

The Future of Sector Led Improvement: background paper

Purpose

This paper provides a short overview of the development of sector led improvement, the support provided to the sector and the headline messages from the evaluation report.

Recommendation

Members are asked to note the report as background to support the discussion on the future of sector led improvement.

Action

Officers to respond as necessary to any comments.

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Background:

1. As a result of LGA lobbying, the new Coalition Government moved quickly to abolish many aspects of the previous top down performance framework, including the comprehensive area assessment, the organisational assessment, Local Area Agreements and Government Office monitoring, the annual assessment of adult social services and subsequently, the annual assessment of children's services.
2. The Government argued that the assessment regime was no longer affordable in the current economic climate (the National Audit Office estimated the cost of monitoring local government at £2bn); that external inspection had reached the point of diminishing returns and that greater weight should instead be placed on local accountability, in tune with its localism agenda.
3. At the same time, led by the Improvement and Innovation Board, the LGA and councils worked together to develop a new approach to improvement. This was set out in the LGA's document 'Taking the Lead' in February 2011, supplemented in June 2012 by "Sector-led improvement in local government"¹ which describes a coordinated approach to sector-led improvement across local government, the support being provided and where to go for further information and advice.

Sector led Improvement – key principles:

4. At an early stage the LGA agreed with councils a number of key principles on which sector led improvement would be based. They are that:
 - 4.1 Councils are responsible for their own performance and improvement and for leading the delivery of improved outcomes for local people in their area.
 - 4.2 Councils are primarily accountable to local communities (not government or the inspectorates) and stronger accountability through increased transparency helps local people drive further improvement.
 - 4.3 Councils have a collective responsibility for the performance of the sector as a whole (evidenced by sharing best practice, offering member and officer peers, etc.).
 - 4.4 The role of the LGA is to maintain an overview of the performance of the sector in order to identify potential performance challenges and opportunities – and to provide tools and support to help councils take advantage of this new approach.

Sector led improvement - core components:

5. 'Taking the Lead' also identified a small core set of activities that are commonly undertaken by councils who proactively take responsibility for their own performance and improvement and that we know from experience work for improvement.

¹ <http://www.local.gov.uk/sector-led-improvement>

6. This common set of activities provides the framework around which the LGA's core offer of support to councils is based and is the basis on which our support offer across specific council services and activities has also developed. It includes:
 - strengthening local accountability
 - inviting challenge from one's peers
 - learning from good practice and through regional structures and networks
 - utilising transparent and comparable performance information
 - investing in leadership.

Sector led improvement – LGA support:

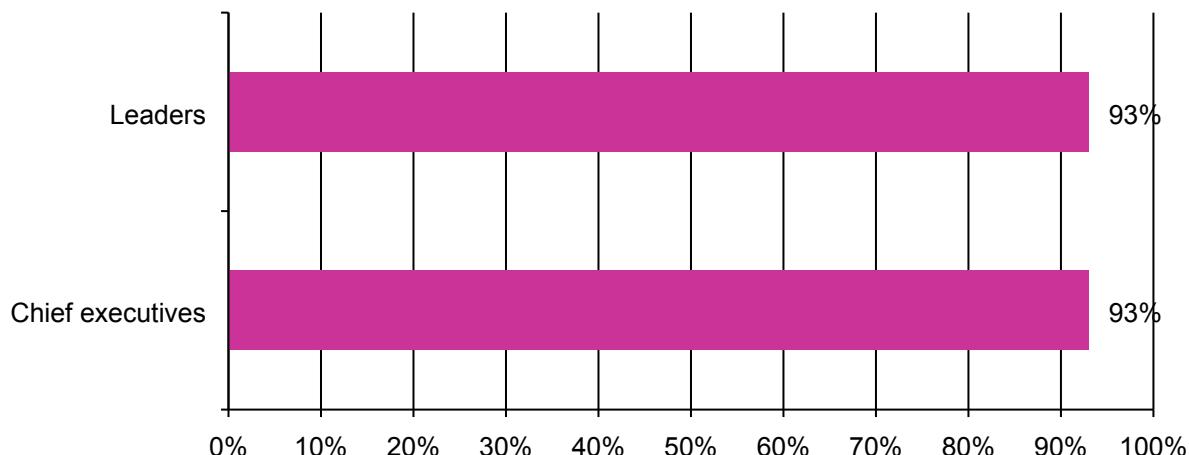
7. During the three years to March 2014 we have worked with the sector to deliver a significant and wide-ranging level of support. We have:
 - 7.1 Delivered over 350 peer challenges of various types.
 - 7.2 Trained and developed over 2,000 councillors.
 - 7.3 Helped councils make savings in excess of £400m through our productivity programme.
 - 7.4 Delivered a range of support for councils wishing to share services including the shared services map and the shared Chief Executives' Network and Leaders' Special Interest Group.
 - 7.5 Supported 43 local authorities as part of our adult social care efficiency programme to deliver savings that are almost twice as high as they originally planned.
 - 7.6 Recruited and trained nearly 250 talented graduates for the sector.
 - 7.7 Launched LG Inform providing comparative performance and finance data to councils and the public.
 - 7.8 Supported 77 councils to grow their local economies e.g. through the Growth Advisers programme and a further 12 through the One Public Estate programme.

Sector led improvement – key findings

8. In November 2011, given the importance of the approach both to the reputation of the sector and to the LGA, the LGA's Improvement and Innovation Board approved the specification for an evaluation of sector-led improvement. A "baseline" report was published in February 2013 with the final report published in May '14.
9. Findings from the final evaluation, which, amongst other things, sought views from national stakeholders (including officials from government departments and the inspectorates), council leaders, chief executives and directors and monitored a wide range of performance metrics, are extremely positive:
10. **Increased resident satisfaction:** Residents remain satisfied with and continue to trust their local council, despite the financial constraints being faced by the sector. Trust levels have increased to 77% compared to 71%.
11. **Strong local accountability:** Respondents to the survey of senior members and officers were positive about accountability in their authority, with 97 per cent of chief executives and 96 per cent of leaders either agreeing or strongly agreeing with the statement "local accountability is strong in my authority".

12. **Improved council performance:** Council performance continues to improve, demonstrated by data analysis of key performance metrics. Analysis of a series of 97 metrics, across the full range of local government activity shows a positive direction of travel, with approximately three quarters of these metrics having seen an improvement since 2010.
13. **Take up and value are high:** The sector-led improvement approach and offer of support from the LGA have been welcomed by councils. Take up and satisfaction with the support is high:
 - 13.1 In the survey of senior members and officers, 93 per cent of leaders who were aware of the offer and 93 per cent of chief executives said that the support and resources offered had had a positive impact on their authority (See Figure 1).
 - 13.2 Authorities are confident in the skills and capacity of both their own authorities and of the sector to monitor its own performance and continuously improve. For example, 98% of Leaders and 99% of Chief Executives agreed that their own authority is making advances in driving improvement.
14. The results represent a considerable achievement for the sector against a backdrop of significant financial constraints, demographic pressures and national policy changes.
15. Councils' commitment to the approach is evidenced by their support for, and take up of, peer challenge. By March 2014, councils had contributed more than 2,500 days of senior councillor and officer time to Corporate Peer Challenge teams, representing a considerable investment by the sector in its own improvement, equivalent to millions of pounds worth of consultancy.
16. Moreover, an independent evaluation of sector-led improvement compared to central government intervention for turning round a council that is visibly failing, concluded that a sector-led approach is better in supporting councils in their improvement journey, all else being equal.
17. Finally, senior officials from government departments and inspectorates had increased confidence in the theory of sector-led improvement and local accountability since the "baseline" interviews in 2012, although now expressed a desire to see more evidence of it working in practice.

Figure 1: Proportion of senior members and officers who said the support and resources offered by the LGA has had a positive impact on their authority



Development across service areas

18. Because of the particular issues and challenges that can arise in these services, specific improvement offers have been developed to support sector-led improvement in children's and adults services, as well as in several other areas such as planning and health and wellbeing. More detail about the programmes of support is set out here: <http://www.local.gov.uk/sector-led-improvement>

Conclusions and Next steps:

19. The evaluation demonstrates the success of the sector-led approach to improvement in local government. Councils are continuing to improve their performance and public satisfaction with and trust in councils is high. Moreover, councils value the support being provided by the LGA and find it helpful to their improvement journey.
20. The findings confirm our view that sustained improvement only takes place where it is owned locally rather than imposed from outside and that the approach is much more cost effective than the previous performance regime.
21. The LGA will continue to keep its support offer under review so that it helps councils meet the growing and changing challenges they face, and to evaluate its effectiveness.

Further details are available here: <http://www.local.gov.uk/sector-led-improvement>