

Executive

London Councils Challenge

Item no: 8

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Summary This report highlights the key themes identified as part of the London Councils Challenge exercise and invites the Executive to reflect on these and ways of taking them forward.

Recommendations The Executive is asked to:

- (i) note the London Councils Challenge report and is invited to provide some early, initial reflection on a number of the themes highlighted by the Challenge Team and set out in this report
- (ii) indicate that it wishes to broaden the discussion with London local government partners in the ways set out in this paper and note the associated timescales

London Councils Challenge

Introduction

1. Earlier this year London Councils commissioned a Challenge process aimed at ensuring that the organisation continues to meet the evolving needs of its member authorities over the next five years. A Challenge Team, led by Sir Derek Myers, conducted the Challenge process. Sir Derek shared the emerging conclusions from the work with the members of the London Councils Executive in June and with the members of the London Councils Leaders' Committee in July. The final report of the Challenge Team is attached.
2. This paper sets out a number of themes flowing from the Challenge process that need to be reflected on and taken forward. The Challenge was explicitly designed to be an aid to the organisation's own thinking about its future contribution to London local government. This paper seeks to set an initial agenda for reflection, discussion and debate by the Executive and more widely with key London local government partners.
3. The questions in the paper and invitations to provide further guidance are not all intended as ones that can, or will, be responded to in a standard meeting of the Executive or Leaders' Committee. The paper is trying to provide some broad, non-prescriptive parameters for the discussions that members and officers will want to have – at London Councils, in sub-regional groupings, party groups and among officer groupings. The Executive may wish to consider the potential of a special, awayday type session later in the Autumn to reflect on the product of that wider debate and discussion and to begin to identify specific next steps and actions which need to be progressed.

Further thoughts on a broad process for moving forward are set out later on in this report.

Key Themes

4. A number of broad themes can be discerned as flowing from the Challenge report. These are set out below, along with some commentary on issues around taking these forward. The questions set out for the Executive are, as indicated previously,

seeking to provide some shape to the debate and discussions that will take place. It is not assumed that the Executive will seek to respond definitively to all of these in a standard meeting. In addition, there may well be other, wider themes – triggered by various parts of the Challenge Team report – that Executive members wish themselves to add to this consideration.

Overall Future Positioning

5. This theme is, at the same time, both the natural place to start and also, in some ways, the most difficult. A debate about the overall nature of future positioning cannot be in isolation of thinking about more specific and tangible issues that the report covers. It would, however, not be sensible to attend to a list of specific propositions without some prior order consideration or a core organising principle for the future.
6. This means that there is likely to be an on-going iteration between an approach to future positioning and focus on other, more immediate themes.
7. A clear starting point is that the Challenge Team said that London Councils needs to exist, is credible and functions as an effective cross party body. The Challenge Team urged London Councils to 'go again' and be pro-active and confident in its dealing with the Mayor and Government.

Within that context, the Challenge Team posited four outline approaches to the future:

- reduce;
 - consolidate;
 - adapt;
 - be radically different.
8. In reality, and reflecting the commentary at the beginning of this section of this paper, the four possible points of future positioning are not all mutually exclusive. There is a rich set of observations and ideas about potential future ways of working that is contained under each of the possible future approaches. Many of these will, individually, be worthy of discussion and reflection independent of the particular future approach that the Challenge Team has placed them under.

9. In addition, even within the framework of the broad approaches, there may well be interest in seeing a direction of travel over time from one approach to others. The essential point is that the possible approaches are a useful guide, but should not limit the way that the organisation seeks to use the product of the Challenge process over time.
10. In order, however, to provide some parameters for the discussion that needs to develop it would be useful to establish some very broad, initial view of these different approaches to future positioning as set out by the Challenge Team and the degree to which any of these might be seen as a broad organising principle for future development.
11. The last of the approaches the Challenge Team has set out – ‘radically different’ – is not, of course, entirely a matter for London Councils and its constituent members to determine for themselves. Changes in the design, delivery and oversight of public services in London would be part of a much broader package of change impacting on a range of other organisations. The Challenge Team would appear to want to encourage London Councils to be ready to help facilitate such change and be prepared to help secure some of the potential benefits that could flow from it. It may well be that members would want to see London Councils seek to develop some of the capabilities and characteristics associated with what the Challenge Team has described as a ‘radically different’ approach whilst recognising that, at this point, it is less likely to be a single organising principle for the future evolution of the organisation.
12. The Challenge Team reports the scale of financial reductions achieved by London Councils in recent years. Members will clearly want London Councils to continue to bear down on its cost base and achieve on-going efficiencies as part of its work. The Challenge Team, however, does not suggest that the approach of ‘reduce’ should be seen as an organising principle for future strategic direction in its own right.
13. Adaptation to the evolving nature of the public service landscape in London appears to be where the Challenge Team’s analysis suggests that, initially, London Councils could productively place itself. As indicated previously, this would not be to stifle an ambition to develop some of the capabilities and characteristics that the Challenge Team has identified as part of a radically different future, should this be a direction members wish to travel in.

Does the Executive agree with this analysis in respect of an initial view of future positioning?

Governance and Cross Party Operation

14. The Challenge Team affirmed the importance of London Councils' cross party nature. This carries with it implications for the way that all political party groups, members and officers need to operate. A series of conventions – to varying degrees of explicit formality – underpin the way that the organisation seeks to reflect its cross party nature. These are important to the credibility and, therefore, the effectiveness of the organisation if it genuinely seeks to influence others on a collective cross party basis. Ideally, the activity of London Councils overall and that of individual party groups should reinforce and add value to each other in respect of advancing London local government.
15. Within that context, the Challenge Team raised the question of whether London Councils' underpinning accountability and legitimacy mechanisms can respond to the need to be more ambitious, but in a consensual way? The Challenge Team felt there was scope that allowed more positions to be advanced on the basis of a 'coalition of the willing'. Whilst individual councils could not be committed to specific courses of action themselves by such a shift, the Challenge Team posed the questions about to what degree it would be possible to develop some clearer advocacy positions even when a small minority of councils may not concur with those?
16. Ultimately, London Councils is a joint committee. The joint committee's specific powers are relatively constrained – particularly in respect of committing individual councils to specific courses of action themselves, except for certain, designated areas – but clearly a majority of members can agree collective positions on advocacy, lobbying, influence and sanctioning certain activity. The credibility of those positions, however, if agreed only by a simple majority – will be questionable. That is why, typically, a much broader – and in almost all cases cross party – consensus is sought when establishing such positioning. Maintaining that broad approach would appear to be vital and consistent with the Challenge Team's analysis.
17. It does, however, leave the issue of trying to ensure that broad ambition and consensus is not frustrated by a search for precise unanimity which will only be likely

to lead to blandness and a diminution of influence over others as the Challenge Team's analysis suggests.

18. Were this to be progressed, it would be necessary to develop further conventions that governed the type of issue that a 'coalition of the willing' approach could apply to. Clearly, it could not apply in cases where it might adversely impact on the interests of those individual boroughs that were not part of such a coalition, or on the credibility of London Councils as a whole. This type of approach also points to the need for effective channels of communication with all boroughs on key issues in order to ensure that such differences that did exist in positions could be understood and shared as fully as was possible.

The Executive is asked to reflect on the cross-party nature of London Councils, the relationship between being able to act quickly and effectively in terms of securing influence and protecting the interests of all member councils, as well as on the range of obligations it places on the organisation, party groups and London local government more broadly.

19. In addition to that issue, the Challenge Team also commented on the emerging importance of sub-regional structures in the operation of London local government. Whilst the footprint of these structures is not identical for all relevant service or policy issues, it does seem that the following groupings are an increasingly important part of the overall landscape:

- South London Partnership
- Local London
- West London Alliance
- Central London Forward.

20. The Challenge Team reports on the mutually re-inforcing nature of relationships between London Councils' work overall and each of these groupings. Increasingly, at officer level, structures and mechanisms for pursuing individual policy themes reflect the existence and role of these groupings. The Challenge Team reports, however, the fact that governance structures at member level at London Councils do not explicitly take account of these groupings.

21. The Challenge Team's analysis does not appear to be pointing towards a federal structure – where the governance of the organisation is an aggregate sub-regional grouping of boroughs. There is still a clear desire for Leaders' Committee to be the forum where the interests of individual London boroughs are represented, as well as where those interests are brought together for the benefit of London and London local government more broadly. There is still a clear will to see an Executive with lead roles for members representing London local government as a *whole*. There is scope, however, to consider broadening the governance structures of London Councils to include explicitly representation from each of the main geographical sub-regions. The objective of this would be to:

- ensure, in particular, that positions and activity were fully informed by an understanding of the political views and activity of each sub-region
- offer, in particular, input and perspective that reflected the specific issues facing that grouping of councils
- ensure, in particular, a political feedback loop from London Councils governance structures to sub-regions.

22. Potentially, such a development could aid the degree to which communications channels can be broadened with a wider group of members. That would be particularly significant in helping the process by which there is more effective collective consideration of some difficult and contentious issues that London local government is likely to face and which the Challenge Team commented on.

23. Should this course be pursued, members will wish to give some detailed consideration as to how this should be best achieved. Potentially, this could be one element in a wider reflection on the composition and role of the Executive. Amongst the sort of considerations that this would provoke would be:

- ensuring governance structures were manageable in terms of guiding the activity of the organisation
- the importance attached to party political proportionality overall in terms of the make-up of the Executive

- the importance of maintaining connection to other parts of London local government that, traditionally, London Councils has seen advantage in reflecting in governance structures, regardless of precise party proportionality – e.g. City of London Corporation and Liberal Democrat Party
- the future identity and composition of Executive roles and portfolios – picking up one of the ideas canvassed by the Challenge Team about London Councils' work being more explicitly based around key London wide themes. The Challenge Team considered a possible scenario whereby two Executive members were charged with focusing on each theme area. This, to some extent, has been the practice in respect of recent work on the Housing portfolio. This type of approach would, of course, open up a separate discussion about how best robust, cross party scrutiny and accountability is secured in each portfolio area. The opportunity to utilise a cluster of Executive or senior members to achieve this via the sort of idea canvassed by the Challenge Team would, of course, require a debate about the existing system of shadow spokespeople for different portfolios. It is not clear how both could work together.

The Executive is asked to provide a steer on the future composition of the London Councils governance structures taking account of the range of issues and questions set out above. The Executive is also asked to reflect on the future identity and composition of portfolio roles and on how, most effectively, cross party working and accountability can be secured.

Making the most of London local government as a whole

24. The Challenge Team placed some stress upon the importance of both:

- utilising the contribution of London borough chief executives and other senior officers alongside London Councils officers and members
- making such a contribution – and the basis of it – clearer, better understood and more transparent.

25. A good deal of officer work has been progressing in this space already. There is, however, further to go in codifying how this should work on a consistent and structured basis.

26. The Chief Executive of London Councils has been working with the Chief Executives London Committee (CELC) for some time on harnessing the contribution of London chief executives on a range of policy and service issues. The basis of this collaboration has been discussed and broad principles agreed. The Challenge Team's recommended version of this places rather clearer emphasis on the Chief Executive of London Councils acting in a 'pivot' role between members in their collective role and borough chief executives. This conclusion will be subject to some further discussion and testing.

This type of approach could, for example, include:

- lead chief executives being asked by the Chief Executive of London Councils to work both with relevant London Councils officers and portfolio holders in specific policy areas. This would build upon emerging practice in recent years, but would be more structured, consistent and explicitly recognised. This would include being invited, when relevant, to be present at Executive and Leaders' Committee meetings
- some regular, scheduled joint sessions for the London Councils Executive and those chief executives that London Councils had asked to advise on a range of key issues to have some collective consideration of the broader agenda facing London, London public services and London local government. These interactions would still be within established frameworks of accountability for advice to members and re-affirmed by the Challenge Team.

27. Much of this would be about making this approach more explicitly shared between members in their London Councils roles and chief executives in their lead policy or service roles, as commissioned by London Councils.

The Executive is asked to endorse the further work on establishing a robust basis for the contribution to London Councils' work – at a collective level – from the wider officer resource of London local government and indicate that it will be happy for

leading Executive members to meet with the Chief Executive and representatives of CELC to map out the basis on which this should operate going forward.

Self Improvement

28. The Challenge offered some observations on London's performance improvement agenda and the interplay of LGA and topslice funding, London Councils, boroughs, professional groupings and chief executives/senior officer groupings.

The London Self-Improvement Board has pursued a number of related themes from this work in recent years and agreed a way of working with the LGA on this agenda.

The Chair of London Councils has maintained some oversight of this as part of their portfolio responsibilities. More generally, however, the work on self-improvement has largely been led at chief executive/senior officer level via the Self Improvement Board.

The Executive is asked to reflect on whether it wishes to exercise some more political oversight of the self-improvement agenda. This could be achieved in a number of ways, including:

- ***asking the Self Improvement Board to report to Executive and/or Leaders' Committee on, say, an annual basis;***
- ***building in regular briefing between the Chair of the Self Improvement Board/ the Chief Executive of London Councils and the Chair of London Councils/ Group Leaders.***

Improving the transparency of London Councils work priorities

29. The Challenge Team made a number of observations relevant to this theme, including:

- making the description of London Councils' core functions clearer and more resonant

- linking priorities, business planning and programmes more explicitly and in a way that people can see and readily understand
- communicating London Councils' work and the key issues it gives rise to for councils and groups of councils more effectively.

30. To some degree this theme relates to the first one about overall future positioning for the organisation. Under the potential future that the Challenge Team labelled as 'adapt', there is reference in the report to focusing on London wide challenges, being theme led, acting as a broker and convenor of London interests and promoting the sharing of capacity.

31. Some of these issues, including the identification of the sort of political and organisational themes that would, if this were to be progressed, be most relevant might usefully form part of the agenda for a subsequent, broader 'awayday' type session as canvassed earlier in this paper.

32. Beyond that, however, in thinking about how the nature of the contribution that London Councils makes should be defined, the Challenge Team commented on the fact that this needed clearer articulation.

33. In discussion with the Challenge Team, an emerging version of this was discussed which sought to reflect on a number of the points emerging from the Challenge Team and which are reflected in its report. This reflected on a chain of potential London Councils contributions that ranged as follows:

1. *Voice for boroughs*

34. This is very much the lobbying and advocacy role on behalf of London local government and individual boroughs. This is in respect of influencing Government, the Mayor and GLA, London public services and wider stakeholders – including business. This role extends to promoting the reputation of London boroughs through our interactions with the media. This role is a core one for a membership body and reflects many of the comments of the Challenge Team about London Councils as advancing and protecting the agreed interests of the boroughs. It does, however, have a close connection to the other roles and, in particular, the 'Broker' role set out

below. Often, protecting and advising borough interests is achieved via the capacity to broker the set of frameworks that boroughs need in order to secure better outcomes for their citizens.

2. *Enabler of co-ordination and co-operation*

35. This is very much the role in supporting the sharing of capacity between boroughs. It is manifest in supporting professional networks and helping shape the outcome of their collective work on behalf of London local government as a whole. This role picks up on a number of the Challenge Team's comments about enabling the sharing of capacity and practice.

3. *Hub*

36. This is about London Councils as a hub for shared analysis, expertise and activity. This is where London Councils adds value to joint work by collecting and analysing data and helping create some frameworks for joint activity. This activity provides outputs for boroughs and groups of boroughs which is of significant value, particularly in the context of their own capacity being 'hollowed out' by resource constraints. Local Government Finance analysis is an example of this.

4. *Broker*

37. The Challenge Team report makes several references to this actual and potential role for London Councils as a broker on behalf of London local government.

38. This activity to date has been where London Councils has sought to broker change in the way that public services are secured and financed between boroughs and other public bodies – regionally, sub-regionally and locally. This, in effect, helps create frameworks that sub-regions and individual boroughs might benefit from in terms of devolution and reform. Good examples here include work around Health, Employment Support and Skills. Some of the work that has been going on in respect of Housing Supply also fits into this category. As indicated earlier, this role is often a natural extension of the role as a voice and advocate for the interests of the boroughs.

39. The work to develop the London CIV was a further example of this. As with the CIV, sometimes this will lead to the establishment of some fresh vehicles for delivery. These do not need to be delivered by London Councils specifically – although in some cases they have grown out of the organisation.

5. *Provider of services to London and Londoners on behalf of boroughs*

40. This is where there is an explicit agreement between the boroughs that they wish London Councils to deliver a service on their collective behalf. These might be relatively limited in terms of overall number, but Transport and Mobility Services, including Freedom Pass and Taxicard, fit into this category. The Executive has, previously, agreed a set of criteria for where direct services should be considered on behalf of the boroughs.

41. Clearly, it is not possible within a limited resource base to progress all of the opportunities that, potentially, could emerge under each of the five roles set out above. Part of the further work with the Executive around work priorities might be on developing clearer criteria for qualifying different types of opportunity in order to help more effectively choose what to pursue.

The Executive is asked to consider whether these definitions of the potential contribution of London Councils can usefully be seen as the basis for further work on a clearer articulation of roles and value and to support this in business planning and communications activity.

Organisational Implications

42. Clearly, flowing from the work on each of these themes, London Councils will need to give attention to supporting future direction of working in the way that the organisation is structured and operates. This should flow from the function that emerges from the work and discussion set out above.

Broadening the Discussion and Timescales

43. This paper already details a number of ways in which discussions within London local government will need to move forward to advance some of the specific themes flowing from the London Councils Challenge.

44. It is proposed that the report of the Challenge Team be shared with all key London stakeholders that participated in the process. More specifically, the Executive may wish to invite London local government partners – party groups, sub-regional groupings, chief executives and professional groupings – to reflect on the sort of issues and questions that this paper highlights. The product of that further reflection and debate could be brought back together later in the Autumn – potentially in a special ‘awayday’ type session – which would be an opportunity for clarifying agreed next steps and action for implementation.

A broad timescale could look something like:

- **Mid September** - Challenge Team report, commentary and questions sent to London local government partners. Responses required by end of October. Challenge Team report sent to London stakeholders.
- **October** - Discussion in sub-regional groupings, party groups and at Leaders’ Committee on 11th October.
- **Late October** – Leading Executive members meet with CELC representatives.
- **November** – Awayday discussion to reflect on feedback.
- **December and onward** – Implementation propositions framed and executed.

Conclusion

45. The Executive is asked to provide some initial, early reflection on a range of issues set out in this paper dealing with:

- overall approaches to future positioning
- the cross party nature of London Councils and issues associated with that
- the make up of London Councils governance structures, including potential representation from sub-regional groupings, the nature of portfolios and mechanisms for securing effective scrutiny and accountability on a cross party basis

- working with London local government's broader resource, including chief executives
- political oversight of the self improvement agenda
- articulating the nature of London Councils' contribution, key roles and themes in business planning and communications activity
- any other issues that individual Executive members wish to raise themselves as prompted by the work of the Challenge Team.

46. The Executive is asked to indicate whether it wishes to pursue the sort of approach to broadening the discussion with London local government partners as set out in this paper along with the associated timescales as set out.

Financial implications for London Councils

There are no direct financial implications flowing from this report. Any propositions for change flowing from the Challenge and further consideration of it will require a clear statement of financial implications.

Legal implications for London Councils

There are no direct legal implications for London Councils flowing from this report.

Equalities implications for London Councils

There are no direct equalities implications for London Councils as a result of this paper. An impact assessment of the equalities implications of any propositions for change flowing from the Challenge will need to be undertaken.

Attachments

London Councils Challenge Report.