

POLICY DEVELOPMENT & REVIEW 2010/11: APPROACH TO THE REVIEW & SETTING THE SCENE

Report of the Chief Executive

1. Purpose of Report

- 1.1 The purpose of this report is twofold in that it seeks agreement from members in relation to the final terms of reference for this Policy Review into Self Regulation. It also looks to establish background information and set the scene for the investigation that is to follow.

2. Background

- 2.1 At the meeting of Management Scrutiny Committee held on 16th June 2011, following discussions regarding the Work Programme, the Committee agreed to focus on the development of the Council's approach to self regulation and the role of the council's scrutiny function in supporting self regulation and improvement. The initial scoping document has been presented to the Committee and this report provides further background reference to the review topic. This report also adds structure to the review and provides a timeline for evidence gathering along with a number of potential areas to explore.

3. Title of the Review

- 3.1 The title of the review is suggested as 'Demonstrating Local Accountability: A look at the emerging national Self Regulation Framework and implications for the Council'.

4. Objectives of the Review

- 4.1 To understand the emerging self regulation agenda and how the council is responding;
- 4.2 To look at the role of scrutiny in the Council's self regulation framework;
- 4.3 To consider what techniques the Council could use to provide accountability to, and engagement with the public and local communities in performance management issues, and;
- 4.4 To look at examples of good practice from across the region and country in relation to the policy review.

5. Gathering the Evidence

- 5.1 Research activities over the coming months will be co-ordinated by this Committee's Scrutiny Officer in consultation with the relevant directorate staff. Every effort will be made to involve Members in the research. Although alternative

opportunities may present themselves during the review, data collection techniques may include a combination of the following:

- Desktop research
- Use of secondary research e.g. surveys, questionnaires
- Evidence presented by key stakeholders
- Evidence from members of the public at meetings or focus groups
- Site visits.

5.2 The review will gather evidence from a variety of sources. The main evidence will come through, as is appropriate, either the committee or informal meetings. The majority of evidence will take the shape of policy briefings and updates which Members will have the opportunity to discuss and influence. It should be noted that self regulation is still in the formative stages and further development of the key tools is ongoing and as this takes shape nationally, regionally and locally Members will have the opportunity to be involved as part of this review.

6. Scope of the Review

6.1 The review will consider, as part of the review process, the following issues related to self regulation:

- What is self regulation?
- What does this mean for the Council?
- What is the role of scrutiny in self regulation?
- How can scrutiny contribute to the monitoring of performance?
- How will self regulation improve performance monitoring?
- What techniques will the council look to employ in self regulation?
- How will self regulation lead to improving performance?
- How will future performance information be relayed to key stakeholders?
- With the development of new media platforms how will performance information be gathered in the future?

6.2 As the review investigation develops Members may decide to reduce or widen the remit of the review to ensure that the findings are both robust and based on the evidence and research gathered.

7. Timescales

7.1 Also attached for Members information is a draft timetable (Appendix 1) for the policy review which outlines the various activities and evidence gathering that will be undertaken throughout the review process. The timetable forms the basis of the review process and allows members to see the range of activities and methodologies to be employed during the evidence gathering stage. The timetable is subject to amendment and throughout the review process members will be provided with an up-to-date timetable reflecting any changes.

7.2 Members of the review committee will be invited to attend the various focus groups and visits that are to be undertaken as part of the policy review and will be kept informed of all review activities as and when they are arranged.

8. Setting the Scene

The current picture in relation to regulation, inspection and assessment

- 8.1 The Coalition Government is committed to replacing the burden of Whitehall oversight and inspection with greater local public transparency and accountability so that councils and other local public bodies can focus on frontline services. The Government has acknowledged the significant costs to local councils (both direct and indirect) and the scaling back of upward reporting to government and the reduction in inspection and assessment has been welcomed by Local Government. In its first year the Government has introduced a range of proposals, and changes in regulation already announced have included:
- Dismantling of the national performance management framework that covered councils including;
 - The abolition of Comprehensive Area Assessment (CAA);
 - The end of Local Area Agreements (LAAs);
 - The abolition of the Place Survey;
 - The replacement of the National Indicator Set with a single, comprehensive list of all the data that local government is expected to provide to central Government;
 - The end of annual ratings/performance assessments of adult social care and children's services, and;
 - Disbanding of the Audit Commission.
- 8.2 Although the Government is scaling back routine inspection and assessment to ensure that this is proportionate, risk based, outcome focussed and reduces the burden upon councils, this isn't universal across the inspectorates and some elements still remain. The current picture is summarised within appendix 2.
- 8.3 As the appendix demonstrates, the impact of the reducing burden is being felt disproportionately across the council. Major assessments of the council (e.g. CAA and LAA) and adult social care have gone however there are still significant inspection and assessment frameworks, particularly within Children's Services, where services have only experienced a marginal benefit in reduced inspection.
- 8.4 Part of this picture can be explained by the fact that inspection and assessment is viewed by government and the inspectorates as continuing to have a role in high risk areas such as safeguarding children, as well as in ensuring the integrity of public spending.
- 8.5 The Government has indicated that it does not intend to replace one centrally driven burdensome framework with another however there are clear expectations from the Government that the scaling back of inspection requires councils to ensure that they are evidencing and providing assurance to stakeholders and that they are delivering on priorities and outcomes. To support councils' responses to the Government's agenda for more local accountability the Local Government (LG) Group put forward proposals for sector-led self regulation and improvement which would be a replacement for the current top down inspectorate led performance management framework.

8.6 A detailed summary of these proposals were provided to Management Scrutiny Committee on 14 July 2011 within the Draft Scoping report for this policy review. Summary details are provided again for context.

Taking the Lead

8.7 'Taking the Lead' (published in February 2011) sets out the LG Group's approach to how self regulation and improvement will work in practice. In doing so, the LG Group stresses that it is not setting out a prescribed system to be adopted by all local authorities. However it does expect councils to take steps to enhance the way they are held accountable locally and to continue to support each other, particularly through the use of peers. The LG Group will provide approaches which will help councils to achieve each of these objectives, as well as ensuring inspection does not "creep back" by keeping an overview of sector performance and the wider regulatory regime.

8.8 Central to the new approach are the following two key principles:

- Local authorities are responsible for their own performance and for leading the delivery of improved outcomes for local people in their area
- Local authorities are accountable to their local communities. Stronger accountability through greater transparency helps local people drive further improvement

8.9 It is anticipated that councils will (where appropriate):

- Encourage resident feedback from a range of channels (e.g. councillor surgeries, surveys, complaints, comments and compliments, and mystery shopping)
- Use social media techniques to gather information
- Use deliberative techniques such as citizens juries and participatory budgeting
- Consult with the public on proposals that affect them
- Publish regular performance information so that the public can understand how well their council is meeting its objectives (e.g. annual report)
- Publish on-line all expenditure in line with national requirements, in a way that the public can understand
- Make use of the role of scrutiny to challenge and improve council and partner services
- Take stock of their own performance to identify areas for improvement and risks
- Make use of opportunities to be challenged by peers
- Seek and welcome support from the sector as and when required
- Develop elected members to fulfil their role in this new environment

8.10 The LG Group will support improvement by making tools available for the sector to use. The principle is to bring together in one place and under one umbrella (i.e. the 'Knowledge Hub'), all the various resources and products and provide a single means for Members and Officers to access services.

8.11 Outline details of the LG Group's seven point offer are described below:

- **Local accountability tools:** The LG Group will work with councils to develop tools to help them focus on enhancing the way they are locally accountable to citizens and communities.
- **Peer challenge:** The LG Group will offer a free of charge, peer challenge to all councils between April 2011 and March 2014. In addition, the LG Group will continue to offer shorter, sharper more subject-specific challenges. The price for these will be kept to a minimum.
- **Peer support:** The LG Group will offer up to five days of free member peer support for all councils undergoing a change of control. Experience shows that providing member peer support to a new political administration in a timely manner is welcomed and of great benefit to councils.
- **Knowledge hub:** The LG Group will invest (on behalf of the sector) in a new web-based service that will create a single window to improvement in local government. This will enable councils to learn from each other, who would otherwise find it difficult to find the time or find the right information. The Knowledge Hub will be a free service for the sector.
- **Data and transparency:** The LG Group will create a free of charge place within the Knowledge Hub for individual councils to lodge and access data in an open source environment to help them to understand their own performance and productivity, and act as a spur to optimise outcomes.
- **Leadership support:** The LG Group will continue to provide development support for political and managerial leaders.
- **Learning and support networks:** The LG Group will support networks of officers and councillors at national and sub-national levels, working with other sub-national groupings of councils and the relevant professional associations, to share good practice and to provide timely support.

8.12 This is a new and emerging national agenda which only came into effect in April 2011, and a number of the national tools are still at the development stage. It is planned to undertake a more detailed look at some of the tools in action during the course of this review.

8.13 The LG Group offer does not tell councils what they should deliver or how it should be done. Instead, it is designed to help councils improve local accountability in ways which are most appropriate to them.

8.14 Members will be aware Sunderland City Council already has in place a range of mechanisms and systems which support local transparency and accountability and this policy review could support consideration of how the systems already in place can be further developed to support achievement of local accountability and improvement.

Service specific developments

8.15 Since the publication of 'Taking the Lead', the national associations for Directors of Children's Services and Adult Social Services, and the Youth Justice Board have been proactive in setting their own sector specific agendas for an approach to self regulation and improvement. These reflect the sector-wide arrangements, in terms of offering peer challenge and targeted improvement support. As these develop nationally the details will be shared during the course of the policy review.

8.16 These sector specific approaches, will be designed to ensure the public will have confidence that these sectors (which have traditionally been subject to an intensive programme of inspection and assessment) have appropriate sector led self regulation to demonstrate local accountability.

9. Recommendations

9.1 That the committee agrees the title of the review as 'Demonstrating Local Accountability: A look at the emerging national Self Regulation Framework and implications for the Council'.

9.2 That Members of the Management Scrutiny Committee discuss and agree the proposed timetable for the review.

10. Glossary of Terms

CAA	Comprehensive Area Assessment
LAA	Local Area Agreement
LG Group	Local Government Group

Background Papers

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Appendix 1: Timetable

DATE	TOPIC
15 September 2011	REPORT - Setting the scene <ul style="list-style-type: none"> • What regulation and inspection has been removed and what still remains
Oct 11 / Nov 11	WORKSHOP – The sector led approach <ul style="list-style-type: none"> • Interactive discussion via a group exercise with feedback to the November meeting on the potential benefits for Sunderland of the following: <ul style="list-style-type: none"> • Local accountability tools including local self assessment • Self regulation of services for vulnerable people <ul style="list-style-type: none"> • Children’s Services • Adult Social Care
10 November 2011	REPORT – Update on the learning from ‘The sector led approach’ workshop
Nov 11 / Dec 11	WORKSHOP - The LG Group tools explained – Peer challenge <ul style="list-style-type: none"> • Interactive discussion via a group exercise with feedback to the December meeting on the potential benefits for Sunderland • This will include consideration of evidence from SPPM and relevant services who have benefited from peer reviews in the past
15 December 2011	REPORT - Update on the learning from ‘The LG Group tools explained’ workshop
Dec 11 / Jan 12	WORKSHOP - The LG Group tools explained – LG Inform and Knowledge Hub <ul style="list-style-type: none"> • Interactive demo / discussion via a group exercise with feedback to the January meeting on the potential benefits for Sunderland • This will include consideration of the council’s own direction of travel in relation to the e-portal for the Intelligence Hub and Performance Plus
19 January 2012	REPORT – Update on the learning from ‘The LG Group tools explained’ workshop
Jan 12 / Feb 12	WORKSHOP - Scrutiny’s role in supporting self regulation <ul style="list-style-type: none"> • Potential external input from the Centre for Public Scrutiny • Interactive discussion via a group exercise with feedback to the February meeting on developments to the performance management framework and the potential benefits for scrutiny • Identification of further developments to support scrutiny’s role in self regulation
16 February 2012	REPORT - Update on the learning from the ‘Scrutiny’s role in supporting self regulation’ workshop
March 12 / April 12	Preparation of the draft and final report
19 April 2012	REPORT – Final report to Management Scrutiny Committee

Appendix 2: Summary of current inspection and assessment

Area	Stopped	Continues	Proposed
Council-wide	<p>The Audit Commission has stopped undertaking the annual Comprehensive Area Assessment (CAA) which comprised the following:</p> <ul style="list-style-type: none"> • Area assessment • Organisational assessment • Use of resources assessment (including the value for money (VFM) conclusion) 	<p>The Audit Commission's annual VFM conclusion has been streamlined, with its focus now upon two key areas:</p> <ul style="list-style-type: none"> • The organisation has proper arrangements in place for securing financial resilience. • The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness. 	<p>CLG has recently consulted on the future of local public audit. This included consulting on potential options for the future scope and work of auditors, within which the VFM conclusion features. Options ranged from:</p> <ol style="list-style-type: none"> 1. Reducing the current scope of the audit by removing the need for an assessment of value for money. 2. Maintaining the current scope of the audit. 3. The auditor providing an opinion on the financial statements, plus conclusions on regularity and propriety, financial resilience and value for money. 4. The council publishing an annual report on its website which sets out the arrangements it has to secure value for money, whether it has achieved economy efficiency and effectiveness, regularity and propriety and financial resilience. The auditor would then give an opinion on the financial statements, review the annual report and provide reasonable assurances on the annual report. <p>There does not appear to be a current consensus on the preferred approach. For example, the LG Group supported option 1, whilst the CLG Select Committee Inquiry into the Audit and inspection of local authorities favoured option 4.</p>
	<p>The national indicator set (NIS) was abolished during 2010</p>		<p>The Government has identified through the Single Data list all the data from across government departments that government requires from local government and indicated commitment to reduce the list to only the minimum of central government data needs. However LGG have, concerns about whether it is possible to achieve this aim on the basis that whilst 45 data items or collections were stopped another 18 new were added.</p>

Area	Stopped	Continues	Proposed
Children's services		In the short-term, Ofsted continues to publish the annual children's services rating.	Ofsted is to end the annual children's services rating process as soon as suitable legislative opportunity can be identified.
		<p>In the short-term, Ofsted continues to undertake the following inspections within children's services:</p> <ul style="list-style-type: none"> • Annual unannounced inspection of contact, referral and assessment arrangements • Announced inspection of safeguarding and looked after children (from April 2009 to July 2012) 	<p>Ofsted is currently consulting on proposals for the future inspection of local authority children's services, which would replace the unannounced inspection of contact, referral and assessment arrangements and the announced inspection of safeguarding and looked after children.</p> <p>Ofsted sees these inspections as a discrete part of the overall system of performance improvement being developed by the children's services sector.</p> <p>The proposals, which are designed to ensure that inspection is proportionate and streamlined, would take effect from April 2012. There would be three types of inspection:</p> <ol style="list-style-type: none"> 1. Universal unannounced inspection of early intervention and child protection – the frequency of these inspections would be risk based; the focus would be on the child's journey 2. Inspection programme of services for children in care using an annual sample of 20-25 local authorities – these would be risk based and provide a short notice period. 3. Monitoring and re-inspection of inadequate local authorities and a programme of thematic deep-dive inspections – a short notice period would be provided. <p>The first two inspections will centre around the child's journey, and will primarily be based upon case sampling and tracking, and direct observation of practice.</p>
		<p>Ofsted continues to undertake the following inspections within children's services:</p> <ul style="list-style-type: none"> • Announced inspection of local authority fostering 	These inspections will continue, however Ofsted is currently consulting on changes to the current approach to the fostering and adoption service inspections, which includes the notice period and the

Area	Stopped	Continues	Proposed
		services – all councils to be inspected once every three years. <ul style="list-style-type: none"> • Announced inspection of local authority adoption services – all councils to be inspected once every three years. • Unannounced inspections of direct service provision continues, for example in children's homes, children's centres and schools 	frequency.
		HMI Probation continues to undertake programmed inspections of Youth Offending work on two levels: <ul style="list-style-type: none"> • Core Case Inspection (CCI) –This programme entails visits to all Youth Offending Services in England & Wales over a three-year period starting in April 2009. • Thematic Inspections - up to seven areas visited on each occasion. 	The Youth Justice Board is currently reviewing its approach to oversight and performance improvement. Central to this will be sector-led improvement
Adult social care	The Care Quality Commission (CQC) annual assessment of councils as commissioners of adult social care has been discontinued, and the Care Quality Commission will no longer publish information about council performance. CQC has stopped undertaking routine inspections of council adult social care services.	Unannounced inspections of direct service provision continue, for example in care homes. The Department of Health continues to require an expanding range of specific services to produce annual self assessments, which describe the quantity and quality of provision within the local area. For example, in recent months this has included assessments of learning disabilities, autism and dementia.	The Department of Health has agreed a new approach to the assessment and inspection of councils. This new approach will see a shift towards more sector-led assessment, with councils taking greater responsibility for driving improvement. CQC will however retain the ability to respond to concerns about council services by carrying out inspections.
Benefits	The Audit Commission has stopped undertaking inspections of benefits services.		
Housing	The Audit Commission has stopped undertaking inspections of housing services.		