge was the aspect of the LGA's offer most commonly mentioned by stakeholders in the perceptions audit – peer challenge is generally very well regarded amongst this group.

Cardiff Business School has been commissioned to undertake the evaluation of peer challenge. The overall message from the Cardiff evaluation to date is 'so far, so good'. Councils have been very happy with their experience of the peer challenge process and are keen to see it spread widely across the sector. Key findings included:

- **Reasons for participating:** There are many reasons why councils request a corporate peer challenge. Most challenges have been forward looking (for example to feed into corporate planning exercises or ensure the council is equipped to meet future challenges) whilst other councils have been looking for external confirmation that they are improving.
- **Preparation:** The set-up meeting and other discussions that take place prior to the visit were seen as being crucial in getting the focus, scope and timing of the challenge right. Councils praised the flexibility and responsiveness shown by the LGA and its ability to put together teams with the right mix of skills and experience.

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- **Core components:** There was broad support for the inclusion of the 'core components' of the corporate challenge process (setting priorities, financial resilience, effective leadership and governance and organisational capacity). Some interviewees thought there was a need for more examination of councils' financial planning processes.
- **Flexibility:** Councils value the flexible and tailored nature of the bespoke element of the process, and they praised the high quality of the peers, which is seen as key to the success of this. Some councils admitted however that they found it difficult to resist the impulse to 'put on a good show' for challenge teams.
- **Feedback:** Feedback at the end of visits was felt to be challenging but balanced and fair. Informal feedback from peers throughout the visit was also seen as especially valuable. Several authorities had published reports, though most had not sought proactively to disseminate them to their partners or the public.
- **Follow up:** Councils valued the opportunity for ongoing dialogue and engagement with peers but experiences were mixed – whilst some had had valuable follow up contact, others were unsure how to use their option of a follow up visit. Several said there needed to be a clearer process for connecting corporate peer challenge to other forms of LGA support.

In order to maintain and improve the effectiveness of peer challenge, the evaluation team made eight recommendations based on their findings. Briefly, these are:

- clarify the purpose of corporate peer challenges
- promote the benefits in order to increase the level of take up
- support councils to resist 'stage managing' visits and to be open, honest and willing to learn from the process
- maintain the quality of peers as demand for corporate peer challenge grows
- adopt a consistent approach to preparations for a challenge
- strengthen the analysis of councils' financial planning and viability
- encourage the effective communication of results within the council, to partners and to the public where appropriate
- be realistic about the volume of reviews that can be provided within existing budgets without compromising on quality, and set expectations accordingly.

The peer challenge team has already taken steps to address many of the recommendations in the report, and this will be outlined further in the full baseline report, along with a fuller explanation of the recommendations themselves.

Learning from good practice and the role of regional structures and networks

Sharing and drawing on information and best practice from other authorities and partners is a key way that councils are understanding performance in their councils and driving

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improvement; in the online survey of heads of policy and performance, 91 per cent stated that they were doing this.

Whilst not all were aware that they could be using Knowledge Hub to help with this (82 per cent were aware of Knowledge Hub), this level of awareness is relatively high and places the tool as the second best known aspect of the LGA's offer on sector-led improvement.

Number of users

The Knowledge Hub had 126,150 registered users at 29 June 2012.⁵ The LGA business plan⁶ states that over the course of 2012/13, the aim is to achieve a 25 per cent increase in the use of Knowledge Hub. This refers both to the number of users and the number of visits the site receives. Later stages of this evaluation will monitor the extent to which the aspiration for a 25 per cent increase in usage has been achieved.

Activity and usage

For the period 1 April - 29 June 2012:

- a total of 58,111 different people visited Knowledge Hub
- around a third of these people had never visited the site before, whilst the remainder were returning visitors
- in total the site received 142,621 visits, meaning that on average each visitor visited two to three times over the three month period

Knowledge Hub offers a collaborative working environment, which includes the opportunity to set up groups. Groups enable members to discuss issues and ideas in forums, share documents and other files, connect with other members, share thoughts through writing blogs and post up relevant events. At 29 June 2012, there were 1,443 active groups in Knowledge Hub.

Transparent and comparable performance information – LG Inform

LG Inform is the LGA's free online data service. The prototype version of the tool was launched in July 2011 and updated in November 2011. A further updated version is currently in development and will be made available in early 2013.

Awareness of LG Inform across the sector is relatively high – in the online survey of heads of policy and performance, just over three quarters (77 per cent) had heard of the tool.

⁵ Please note that not all of these users will be active or activated; this information is not currently available, however it will be included in later stages of the evaluation.

⁶ http://www.local.gov.uk/c/document_library/get_file?uuid=e753abeb-678b-492c-89f7-08b40b8ea7a8&groupId=10171

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Activity and usage statistics

- As at June 2012, LG Inform had 1,534 registered users. This has increased steadily since October 2011 (when this information began to be captured systematically), when the user base was 675. This is an increase of 127 per cent over this period.
- All county councils, all metropolitan districts and all but one London borough have at least one registered user. Currently, shire districts are the key group with a lower than anticipated take up of LG Inform.
- As at June 2012, 59 per cent of authorities had at least one user logging in within the 60 day period prior to the end of the month.⁷
- The number of published metrics available to users has increased by 39 per cent in recent months, from 571 in February to 792 in June.

Analysis of user feedback

Overall, the largest single category of feedback received as at June 2012 concerned the data held within LG Inform. Where data accuracy was challenged the LGA team has been able to prove data in the system is accurate as per national returns.

Forty one per cent of feedback between launch and June 2012 was associated with site performance and usability issues such as performance levels, issues with logging in and the provision of training materials and help.

These issues were largely raised within the first 4 months following the initial launch and were addressed between July and November 2011 with a number of improvements. These improvements meant the negative feedback largely disappeared by November 2011. However, it is recognised that system performance at some councils is still a concern. The new version of LG Inform will continue to address performance issues.

Investing in leadership

Effective political leadership is key to sustained improvement. In order to provide development support for political leaders the LGA is making available one subsidised place on the Leadership Academy for every council over the three year period from 2011/12.

The main academy consists of three modules covering issues such as personal, political, organisational and community leadership, while a number of two-day focused courses are also held on specific issues such as neighbourhood planning and localism, and leading in a crisis.

⁷ This is being distorted downwards slightly by the lower than average usage by district authorities. The level of activity for counties, unitary authorities, metropolitan districts and London boroughs is noticeably higher than average. In particular, at June 2012, 89 per cent of metropolitan districts and 78 per cent of counties had a user log in within the previous 60 days.

Take up of the Leadership Academy

In 2011/12, 104 councillors attended the main programme, with a further 21 having attended so far in 2012/13. A further 412 attended focused programmes in 2011/12, and 51 to date in 2012/13.

The online survey of heads of policy and performance suggests a relatively low level of awareness of the subsidised place amongst this group (28 per cent had heard about this). Whilst other groups, such as member support officers, are likely to be more aware of the Leadership Academy, increasing awareness amongst those that are responsible for driving performance and improvement might help increase take up levels further.

Views of attendees of the 2011/12 programmes

The views of those who attended the Leadership Academy in 2011/12 were captured through feedback forms. A full analysis of the views expressed in these forms is contained in the baseline report, and the key findings are outlined below. This will be repeated for those who attended in 2012/13, to be included in the final evaluation report.

The Academy is well regarded by attendees; on a scale where 1='poor', 2='fair', 3='good' and 4='excellent', attendees gave the following ratings:⁸

- Overall satisfaction with the event: 3.5 for the main programme and 3.4 for the focused programmes⁹
- How well the event met expectations: 3.4 for the main programme and 3.3 for the focused programmes.
- Knowledge and expertise of the external tutors: 3.7 for the main programme and 3.5 for the focused programmes.
- The extent to which the event provided useful learning tools: 3.4 for the main programme and 3.3 for the focused programmes.
- Agenda and content of the event: 3.2 for the main programme and 3.3 for the focused programmes.

The feedback forms also asked attendees the extent to which they agreed with three statements. Responses to these are outlined in Table 1. Again, responses are very positive, with almost all respondents stating that they would recommend LGA services to other councils. Slightly lower ratings can be seen for value for money, however respondents who did not indicate that the academy offered value for money generally answered 'don't know' rather than disagreeing.

⁸ Overall, depending on the question, figures are based on between 252 and 277 ratings by attendees on the main programme (because the programme consists of three modules, a single attendee can provide up to three ratings), and between 221 and 248 attendees responded for the focused programmes.

⁹ Focused programmes are on specific topics such as neighbourhood planning and localism and leading in a crisis.

Table 1. Analysis of feedback forms

	Main programme	Focused programmes
The Leadership Academy module has provided me with a basis for further improvement (% agree)	100%	100%
Would you recommend LGA services to other councils (% yes)	100%	99%
Do you think the event was value for money? (% agree)	79%	86%

Views of those authorities that have not made use of the Leadership Academy

A survey of member services officers in all authorities in England and Wales was conducted in January - February 2011. It was sent to all 375 local authorities in England and Wales, and at the close a total of 148 (39 per cent) had responded.

Fifteen per cent (22 respondents) had councillors that had attended prior to 2009/10 but not since, and a similar proportion (16 per cent – 23 respondents) had never had anyone attend. For both of these groups, the most common reason given for this was budget constraints: 10 of the 22 respondents whose councillors had attended prior to 2009/10 but not since gave this reason as did 12 of the 23 respondents whose council had never sent anyone on the programme.

Those respondents who had sent councillors to the Leadership Academy in 2009/10 and/or 2010/11 were asked how likely their authority would be to send other councillors on the programme in the future.

Slightly less than three quarters of respondents (71 per cent) indicated that their authority would be either very or fairly likely to send councillors on the leadership academy programme in the future. However, one in five (20 per cent) indicated that this would be either not very or not at all likely.

A small number of respondents wrote-in additional details explaining their answer; the most common theme emerging was that any future decisions would be dependent on councils' financial position and in light of any budget cuts.

It is worth noting that this survey was conducted before the offer of one subsidised place for each authority was introduced. The follow up survey will offer a chance to see the impact that this has had on authority's intentions to send their councillors on the programme.