**Management Scrutiny Committee
Policy Review 2011 – 2012**

Demonstrating Local Accountability

Draft Report

Contents

1   Foreword from the Chairman of the Committee

It gives me great pleasure to be able to introduce the Management Scrutiny Committee's policy review on self regulation.

The landscape of local government inspection and assessment is changing with central government's removal of large aspects of the current regime. However with the removal of 'top down' regulation comes a greater responsibility on councils to ensure that accountability and transparency exists at the local level around the organisation and service delivery. The Local Government Association have on behalf of councils looked to develop an approach which supports this new agenda

The Management Scrutiny Committee has looked at a number of aspects of this new 'self regulation' agenda and the emerging self regulation tools being developed through a series of interactive workshops. These workshops have proved extremely useful in not only gaining a clear understanding of self regulation and the associated mechanics, but also how this is being implemented and developed in Sunderland.

There is a clear role for scrutiny within the self regulation model, providing one of a number of robust mechanisms for accountability and transparency. Scrutiny plays a key part in the council's governance arrangements and with the advent of self regulation will continue to provide both a voice for concerns of the public and a critical friend challenge to the Cabinet.

It is also worth noting that many of the principles of good self regulation are already imbedded in the councils work and the work of scrutiny, through the policy reviews that are conducted by committees on an annual basis.

The important issue for scrutiny and the council, as a whole, in moving forward is to ensure that the self regulation measures put in place are proportionate and fit for purpose, reflecting the best interests of the organisation and communities which they serve. However scrutiny develops in the future there is a clear role for members and the scrutiny function in providing a degree of accountability through its continued work and policy review studies.

Finally I would like to thank my colleagues on the Management Scrutiny Committee for their valuable input and contribution throughout the course of this piece of work. I hope that the review and its recommendations can help to add value and develop further the self regulation role within the Council.

Councillor David Tate, Chair of the Management Scrutiny Committee

2 Introduction

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.

3 Aim of the Review

3.1 The overall objective of the review is to look at the appropriateness and effectiveness of the Council's emerging self regulation framework, and in particular how the scrutiny function can contribute to performance improvement.

4 Terms of Reference

4.1 The title of the review was agreed as 'Demonstrating Local Accountability' and its terms of reference were agreed as:

(a) To understand the emerging self regulation agenda and how the council is responding;

(b) To look at the role of scrutiny in the Council's self regulation framework;

(c) 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;

(d) To look at examples of good practice from across the region and country in relation to the policy review.

5 Membership of the Committee

5.1 The membership of the Management Scrutiny Committee during the Municipal Year is outlined below:

Cllrs David Tate (Chair), Kath Rolph (Vice-Chair), Florence Anderson, Graeme Miller, Michael Mordey, Robert Oliver, Paul Stewart, Peter Walker, Susan Watson, Amy Wilson and Peter Wood.

6 Methods of Investigation

6.1 The work and evidence gathering in respect of this review was undertaken through a series of interactive workshops dealing with a specific aspect of self regulation. The workshops covered the following themes:

(a) The Sector led Approach;
(b) Peer Challenge;
(c) LG Inform and The Knowledge Hub;
(d) The Role of Scrutiny in Supporting Self Regulation.

6.2 Throughout the course of the review process the committee gathered evidence from a number of key witnesses including:

(a)   Mike Lowe – Head of Performance Improvement – Sunderland City Council;
(b)   Caryl Macbeth – Associate Lead for Performance & Improvement– Sunderland City Council;
(c)   Kelly Davison-Pullan - Lead Officer for Corporate Performance – Sunderland City Council;
(d)   Lee Wilson - Performance & Intelligence Officer - Sunderland City Council;
(e)   Meg Boustead – Head of Safeguarding– Sunderland City Council;
(f)   Graham King – Head of Strategic Commissioning HHAS– Sunderland City Council;
(g)   Mark Edgell – LG Improvement and Development Regional Associate – Local Government Group

6.3   All statements in this report are made based on information received from more than one source, unless it is clarified in the text that it is an individual view. Opinions held by a small number of people may or may not be representative of others' views but are worthy of consideration nevertheless.

7   Findings of the Review

Findings relate to the main themes raised during the committee's investigations and evidence gathering.

7.1   What is Self Regulation?

7.1.1   The Coalition Government has a commitment to the replacement of the burden created by Whitehall oversight and inspection with greater local public transparency and accountability, allowing councils and other local public bodies to 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 introduced a range of proposals, and changes in regulation. Those 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.

7.1.2   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 of inspection still remain. The impact of the reducing burden is being felt disproportionately across councils. While major assessments of councils (e.g. CAA and LAA) and adult social care have gone there are still significant inspection and assessment frameworks, particularly within Children's Services, where services have only experienced a marginal benefit in reduced inspection.

7.1.3   Part of this disparity 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.

7.1.4   There are expectations from the Government that while scaling back the inspection regime, there is still a requirement of Council's to ensure that they are evidencing and providing assurances to stakeholders on the delivery of priorities and outcomes. In the absence of significant external regulation and inspection as well as the Government's commitment of not replacing one layer of bureaucracy with another, the Local Government (LG) Group put forward proposals for sector-led self regulation and improvement. This would in effect be a replacement for the current top down inspectorate led performance management framework.

7.1.5 In October 2010, the Local Government Association (LGA) conducted a consultation with the local government sector on a new approach to self-regulation and improvement. The consultation solicited 120 responses from individual councils and almost 200 additional council responses made through regional improvement and efficiency partnerships (RIEPs). Councils agreed with the basic proposed principles:

- that councils are responsible for their own performance;
- that stronger local accountability drives improvement; and,
- that councils have a collective responsibility for performance in the sector as a whole.

7.2 Self Regulation: An Approach

7.2.1 The consultation conducted by the LGA in October 2010 led to the publication in February 2011 of 'Taking the Lead' which sets out the LG Group's approach to how self regulation and improvement could 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 recognising that it does not want to replace one burdensome national framework with another. However there is an expectation for councils to take steps to enhance the way they are held accountable locally and to continue to support each other.

7.2.2 There are two key principles which the LG Group identifies as fundamental to the new self regulation approach. These are:

- Local authorities are responsible for their own performance and for leading the delivery of improved outcomes for local people in their area; and,

- Local authorities are accountable to their local communities. Stronger accountability through greater transparency helps local people drive further improvement.

7.2.3 Some of the approaches are not new and the LGA are identifying that there are a number of tools and techniques that are available and being used by local authorities to assist in developing and promoting self regulation. A number of these tools and techniques will already be familiar and effectively incorporated into local authority planning and performance frameworks. The review recognised that the use of many of these techniques will of course be at the discretion of councils relating their appropriateness to the local setting, but the LG Group does set out a series of techniques including:

- Encouraging resident feedback from a range of channels (e.g. councillor surgeries, surveys, complaints, comments and compliments, and mystery shopping);
- Using social media techniques to gather information;
- Using deliberative techniques such as citizens juries and participatory budgeting;
- Consulting with the public on proposals affecting them;
- Publishing regular performance information allowing the public to understand how well the council is meeting its objectives (e.g. annual report);
- Publishing on-line expenditure in line with national requirements, in a way that the public can understand;

- Making use of the role of scrutiny to challenge and improve council and partner services;
- Taking stock of the councils own performance to identify areas for improvement and risks;
- Making use of opportunities to be challenged by peers;
- Seeking and welcoming support from the sector as and when required; and,
- Developing elected members to fulfil their role in this new environment.

7.2.4 The 'Taking the Lead' publication sets out a seven point support offer from the LGA that will help local authorities to develop the opportunities that self regulation and improvement offers. One of the key features within the new approach is the emergence of sector led approaches which are being developed by specific sectors eg Adult Social Care , Children's services with sector specific responses being developed at national and local levels in some areas.

7.2.5 The remit of the review focussed on the key aspects of the LGA 'offer' but members acknowledged and recognised the existence and deployment within Sunderland ofof a range of mechanisms and systems which currently support local transparency and accountability, and the importance of enhancing and adapting measures to ensure local accountability without creating any additional layers of bureaucracy.

7.3   The LGA Seven Point Offer

7.3.1 The LGA seven point offer is a range of 'free' tools and support offered to councils to help strengthen local accountability and transparency. The LGA have brought the existing tools and support undertaken by a range of support organisations together under one single framework, the idea being that if they are in one place it is easier for councils to gain access to the tools and support. The important point to note is that none of the tools are mandatory, it is up to the Council to consider how and when to use them.

Local Accountability Tools
7.3.2 One of the elements of the new approach is around working with councils to develop tools for enhancing how councils are locally accountable to citizens and communities, including online guidance "showing how new and existing tools can be brought together to provide regular feedback to local people"[1], a local assessment tool, piloting new ways of gathering information about citizens' views of services and a series of offers from the Centre for Public Scrutiny. It was recognised that the offer here was not a single tool, or a prescribed approach, but rather an approach that draws on a range of existing and new tools.

Peer Challenge
7.3.3 Peer challenge is not a new technique but it is a proven tool for improvement. In fact since April 2004, almost 70% of councils have had some sort of peer challenge and during Comprehensive Performance Assessment (CPA) and Comprehensive Area Assessment (CAA), councils that made use of peer challenge improved their ratings to a greater extent than those that did not. Where the new peer challenge differs is that it is voluntary in nature and is intended to complement the work of councils, it is also an aspect of self regulation that the Management Scrutiny Committee explored in depth during their evidence gathering and these findings are detailed later in the report.

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[1] The Seven Point Offer - Local Government Association website

7.3.4 *Peer Support*
The LGA is also offering up to five days of free member peer support for all councils undergoing a change of political leadership and is intended to support the new leader.

7.3.5 *Knowledge Hub*
Councils have always learned from each other and find this extremely useful in developing but often it is difficult to find the time, resources or right information. The LGA is investing on behalf of the sector into a new web-based service creating a single window to improvement in local government. The Knowledge Hub has the potential to become the definitive online environment for local government to produce and capture its own knowledge. It will offer a suite of free online tools and services to help councils innovate and improve together. Again this is an aspect of self regulation which the committee has explored in some detail and is discussed later within the report.

7.3.6 *Data and Transparency*
In parallel with the Knowledge Hub will be LG Inform a place for councils to provide and access data in an open source environment. The aim of LG Inform will be to assist local authorities in the analysis of performance and outcomes, helping councils build the evidence required for informed decision making, reducing costs and improving services.

7.3.7 *Leadership Support*
The LGA has pledged to continue to provide development support for political and managerial leaders as part of the seven point offer.

7.3.8 *Learning and Support Networks*
The LGA will also support networks of officers and councillors at national and sub-national levels, working with sub-national groupings of councils and the relevant professional associations, to share good practice and to provide timely support.

7.4   The Sector Led Approach

7.4.1 As part of the review Members were made aware of some of the emerging sector led approaches and looked at some of the tools that have been and continue to be developed around self regulation as well as understanding the changes to inspection arrangements in key service areas.

Self Regulation in Adult Social Care
7.4.2 It was noted that the previous regime of inspection included the National Performance Assessment Framework which was conducted annually by the Care Quality Commission (CQC). From this annual inspection councils received an annual judgement and rating which covered the seven dimensions of social care. The judgement highlighted areas of strength and agreed areas for improvement, essentially acting as an action plan for the forthcoming year.

7.4.3 Members noted that during the 9 years of this inspection regime Sunderland City Council's Adult Social Care was rated as excellent (in 8 of the 9 years) or good following inspection.

7.4.4 Members were advised hat the previous inspection arrangements had been abolished with new arrangements based around sector led improvement as follows:

- Nationally led by the Association of Directors of Adult Social Services (ADASS), the Local Government Group (LGG) and CQC;

- Co-ordinated through Promoting Excellence in Councils' Adult Social Care Programming Board; and,

- A regional approach developed by the North East ADASS.

7.4.5 Members enquired as to how the regional approach had been developed and it was reported that it had four principal components:

- To develop a consistent approach to performance management arrangements;

- To provide support to those councils formerly judged as 'Adequate';

- To develop a regional programme of service development; and,

- To start a regionally funded pilot of proposed arrangements.

7.4.6 One of the key local accountability tools that members were advised was being developed in this area was what was called a 'Local Account'. This was designed to be an annual self assessment of the performance of local social care services. The review was advised that this was an emerging tool and also informed that the development of the Local Account in Sunderland was ongoing with discussion around the exact content of such an account. It was noted that local accounts are designed to build on the work that councils are doing in relation to their engagement with the public and service users around priorities and outcomes. The potential for local accounts to become a key vehicle for accountability to the public was acknowledged by Members as well as identifying it as a useful way of informing self improvement activity locally. The local account would become an annual process for adult social care and from 2012/13, and Members saw this as an opportunity for scrutiny to provide the requisite challenge and review function in respect of the local account, and in so doing enhancing accountability within the local authority.

7.4.7 The review was reminded that the sector had in 2011 developed aa new outcomes framework for adult social care in 2011 was much more service user focused, with a measures of outcomes that was more person centred.

7.4.8 On a regional basis Members were advised that a 'buddy' arrangement with other North East councils was to be used to develop a sector led approach to peer reviews for social care. It was acknowledged that locally there was agreement on the main standards that councils will judge each other on, these were noted as:

- Reablement;
- Personalisation;
- Prevention; and,
- Safeguarding.

7.4.9 Members enquired that if moving to a self assessment framework had the potential to lead to complacency? However it was understood that for example in preparing

local accounts there was a need for councils to be honest and robust in their assessment, to provide a balanced view of what works well and where improvements can be made. The views of service users would also act as a balance within the approach. The use of a regional peer review would also provide an external challenge to the council's own views.

Children's Services – Safeguarding

7.4.10 The review was reminded of the Ofsted inspection process and in particular the annual unannounced inspection which lasts approximately 2.5 days, it was noted that Children's Services had been inspected on Tuesday 25 October 2011. Running in parallel with this was the announced inspection which is a far more detailed inspection lasting for up to 2 weeks.

7.4.11 It was highlighted that recent policy developments would change the Ofsted inspection framework. The main drivers being the recent agreement with partner inspectorates to develop a fully joint multi-inspectorate framework for the inspection of local area arrangements for the protection of children from 2013/14; and the recent agreement with the Department for Education to pursue a regulatory change that will allow the streamlining of arrangements for the inspection of looked after children services.

7.4.12 In December 2011, Ofsted, HMI Probation, HMI Constabulary and the Care Quality Commission, with the involvement of HMI Prisons where appropriate, agreed to develop a joint inspectorate framework for a multi-agency inspection of services for the protection of children. Ofsted have committed to developing a detailed project plan by 31 March 2012, and expect to implement a new joint framework during 2013/14. In the meantime an interim single inspectorate framework will be used by Ofsted from May 2012 to inspect local authority arrangements for the protection of children.

7.4.13 Currently, Ofsted is required to undertake discrete inspections of local authority adoption agencies and local authority fostering services every three years. The Department for Education have agreed to pursue a change to the regulations which would allow Ofsted to integrate these separate inspections into a single integrated 'children looked after' inspection. It was anticipated that following a consultation period a new programme for inspection would begin in April 2013. It was also noted that as well as combining these inspections together there would be more focus on the performance of safeguarding services within local authorities.

7.4.14 The Management Scrutiny Committee also recognised that the Children's Services Directorate had commissioned a peer challenge from the LGA to support improvement planning and inspection preparations for the safeguarding service. This review was free to the council as it was funded by the Government. It was seen as extremely beneficial to both the service area and the council as a whole. In preparing for this review an honest and frank self assessment was to be completed. It was also noted that the Children Young people and Learning Scrutiny Committee would be part of the peer challenge process and it was intended re-visit this peer challenge once it had been conducted as part of future evidence gathering.

7.5   Peer Challenge Process

7.5.1 One of the major aspects of self regulation is the Peer Challenge process and the Local Government Association (LGA) is keen to promote this tool through the offer to all councils of the opportunity to have a free corporate peer challenge between now and March 2014.

7.5.2 Peer challenges from the LGA differ from previous inspection regimes like Comprehensive Area Assessment (CAA) in that they are undertaken by the sector for the sector are less prescriptive and are aimed at improvement rather than purely judgemental. Peer challenges can be undertaken across a whole organisation i.e. council or local strategic partnership or a specific service area or theme e.g. safeguarding, regeneration etc

7.5.3 As the LGA states peers i.e. officers and members from other council's will very much be at the heart of the process[2], with teams consisting of a mix of officers and elected members that best reflect the main focus of the peer challenge and ensure councils receive the most appropriate challenge. Members were also informed that these team compositions were agreed with councils in advance and in fact the selection of the peer challenge team could be as important as the peer challenge itself. A similar point was also raised at a recent regional scrutiny network meeting and Mark Edgell, LGA Regional Associate, about the credibility of peer challenge teams and it was confirmed that the selection process was conducted between councils and the LGA to ensure the challenge team were suitable and credible for the organisation to be reviewed.

7.5.4 Members were aware that the Council had used peer challenge at both corporate and service level over the last few years. In gaining a greater understanding of the role and benefit of peer review/challenge Members of the Management Scrutiny Committee looked at the scrutiny peer review undertaken in 2008 and also received feedback from the most recent peer challenge undertaken, that of the safeguarding service as highlighted earlier in the report. In addition to these service specific peer reviews, consideration was also given to the corporate peer reviews of the council and the Local Strategic Partnership which had taken place in advance of the former Comprehensive Performance Assessment (CPA) and Comprehensive Area Assessment (CAA).

7.5.5 The scrutiny peer review took place in 2008 and was based on the 4 principles of good scrutiny, namely the critical friend challenge, reflecting the voice and concerns of local communities, taking and leading the scrutiny process and impacting on service delivery. The peer review team was made up of 2 IDeA Officers and one elected member.

7.5.6 The review team initially carried out a survey via questionnaire to get the views of a variety of members and senior officers and were on site for days during September 2008 where documentation was reviewed, interviews held, focus groups organised and scrutiny committee meetings were observed. The key points and benefits to this approach from the experience of the scrutiny service was that:

(a)   The peer review provided an independent view of the service free of any personnel or historical prejudices;

(b)   The peer review was the ideal driver for change and improvement within the service area;

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[2] Taking the lead: The Local Government Association's peer challenge offer. LGA Nov 2011

(c)   The review also provided a reality check; and,

(d)   The review was tailored to suit both the service and organisation.

7.5.7   Members did raise the issue that at the time of this peer review Cabinet Members were not involved and it was recognised that the views of Cabinet Members would be just as relevant in such a review and add a further dimension. Members agreed this was worth bearing in mind for any future reviews.

7.5.8   It was also highlighted by Members that there can sometimes be a tendency to report an objective as having been achieved when this may not be the case. It was identified as being very important that any recommendation arising from a peer review/challenge was signed off only when completely achieved.

7.5.9   The Head of Safeguarding, Meg Boustead, also attended this evidence gathering session to provide some informative feedback from the very recent peer challenge undertaken in the Safeguarding service.

7.5.10 The initial point to raise from this peer challenge was how useful it was in providing a different perspective on the service based on the knowledge and experience of peers who knew safeguarding services themselves. The peer challenge process also highlighted how the process allowed the peer challenge team to take learning and new ideas away with them and in this way good practice was being shared across the sector. To this end it was noted that the Head of Safeguarding was keen to pursue the opportunity to become a national peer not only to increase her own learning but to be able to bring innovative and different ways of operation back to Sunderland.

7.5.11 Another of the advantages of the peer challenge was noted as the high degree of honesty that took place during discussions and the less guarded approach than can often be the case during a formal Ofsted inspection. It should also be noted that the peer challenge process is much more flexible and adaptable to the needs of the host council than tin the past and there is greater scope for honest assessments and discussions based on self awareness and mutual understanding with peers. As mentioned previously Sunderland City Council decided the remit and focus of the safeguarding peer challenge but it should be noted that the new style peer challenge is not a detailed service assessment or driven by external requirements or a standard set of Key Lines of Enquiry (KLOE).

7.5.12 Members explored the accountability issues around the action plan resulting from a peer challenge and how it was important to share this, as well as any learning from the peer challenge with the scrutiny function. It was highlighted that scrutiny committees would be the most appropriate vehicle to hold any such action plan to account. Scrutiny would provide for transparency in the process as well as allowing service areas to be able to demonstrate progress in relation to actions within an action plan.

7.5.13 It was recognised that self regulation would not work without the requisite peer challenge and perhaps a more regional arrangement would be required in the future. It was certainly clear that the input and thinking that is needed to prepare for such a process was very important. In fact it is testament to the old adage that you only get out of such an exercise what you are prepared to put in.

7.5.14 It was noted by Members that the 'old' style peer challenge was very much about providing a benchmark and lacked the flexibility of the new style challenge. It was interesting to know that the peer challenge had identified new areas of work and had also helped to shape the community leadership programme in Sunderland.

7.6   The Knowledge Hub and LG Inform

7.6.1   As self regulation is a new and developing process there are a number of key resources which have the potential to be extremely useful for local authorities. The LGA seven point offer identified a number of, essentially free, resources that are there to support local authorities and help them develop their own self regulation approach. The report has already explored the peer challenge aspect to this offer but two other resources merit closer investigation, the Knowledge Hub and LG Inform.

7.6.2   The Knowledge Hub is essentially an on-line platform that allows the building of professional networks. It has the potential to be extremely useful to both individuals and organisations as the hub will collect information and data from local authorities. The Knowledge Hub will be available for anyone to join who has a .gov email address which includes Members and officers of Sunderland City Council. The hub works in a similar fashion to Facebook and allows individuals to join various groups on the hub or create new groups. Groups focus on a particular issue and allow for a sharing of information, thoughts and/or opinions, e.g. groups could be created to discuss recycling, high cost credit or low carbon vehicles etc. This is in essence providing a vehicle for the collection of knowledge from a sharing of experiences.

7.6.3   As the network on the Knowledge Hub increases and becomes much broader in focus it could have real potential for use in the scrutiny field and in particular for gathering evidence and opinions in relation to the various policy reviews that are conducted. There is also the potential to hold web chats and conference calls through the hub which could reduce travel and expenditure implications.

7.6.4   Another potential implication of the Knowledge Hub is to support programme delivery, professional development and also build professional networks that allow local authorities to learn from the experiences of others. Members recognised one of the key drivers for the Knowledge Hub was that of cost effectiveness and the efficient use of limited resources.

7.6.5   Local Government (LG) Inform is an online service allowing councils to collate and compare essential data at both high and detailed levels. LG Inform draws on data from central and national sources, such as government departments and the Office for National Statistics (ONS). Councils also have the ability to use LG Inform to input their own local data. Users will be able to gain insights into current performance from the results of data comparison which could ensure more careful and informed decision making based on the available evidence. Longer term, the full service will be hosted within the LGA's other online tool – the Knowledge Hub.

7.6.6   LG Inform includes components of performance management, benchmarking and data analysis. The Metrics Library contains national data sets that show local performance against the national picture. It was interesting to note that local authorities were also showing interest in uploading local data and sharing this with other councils, similar to benchmarking. LG Inform also contains tools to interrogate the Metrics Library to present and analyse data; e.g. bar charts, graphs, pie charts

etc. All these tools can be used to customise reports within LG Inform so that information can be shared.

7.6.7 Scrutiny Members queried who would be responsible for the data on LG Inform and it was noted that this would be one of the key challenges for the local government family. Previously compliance returns for national indicators etc was mandatory and the audit commission and other inspectorates used to collect this information but in the changing landscape of local government performance it is now a matter of 'goodwill', it will very much be up to individual authorities to decide on which data sets they continue to share and also what new data sets are developed.

7.6.8 Members were advised that the Council was reviewing the benefits of utilising the LG inform as part of its performance management arrangements. Members were advised that it was still very much in its developmental stages, currently had limited value and it was noted in relation to this aspect that Sunderland was looking to develop protocols to ensure that any data provided had been through appropriate data validation checks and to ensure the quality and accuracy of the data. The onus to supply and input data onto LG Inform was very much with local authorities and it could be argued that this was where LG Inform would succeed or fail. Members were keen to learn that discussions were taking place in the North East about developing a basket of indicators for benchmarking across the region that are seen as relevant to the area, of which something similar is underway in the London Boroughs.

7.6.9 Members also recognised the potential benefits of such tools and resources for both Elected Members and Officers of the Council and felt that training for key stakeholders including Members, Scrutiny Officers, Account Managers should be made available.

7.7   The Role of Scrutiny in Self Regulation

7.7.1 Within an environment of decreasing governmental prescription and inspection and a greater freedom for local authorities to exercise more accountability and transparency there is a crucial role for local arrangements in holding local decision makers to account. Overview and Scrutiny Committees are an integral part of these local arrangements and are well placed to take a significant role in the development and practice of self regulation.

7.7.2 Research carried out by the Office of Public Management has identified 8 important principles for effective internal review and challenge within local authorities:

(a)   A clear role & purpose within the council's governance arrangements;
(b)   A valued contribution to good governance;
(c)   Focus on important or key issues;
(d)   Lead and build organisational confidence in challenge;
(e)   Use strong evidence basis for reports & recommendations;
(f)   Aim to influence the council;
(g)   Develop a non-party political and inclusive culture; and
(h)   Provide the foundation for review and challenge of organisations outside the council.

7.7.3 Members in discussing these 8 principles noted that in reference to scrutiny the aim was to influence the Cabinet, rather than the council, by way of the policy reviews conducted and the recommendations put forward as a result. Members highlighted

the importance of the various governance vehicles including scrutiny having the ability to make Cabinet and the decision makers stop and think.

7.7.4 In discussing scrutiny's ability to focus on the key issues it was acknowledged that the work programmes of the various committees reflected an awareness of corporate priorities and the wider concerns of the public. It was also noted that the views of the public, community groups and key stakeholders was frequently taken into account during evidence gathering as part of the policy review work undertaken by the scrutiny committees. Another important aspect of engaging with the public is the ability of scrutiny committees to co-opt members of the public, professionals or experts in a specific issue onto a committee to broaden and enrich its knowledge in a certain issue. Scrutiny committees in Sunderland have been particularly effective in this area and the Children, Young People and Learning Scrutiny Committee and the Health and Wellbeing Scrutiny Committee have both been at the forefront of using expertise from a wide range of stakeholders and partners to strengthen the committees.

7.7.5 The issue of a non-party and inclusive culture was also discussed and it was recognised that scrutiny had strived to remain relevantly non-political and inclusive. However there was also the acknowledgement that scrutiny operated within a political arena and had local politicians at its very heart and there was always the need to be mindful of the potential political dimension.

7.7.6 Members at the workshop also highlighted the difficulty in engaging organisations outside the council. Members had experienced first hand the difficulties in getting organisations to attend scrutiny meetings, particularly where there was no statutory obligation for an organisation to attend. The Health and Wellbeing Scrutiny Committee was noted as an exception and had been able to engage and challenge outside bodies effectively.

7.7.7 Members recognised that the majority of the principles outlined were already being carried out effectively within the scrutiny environment and noted that the policy review work of the various committees used many of these principles routinely. It was therefore acknowledged that scrutiny was already well placed within the organisation to offer effective internal review and challenge.

7.7.8 The Centre for Public Scrutiny has undertaken work around the self regulation agenda and produced an accountability works for you framework. This aims to be a flexible, proportionate, locally-led framework that allows for the investigation of decisions, becoming more accountable and transparent and better involving local people. It was pointed out that the framework was not an accreditation regime, an assessment or tick box exercise. Importantly it can be used for any scale, size or location and tailored to that organisations precise need.

7.7.9 Some of the key benefits of the framework included:

(a) Enhancing public trust – think and act constructively on good governance;

(b) An Opportunity – to introduce more thinking around accountability, transparency and inclusiveness to decision making process;

(c) Improve productivity and performance - provide assurance to the public through a robust local governance regime as central government inspection is scaled back;

(d) Delivering better services – the framework can help to build better, more responsive and more effective services for clients and customers; and

(e) Working in a different way – the framework can help to prepare the way for successful commissioning, shared services and partnership working.

7.7.10 The CfPS have been piloting the framework with a number of organisations over the last six months. The organisations worked with have found that the framework has provided them with significant assistance both in improving their governance arrangements, and getting them ready for major transformational change. **Appendix 1** of this report provides further details on these pilots.

7.7.11 Members were also informed that in discussions over the 4 workshops the various strands to self regulation, it was important to remember that although much of the landscape was changing there were still a number of inspection regimes that remained. The Head of Performance Improvement highlighted the recent Ofsted inspection of safeguarding and looked after children in Sunderland which demonstrated that robust inspection still existed and in particular to those services related to the most vulnerable in society.

7.7.12 Members also expressed concern at how self regulation would be able to detect local government 'failure' and that this was potentially the next big issue. It would be important and would require good self awareness for individual councils to define under performance. The development of regional networks was also seen as positive and could provide a collective response, which could have greater weight, to national consultations and policy direction. Members highlighted that scrutiny already worked on a regional level with a North East Regional Network for scrutiny embers and officers and also a regional health network. The risk of fragmentation as evident and members acknowledged the need for regional, sub-regional and local scrutiny had never been stronger in light of the self regulation agenda.

7.7.13 Members also pointed out that it was important not to become over reliant on outside bodies in relation to Sunderland's approach to self regulation. Members recognised that the scrutiny function in Sunderland had developed and progressed into an effective mechanism within the local authority and this should be the starting point for future development in light of self regulation.

8 Conclusions

The Committee made the following overall conclusions:-

8.1 The self regulation agenda is a major shift in direction from central government. There is now a greater focus for local authorities on developing and monitoring ftheir own performance and ensuring transparency and accountability. The importance of council's evidencing service delivery and the impact of outcomes takes on much greater significance. This is a new and emerging agenda and one that will require local authorities to develop their own approaches that are fit for purpose, and proportionate as well as looking to the sector as a collective for support and additional resources.

8.2 The Local Government Association has looked to lead the way and offer support and guidance to local authorities around this agenda. The publication of 'Taking the Lead' in 2011 highlights the responsibility on councils to ensure they are held locally

accountable and continue to support each other through self regulation. The LGA acknowledge that this is not a prescribed system for adoption and throughout this review Members have stressed the importance of developing and using measures and metrics which best reflect the priorities of this local authority. The LGA seven point offer is also useful in that it provides a number of tools, techniques and resources which can help local authorities in enhancing their own approaches. These tools and techniques are a mixture of existing and new approaches and can provide useful support particularly in these times of limited resources.

8.3   Adult social care is heading along a pathway of sector led improvement and there is very much a regional approach in this respect. The local account is a cornerstone of accountability within adult social care services and will provide the evidence in relation to public engagement, service priorities and outcomes. There is a real opportunity for scrutiny to provide an aspect of the challenge and review in respect of the local account. This would ultimately enhance lines of accountability within the service directorate and the local authority.

8.4   While there is a large degree of scaling back in relation to inspection regimes certain frameworks and assessment remain, in particular those within Children' Services. A recent Ofsted inspection of safeguarding within the local authority highlights just how much of this inspection regime remains. The benefits of peer challenges are highlighted within the report and the resulting action plans that arise from such challenges are extremely valuable to service and outcome improvements. Again scrutiny is well placed within the authority to hold such action plans to account, and similar to the local account, can provide the evidence to demonstrate progress and improved service outcomes.

8.5   The Knowledge Hub and LG Inform are valuable new resources for local authorities. However, their value is tempered by the non-statutory nature of these resources. It is very much up to individual organisations on how they feed into this resource and there is a danger that data could be patchy, inaccurate or incompatible. The local authority and performance officers must decide how to take this forward and make sure that dialogue is ongoing at both a regional and national level to ensure that this resource provides a useful tool to local decision makers across the region and country.

8.6   The benefits to this resource were clearly identified by Members of the Committee and it was highlighted that such a resource should be available to both Elected Members and relevant officers. As the Knowledge Hub and LG Inform develop and expand it would be advantageous to look at training Members and key officers in how to interrogate and get the most from such systems.

8.7   Scrutiny is well paced to be a key piece of the self regulation framework. The majority of the principles outlined for effective internal review and challenge are already imbedded into the way scrutiny operates within the local authority. It will be important, as the self regulation agenda develops, that scrutiny plays an integral part in the accountability framework of the organisation. As new governance arrangements are imbedded to comply with central government legislation there is risk that new structures and models could effectively bypass or not involve the scrutiny function. It will be important that the organisation looks to address this as feasibly as possible to ensure scrutiny is not undervalued and continues to provide elected members with a key role in challenging and hold the organisation to account.

9   Draft Recommendations

9.1   Management Scrutiny Committee has taken evidence from a variety of sources to assist in the formulation of a balanced range of recommendations. The Committee's key recommendations to the Cabinet are as outlined below:-

(a)   That the council takes up the LGA's offer of a free corporate peer challenge to support the council's improvement journey;

(b)   That the council considers, where appropriate, peer challenges in those service areas where the use of peer challenge is seen as aiding improvement;

(c)   That the findings of peer challenges and inspections and assessments, including the adult social care local account, are reported through the scrutiny process as part of the governance processes of the council;

(d)   That all elected members and relevant support officers including account managers and scrutiny officers are afforded the opportunity to gain an awareness, understanding and ability to utilise the Local Government Knowledge Hub;

(e)   That scrutiny champions and scrutiny officers use the Knowledge Hub as a source of information and data in relation to policy review work; and

(f)   That the council remains aware of the developments to sector led approaches, including the Knowledge Hub, as part of the self regulation agenda ensuring that such approaches are adapted and adopted, as appropriate, into the council's performance management framework.

10.   Acknowledgements

10.1   The Committee is grateful to all those who have presented evidence during the course of our review. We would like to place on record our appreciation, in particular of the willingness and co-operation we have received from the below named:-

(a)   Mike Lowe – Head of Performance Improvement – Sunderland City Council;

(b)   Caryl Macbeth – Associate Lead for Performance & Improvement– Sunderland City Council;

(c)   Kelly Davison-Pullan - Lead Officer for Corporate Performance – Sunderland City Council;

(d)   Lee Wilson - Performance & Intelligence Officer - Sunderland City Council;

(e)   Meg Boustead – Head of Safeguarding– Sunderland City Council;

(f)   Graham King – Head of Strategic Commissioning HHAS– Sunderland City Council;

(g)   Mark Edgell – LG Improvement and Development Regional Associate – Local Government Group.

11.   Background Papers

11.1   The following background papers were consulted or referred to in the preparation of this report:

(a)   Taking the lead: self-regulation and improvement in local government. Local Government Group. 2011
(b)   Accountability works for you. Centre for Public Scrutiny. 2011
(c)   Accountability works for you: interim report. Centre for Public Scrutiny. 2011
(d)   The seven point offer. Local Government Group. 2011

Appendix 1

CfPS Accountability Works For You Framework

Pilot Studies

The framework involves five separate stages – the formation of a project group, a high-level evaluation, in-depth analysis of a couple of key cross-cutting issues, the formulation of an action plan and finally evaluation and monitoring. As part of the process of developing the framework, we have been working since February 2011 with a number of organisations to work through these stages. Work with two of them – both local authorities – has progressed far enough for us to be able to draw serious conclusions from observing the framework operating "in practice". Because some of their and our findings on the strength of their governance structures were quite challenging, we have agreed for the moment to anonymise them in the publicity we produce.

Council A is a county council operating the leader and cabinet model for decision making. It is high-performing, and has had some significant successes in engaging with the public in an innovative way around budgeting and decision-making (having been cited by a number of organisations as an exemplar of good practice in this regard). However, in the face of organisational change, coupled with a feeling that opportunities for meaningful, continued community engagement have not been followed up, they considered that more work was necessary to ensure that accountability and transparency issues took centre stage. They wanted to look at the way that our framework could help them to open up decision-making and improve productivity.

For council A the high-level evaluation (HLE) was carried out as a desktop exercise by officers. The HLE started to explore some of the underlying governance issues. It crystallised a number of issues – and opportunities – which had previously been difficult to discern or describe. In particular, it helped the council to understand what accountability means in an era where Audit Commission inspection is being removed, being replaced by a more citizen-focused attitude which highlights the need for direct democracy and/or more responsive decision-making.

CfPS worked with council A to extract some cross cutting themes from the HLE. The intention in doing this was to move away from the temptation to adopt individual process solutions to particular, isolated problems or concerns highlighted by the HLE itself. The three main areas for further investigation were:

The need for more local and streamlined decision making. The HLE suggested that decisions had in the past been made centrally. This may reflect wider issues around organisational culture and control. Moving to a more locally-based system for making some decisions would involve a significant change in approach.

Performance and improvement. This links in with plans for local engagement and wider issues around accountability. It was thought that there may be cultural issues to tackle in ensuring that information is made available in such a way that allows constructive comment on matters relating to improvement – particularly through overview and scrutiny.

Broader cultural attitudes. It was apparent that there was a culture of compliance and reaction to external stimuli; an understanding of the importance of public involvement, but a lack of managerial and executive commitment to see it through; an unwillingness to cede control over decision-making to others under certain circumstances (particularly to the public).

Steps were principally put in train to tackle these three issues as part of the development process for a Performance Management Strategy. This combines the in-depth analysis and action-planning in the AW4U framework.

At the time of writing, the strategy is still in draft. As it stands it places more of an emphasis on integrating the views of the public, partners and non-executives in the decision-making process. It suggests the establishment of an entirely new, and quite radical, approach to business planning, typified by transparency and openness. Authority A have committed to continue working with us as these plans develop.

Council B is an urban council with an executive mayor. Suggestions have been made that decision-making – including by individual senior decision-makers – is geared towards supporting and protecting particular interest groups rather than the community at large.

Council B is consequently keen to enhance the way that the mayor engages both with the community and with other councillors, and to enhance its governance arrangements overall. Transparency is seen as particularly important in gaining and building public trust.

Further to evidence from two scrutiny reviews carried out in 2010/11, and conversations amongst several council colleagues, a HLE was carried out. As with council A, this was a desktop exercise.

As with council A, the HLE found that there was more of an emphasis on the process, rather than the outcomes, of accountability and transparency. In particular, there is perhaps too much of an emphasis on set-piece consultation rather than ongoing inclusion. There seemed to be a disconnect between governance/decision-making and local residents that may arise from this approach. Business planning appeared opaque, making it difficult for the public or non-executives to influence decision-making. There was not much evidence that, apart from meeting statutory requirements, the council makes information available in a way that is actually useful to service users. Accountability and governance across partnerships are also fragmented. When it is considered, accountability is discussed as a standalone issue, rather than as an integral part of wider improvement.

At this stage, the process for deciding which issues to take forward for further discussion is under way.

Lessons Learned

The organisations we've worked with have found that the framework has provided them with significant assistance both in improving their governance arrangements, and getting them ready for major transformational change.

Investigating, evaluating and improving governance can be perceived as risky – but there are substantial potential rewards for organisations that do so;

Commitment to using the framework needs to be given from the top of the organisation, recognising that that the framework can, and should, be challenging;

The framework needs to be shown to be flexible, while still providing a useful tool which is not too vague. This has been a difficult tension to resolve, but the latest version seems to strike the right balance;

Organisations using the framework need to put aside enough time to plan their work. Adequate resourcing is also needed, which is why CfPS has developed an offer alongside the framework itself of external assistance, provided by our Expert Advisers;

The "high level evaluation" (the part of the framework that involves a series of questions about the culture of accountability, transparency and involvement in the organisation) can be carried out as a desktop exercise, but further investigations require the involvement of a wider group of people – including councillors, service users and communities;

External assistance may be crucial at certain key stages in the framework – such as the identification of cross-cutting themes for further investigation and drawing up clear action plans.

What Happens Next

Since February, there has been refining of the framework. In particular:

built in to the high-level evaluation a series of "positive" and "negative" qualities to help people understand more clearly the questions that are being asked;

amended the whole framework to give more of a clear emphasis to the importance of equality and fairness in dealing with the public and other stakeholders;

explained more simply how the in-depth analysis element of the framework might work;

provided three hypothetical, but realistic, examples of organisations using the framework, to make it more real and relevant to prospective users;

put in more detail about the in-depth analysis that follows the high level evaluation.

We are now publishing the revised methodology for the use of the framework. This will be used for the next group of organisations who decide to use the framework. As organisations use it, and come back with their comments, we will continue to refine it. It is important that our methodology continues to change and develop as the context in which it's used changes and adapts. We will make sure that future changes are made in an understandable and transparent way by ensuring that updates happen at regular intervals, and making clear when this occurs. We are planning to make the first revision to the framework in October 2011.

By October 2011 we hope that our work with the pilot councils will have been completed. At that time, we will publish a final report, with full information on the difference that using our framework has made to their culture and approach. We will also provide an update on other participants, including CfPS itself, which is using the framework to evaluate its own governance and accountability arrangements.