Centre for Public Scrutiny: Annual Report 2015/16

**Purpose**

For information.

**Summary**

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 particular focus on the operation of councils’ overview and scrutiny arrangements. The LGA provided funding of £171k for 2015/16, and details of the work delivered and its outcomes can be found below. A copy of the CfPS Annual Report 2015/16 can also be found at **Appendix A**.

This report provides a short update on CfPS’s plans for 2016/17, which have been agreed with the LGA.

This report also provides a brief update on the 2016/17 position with regards to CfPS’s support to local authorities on health scrutiny, work that has traditionally been funded by the Department of Health but from which funding has now been significantly reduced.

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| **Recommendation**  That the LGA Leadership Board note this update and provide feedback to inform the future work of CfPS in respect of its ongoing relationship with the LGA.  **Action**  As directed by Members. |

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**Introduction and background**

1. CfPS was founded in 2003 by the LGA, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Government Information Unit (LGiU) with the aim of being 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 across the wider public sector.
2. Cllr Anthony Jackson represents the LGA on CfPS’s Trustee Board, and the LGA contract manager for CfPS is Dennis Skinner, who also sits on the CfPS Advisory Board. Regular updates on programmes and on the development of work are provided. Regular communication with Principal Advisors is also a feature of CfPS’s work; in the context of the organisation’s support of sector improvement activity.
3. CfPS’s close partnership with the LGA, since that time, has led to the organisation becoming a driving force on issues relating to local governance improvement. CfPS has developed a significant track record in helping councils experiencing governance difficulties to explore the political and cultural dynamics that have led to those difficulties, and identifying appropriate solutions. CfPS has also carried out and disseminated significant national research intended to promote productive approaches to scrutiny and good governance. This has ranged from short, practical guides on scrutiny practice, through publications highlighting excellent scrutiny outcomes, to longer-form research focusing on the governance of issues such as transformation and major change.
4. CfPS’s research into the wider public sector through its previous and ongoing work in health, policing, schools and children’s services, and the third sector, means that a “whole system” approach can be drawn out, which enhances and augments that work which focuses on local government. It should be noted, however, that funding that CfPS has used to provide advice and guidance to local authorities on specific issues relating to health scrutiny has, for 2016/17, has been substantially reduced. Paragraph 18 onwards provides more information.

**2015/2016 Performance Summary**

1. CfPS’s work in 2015/16 reflected the importance of three issues:
   1. Devolution (and its associated governance challenges and opportunities).
   2. Major change and transformation (reflecting a continuation of our 2014/15 work).
   3. General sector support through CfPS’s helpdesk and publication of guidance and good practice.
2. An update on each topic area can be found below:

Devolution

1. CfPS significantly pushed forward the debate nationally on the importance of governance to the scrutiny process. From governance having been a subject of niche interest in summer 2015 (focusing predominantly on the Mayoral issue), national debate had become more nuanced, reflective and open to the importance of accountable and transparent scrutiny by mid-2016. CfPS’s thoughts and reflections were cited and repeated by others including the LGA, Government, think tanks as well as councillors and officers in local areas. CfPS was also able to provide high-quality support to a number of areas as they developed their own solutions to the devolution governance challenge.
   1. In September 2015, produced a think-piece “Devo why? Devo how?”, exploring the approaches that local areas were at the time planning on devolution governance, and suggesting practical answers to some of the challenges then apparent on accountability, transparency and public involvement. This work secured significant coverage in national and specialist press and provoked a shift in the debate in the sector on governance issues (evidenced through our subsequent research – see below).
   2. Additional proactive activities aimed at facilitating and leading the debate and sharing best practice included:
      1. two round table meetings to discuss with a range of policy-makers (national and local) and academics key issues around devolution governance; and
      2. published regular blogposts on devolution and devolution governance; contributed features to the national and specialist press on the subject.
   3. Direct support was also provided to five local areas in England (Cambridgeshire, Cornwall, Hampshire / Isle of Wight, Sheffield and Suffolk/Norfolk) on devolution governance. Support work was hampered by the quick-moving political and organisational changes in each of these areas, but experiences led to the publication of “Cards on the table”, a practical guide to the planning and establishment of governance systems throughout the devolution process. This was published to complement the LGA’s publication of a suite of products relating to devolution at the Annual Conference in July, and again secured significant positive feedback, including from areas of England who are beginning to actively use it to plan and deliver their own governance plans. We are planning to capitalise on this opportunity in 2016/17 – see below.
   4. Contributed to LGA activity on devolution governance, including speaking at LGA events and conferences.

Major change and transformation

1. CfPS continued its work on major change and transformation, reframing and recasting the council scrutiny function to emphasise its continue relevance as a critical element of the improvement process. Conversations with practitioners and feedback from councils where we have provided support have demonstrated that this work continues to shift scrutiny in many authorities away from a more traditional, resource-intensive approach, to a more dynamic and flexible member-led function that is increasingly working to help councils to meet the current and future financial and demographic challenges facing the sector.
   1. Provided support to five areas of England to assist with governance around transformation and major change. This built on the publication in June 2015 of “The change game”, the product of a year-long research project into the role of non-executive councillors in the change process. Authorities were provided with assistance on member skills, work programming and engaging with complex change programmes, as well as wider matters relating to political management and culture change. This resulted in improvements in members’ confidence in managing these issues, improvements in the impact of their work, and a higher profile in these authorities for scrutiny’s role in the process (gauged qualitatively, through verbal feedback from members and officers in the authorities involved).
   2. Produced detailed technical guidance for local authorities on the use of social return on investment/social impact models to direct scrutiny work on transformation. A round table meeting, sponsored by the auditors Grant Thornton, was held to launch this work. The impact of this will be evaluated as part of a national survey being undertaken by CfPS in the autumn.
   3. Carried out research to support technical guidance for local authorities on risk management – for publication in 2016/17 (carried over to this financial year for capacity reasons).

General sector support

1. CfPS’s continued sector support is consistently highly valued. With more professional scrutiny support staff posts being lost due to redundancy, we have found our services being called upon increasingly by Heads of Governance and Monitoring Officers. Our support to the sector – particularly through our “helpdesk” – have helped councils to find solutions to complex problems which combine our technical governance expertise with our practical knowledge and understanding of the unique political dynamic in local government.
   1. Provided a “helpdesk” service to local authorities, by e-mail and phone, and through in-person support (for example, attending formal and informal council meetings to provide advice on governance, scrutiny and accountability). Total number of unique authorities assisted in 2015/16 was 58 (some authorities raising multiple queries on separate occasions). Queries ranged from straightforward advice and signposting on common scrutiny practice to more complex queries about political management. Time devoted to individual councils ranged from 15 minutes to 1 day. Some instances of helpdesk support were converted to paid-for consultancy, and in some instances further support was funded by the LGA, either as part of this contract or separately. In most instances helpdesk support helped the council / councils concerned to identify solutions to their problems and/or assisted them to navigate complex technical or political issues relating to scrutiny or governance issues (as gauged through follow-up conversations).
   2. Provided general support to LGA officers, particularly Principal Advisors, on governance issues arising in respect of councils where LGA support has been provided.
   3. Held the CfPS Annual Conference, for scrutiny practitioners (councillors and officers) to network, learn and develop their skills. The event, held in June 2015, was attended by 103 delegates from 83 councils. Evaluation feedback provided immediately following the event was almost universally positive.
   4. Published “Successful scrutiny 2015”, highlighting examples of excellent scrutiny happening across the country. This publication publicises the work of the winners of the Good Scrutiny Awards. Winners and shortlisted candidates for awards have highlighted to us the benefits – in terms of organisational profile – that this accolade provides, helping them to drive forward scrutiny’s influence, and increasing members’ commitment and enthusiasm for the function. We are seeking to continue these benefits as we move to a different approach to highlighting good practice. This new approach, operative from the beginning of 2016/17, sees us regularly blogging on good scrutiny as well as sponsoring an MJ Award.
   5. Published the 2015 annual survey of overview and scrutiny in local government, drawing together a comprehensive picture of how the function is delivered by councils nationwide. Secured a response rate of around 80% of councils, with over 400 responses overall, enabling some strong conclusions to be drawn about the operation and development of scrutiny – helping CfPS to better direct its resources. Given that the annual survey is a highly resource-intensive exercise, 2016/17 is seeing CfPS developing alternative methods for gathering technical data about the operation of overview and scrutiny.

Intersection between LGA-funded work and paid-for work

1. In addition to its LGA-funded support work, CfPS carried out paid-for consultancy for a number of councils in 2015/16, as well as other public and private sector organisations. In relation to its local government work, CfPS carried out: reviews and evaluations of scrutiny functions; training for councillors on issues such as the fundamentals of scrutiny; councillors’ access to information; work programming and work prioritisation; and the use of performance management information and questioning skills, amongst others. Detailed CfPS evaluation carried out in January 2016 on a range of recent consultancy projects showed universally positive feedback. CfPS also ran a number of national paid-for training events, for just under 100 councillors from a total of 30 authorities. CfPS continues to administer a contributory fund for training for 26 councils in London, and organises and facilitates this training.
2. CfPS has reorganised its processes and systems for planning and managing, as well as evaluating, consultancy arrangements – streamlining those systems to ensure that CfPS can provide a more efficient service and to maximise the opportunity to draw learning from this work into our LGA-funded work, and vice versa. Quality control for services delivered on our behalf by external contractors has also been significantly improved and simplified. A detailed evaluation exercise was carried out in January 2016, looking at ten recent instances of consultancy, and demonstrating universally positive feedback from clients. A new evaluation system is now in place which will, after an initial follow-up evaluation immediately following the conclusion of our work, see CfPS return to clients six months later to further review how learning has been embedded and actions taken forward.
3. CfPS has been engaged by the LGA to provide comprehensive governance and scrutiny support to Rotherham MBC, work that continues into 2016/17. A description and evaluation of this work was carried out in April 2016 and provided to the LGA separately. The LGA has also occasionally provided funding for support to councils where it falls outside the terms of our contract.

**Plans for 2016/17**

1. Plans for 2016/17 have already been approved by the LGA. They include:

Sector support

* 1. Support on devolution will include the provision of assistance to a further five areas in England, aligned to those areas where the LGA has already made offers of support. Cornwall is the first area in which this support has been confirmed; support is being offered to Cheshire, Greater Lincolnshire, Cambridgeshire, and Norfolk/Suffolk. The LGA has made available further funding to support research underpinning a “devolution map”, which will identify where every extant, and aspiring, combined authority area in England currently stands on their governance plans. This will be accompanied by technical guidance on the operation of overview and scrutiny in combined authorities (CA), intended to complement the general guidance on CA systems produced by the LGA in July.
  2. Support on major change and transformation. CfPS will again provide support to five areas who require support on governance as they undergo major change. CfPS will also publish the technical guidance on risk and resilience carried over from 2015/16.
  3. National improvement support. CfPS will continue to provide its “helpdesk” service. CfPS has recently established, and will continue to facilitate, a discussion forum on the Knowledge Hub specifically for scrutiny practitioners; CfPS has also committed to continue to attend regional networking meetings and conferences as and when they occur. CfPS is planning updates to its scrutiny practice guides (first published in 2014) and its guide to local government governance legislation (last edition published 2012).

Work on local democracy

1. CfPS will help to facilitate the development and implementation of a number of local “design experiments”, designed to explore straightforward, practical ways to enhance local democracy and the way that local people engage with member-led decision-making arrangements in local authorities, and in local areas. CfPS is working with a group of local government professionals, councillors, local activists and third sector partners who have already self-organised to push much of this work forward. The work will be designed to reflect the needs, and ideas, of as wide a group of people as possible. Findings will be published in March or April 2017.

**Work on health scrutiny (traditionally funded by the Department of Health)**

1. The Board will be aware that, since 2004, CfPS has been able to lever additional funds from the Department of Health (and more recently from NHS England and Public Health England in a joint commissioning arrangement) to provide support to councils and NHS partners through a specialist health scrutiny support programme.
2. This has traditionally been a comprehensive programme consisting of:
   1. running a national health scrutiny forum to influence policy and practice;
   2. support for regional health scrutiny networks to build knowledge and skills;
   3. practical support for local projects and shared learning; and
   4. published guidance and resources.
3. As expected, resources have reduced in recent years but CfPS has managed to maintain a varied and well regarded programme.
4. However, funding for 2016/17 has been reduced very significantly and this will impact on the support CfPS can provide at a crucial time when health and social care budgets are under pressure and when effective governance and scrutiny are in the spotlight. We are working closely with staff supporting the LGA’s health and social care work to make sure that we complement existing programmes and we are continuing to discuss with the Department of Health, NHS England and Public Health England the importance of a consistent support programme to make sure that democratic scrutiny of health and wellbeing issues remains respected and effective.
5. This is particularly important in the context of implementing Sustainability and Transformation Plans and new models of care. CfPS has a strong track record and a good reputation for health scrutiny support – we are committed to maintaining this as a fundamental part of our work and we are exploring different approaches to funding and delivery partnerships, alongside efforts to make the case for increased central funding.

**Recommendation**

1. That the LGA Leadership Board note this update and provide feedback to inform the future work of CfPS in respect of its ongoing relationship with the LGA.