

London Councils Challenge – Utilising the contribution of London Local Government more broadly

Item no: 7

Report by: John O'Brien **Job title:** Chief Executive
Date: 28th February 2017
Contact Officer: John O'Brien
Telephone: 020 7934 9509 **Email:** john.o'brien@londoncouncils.gov.uk

Summary Following on from the London Councils Challenge report and discussions involving Leaders and chief executives – both separately and collectively – this report sets out a basis for strengthening the way in which the collective political leadership of London local government, via London Councils, can be best supported by contributions from the sector in London, in particular by borough chief executives.

Recommendations The Executive is asked to:

- (i) endorse the proposed means of strengthening the means by which London Councils is able to utilise the contribution of London local government more broadly to its collective political leadership via London Councils;
- (ii) agree that this position be reported to Leaders' Committee on 21st March.

Introduction

1. One of the key themes of the London Councils Challenge report was about how best the collective work of London local government could draw on wider contributions, from London local government, in particular from Borough chief executives. Officer networks exist across London local government and, often, work closely with London Councils. This style of working helps enable officers to share and learn from each other and about pan London development in a way that adds significant value to the work that they do locally – enabling them to serve their local councils and communities more effectively. Moreover, it has also meant that the collective influencing work of London Councils can be strengthened by the connection it then makes with real, on the ground practice and people from its member authorities.
2. The subject of how best to harness this relationship is one that Leaders have discussed in informal sessions following the Challenge report and the Executive discussed this at its Awayday session. Chief Executives, via the Chief Executive's London Committee (CELC), has also been reflecting on similar themes.
3. The Chair of London Councils, Councillor Kober, the Vice Chair, Councillor O'Neill along with the Chief Executive met recently with senior members of CELC to discuss these issues. This report seeks to crystallise the outcome from that discussion.

Background

London Councils context

4. In July 2016, the report from the London Councils Challenge process, led by Sir Derek Myers, was published. This reported commented as follows:

“The way in which the collective talent, ambition and legitimate leadership of borough Leaders works with the talent pool of borough senior staff, London Councils staff and hired experts seems ripe for maturation. Leaders need to agree this is an important key role for ‘their’ Chief Executives. London Councils could have a commissioning relationship with CELC, for example asking senior staff to work up options for how a particular issue might be tackled. In such an evolved system, the Chief Executive of London Councils ought to have a more obvious leadership role to ensure such system coherence. This would leave Leaders to think about the political deliverability of such options.

Only the Chief Executive of London Councils should be the most senior adviser to the London Councils Executive but should also be able, in a transparent and equitable way, to ask other senior local government staff in London to become theme or programme leads, which will probably involve advising London Council members. This ‘pivot’ role needs to be more obviously authorised by London Councils and CELC.”

5. Leading members at London Councils – both via an Executive Awayday discussion in November 2016 and a private discussion amongst Leaders in December 2016 – have affirmed their view that this conclusion needs to be progressed as part of the follow up to the Challenge process. There is a view that the arrangements need to be clear and transparent and that when CELC members are operating in support of London local government's collective political leadership via London Councils, there needs to be a flow of accountability back to the London Councils' Leaders' Committee.

CELC context

6. Last year, CELC discussed its future, its relationship with other parts of London local government, London Councils, the GLA and wider London public service. The conclusions of this discussion were endorsed by the full CELC meeting on 22nd April 2016.
7. In essence, CELC concluded that it should seek to be both:
 - a voluntary professional network of supportive colleagues helping each other to do their jobs as London borough Chief Executives most effectively on behalf of their councils and the public they served; and,
 - a body that is ambitious for London as a whole and seeks to influence and contribute to the wider governance and leadership of public service in London.

In playing that latter role, CELC recognised explicitly the democratic leadership role of London's borough councils and Council Leaders – both individually in their places and collectively via London Councils.

8. Further to that, CELC concluded that it would seek to build on its successful direction of travel in recent years by carrying on with a small number of CELC theme leads to work on key policy and service issues with national and London partners and in association with London Councils.

Consideration

9. It was agreed at the meeting between the Chair and Vice Chair of London Councils and senior CELC representatives that a practical way forward should be found that would aim to work with the grain of what has been effective about working relationships to this point in time, whilst also seeking directly to resolve some of the outstanding issues of clarity and accountability that were, in different ways, of concern. In addition to clarity, there is also an imperative to ensure more shared knowledge and understanding among London Councils members about who chief executives are in each of the boroughs and what key issues they are collectively working on. There is real mutual benefit to be had, it was felt, from a more explicit piece of two way communication.
10. In terms of a further evolution of the April 2016 position that CELC had reached, it appeared that the steps that need to be taken to meet the challenges that leading members and, potentially, some CELC members, would offer were:

- clarifying the 'pivot' or commissioning role of the Chief Executive of London Councils – working with leading CELC representatives - in respect of securing support in discharging the collective political will of Leaders' Committee and distinguishing this from any collectively held professional or managerial view, which might be expressed via a separate route, eg via SOLACE nationally or regionally;
- clarifying the means by which that pivot or commissioning role is played. Firstly, this means transparency with leading members about the identity of those commissioned to play such roles, in which areas and the basis for that. Secondly, it needs to be explicit about the need for consultation with officers of CELC to help inform such commissions;
- codifying the nature of the accountability line that flows from decisions taken by the London Councils Leaders' Committee, its associated joint committees and their Executives through the London Councils Chief Executive to commissioned Chief Executive and senior professional advice and support. There needs to be a clear, shared understanding of what, if any, obligations such an approach places upon any senior London local government officer when working on the collective behalf. In addition, the responsibility of the Chief Executive of London Councils for the *overall* advice offered to members collectively needs to be reflected in the way set out in both the April CELC paper and the Challenge report – and, linked to that, the direct accountability of London Councils officers to the senior management of the organization in this model also needs to be widely understood. This potentially became more important in the context of a separate outcome from the Challenge process to consider, for certain specific issues, supplementing London Councils' capacity with some senior, time limited resource on particular projects.

Proposition

11. It is proposed that the imperatives set out above be consolidated into a governing set of principles to underpin the operation of commissioned support to London Councils by chief executives and other senior staff.
12. It is proposed that the Chief Executive of London Councils, working with the Chair and Deputy Chair of CELC, commissions support from 'Lead' Chief Executives in each of the following areas.
 - Finance and Resources - including Business Rates Reform
 - Health and Adult Social Care
 - Children's Services
 - Housing Growth and Re-generation
 - Skills and Employment
 - Transport
 - Crime and Community Safety
 - Devolution and Public Service Reform

13. These areas provide coverage against the main areas of current political priority dealt with by the London Councils Executive and provide coverage of all the main London Councils Executive portfolio areas. It is proposed that the Chief Executive of London Councils informs all CELC members of such roles each June – following the London Councils AGM when the configuration of political portfolios is established for the forthcoming year – and provides an opportunity for all those interested in playing any such roles to identify themselves. The Chief Executive of London Councils, in consultation with the Chair and Deputy Chair of CELC, would commission individuals to take on these ‘Lead’ roles for the twelve month period starting on September 1st each year. In practice, some ‘Leads’ might play the same role for 3-4 years – but the process would be renewed annually as above. The completed list would be reported annually to the October Leaders’ Committee for information. In addition, picking up on the point about stronger two way communication made earlier, there may be merit in some simple briefing about the identity of chief executives across London for leading members.
14. In undertaking this commissioning role, the Chief Executive of London Councils, working with the Chair and Deputy Chair of CELC, would need to take account of:
- expressions of interest;
 - existing areas of experience, interest and expertise;
 - the different dimensions of the nature of the boroughs that the chief executives work for (including geographical spread, nature of places, political control etc);
 - diversity of a group of chief executives commissioned.
15. In addition, it may be that in many of these areas, a support group of chief executives and senior professionals needs to be established to act as a guide/sounding board for the work of the ‘Lead’ Chief Executive and senior London Councils policy staff in preparing options for members. These groups would need to secure appropriate professional representation and participation, allied to a balanced membership, including for all sub-regions.
16. These groups would build on a number of such groupings that have already been established.
17. Lead Chief Executives and supporting groups would, alongside senior London Councils staff, brief London Councils portfolio holders periodically and present options for collective political consideration. From time to time, relevant ‘Lead’ Chief Executives would attend formal member meetings (eg Leaders’ Committee, Executive) to be part of the advisory capacity available to members. It may be that there ‘Lead’ Chief Executives would, collectively, join the London Councils Executive on occasions when it is taking a longer term, strategic view of priorities. This could help inform business planning – which will be a means for capturing the nature of what is being commissioned from such contributions and reviewing how effective London local government has been in pursuing its ambitions.
18. In all of this, as indicated earlier, the Challenge Report emphasised the importance of the Chief Executive of London Councils remaining accountable for the overall advice presented to members in such collective forums – be that from London Councils officers or others in London local government.

19. CELC will continue to work collectively on a range of themes and issues that support its chief executive members to do their jobs in boroughs most effectively. These are likely to be in the sphere of operational, managerial and professional matters that chief executives and others will wish to collaborate on, but are not identified as being the highest immediate political or policy priority collectively for London Councils Leaders' Committee. These are likely to include:

- Resilience, Prevent and Counter-Terrorism;
- Coroners;
- Elections;
- Workforce;
- Performance/Self Improvement;
- Housing Management/TA.

20. Whilst these types of activity would not be part of the London Councils commissioning framework proposed above, that is not to say that London Councils would not continue to work with chief executives and other professional groupings on activities linked to these and other areas as it does now. London Councils is, after all, a resource for London local government politically, professionally and managerially and it tries to help promote useful linkages between all of those spheres. It also does not mean that these groups will not, from time to time, report to members, including Leaders' Committee, on these and other issues as is the case now. It is simply indicating that these types of activity are more clearly flowing from officers' collective work in the first instance, rather than being the highest policy or political priority for Leaders' Committee.

Self Improvement

21. The Challenge report stated that:

“The Challenge Team believes that London Councils will need to continue to care that no borough service fails badly to ensure London is seen as professional and credible. There is a recent draft agreement between the London Self Improvement Board, the 33 boroughs and the LGA on how to address poor performance and potential failure. This seeks to ensure a structured ‘bottom up’ London led approach to detecting where there might be risk of poor performance. We feel that this draft should be confirmed at political level and made widely known as being the agreed approach with the LGA.”

22. The approach referred to as having been developed with the LGA is attached at Appendix One for information.

23. It is proposed that Leaders' Committee be invited to consider an annual report from the Self Improvement Board. It may wish to invite the Chair of the LGA Improvement Board to be present for that item so that the efficacy of the joint work across the sector to promote self improvement – as aspired to in the document at Appendix One – can be considered.

Conclusion

24. As indicated earlier, this report attempts to set out a means by which the broader contribution of London local government, in particular from chief executives, can best be harnessed to support London local government's collective political leadership via London Councils.

Financial Implications for London Councils

None

Legal Implications for London Councils

There are no direct legal implications for London Councils specifically flowing from this report. Legal advisers will be consulted in respect of the principles proposed in paragraph 11.

Equalities Implications for London Councils

The Chief Executive will have regard to equality considerations as part of the process described in paragraph 14.

Recommendations

The Executive is asked to:

- (i) endorse the proposed means of strengthening the means by which London Councils is able to utilise the contribution of London local government more broadly to its collective political leadership via London Councils;
- (ii) agree that this position be reported to Leaders' Committee on 21st March.

Appendix 1

Addressing poor performance and potential failure in London – Agreed Principles between Self-Improvement Board and LGA (May 2016)

Introduction

1. This paper provides broad guidance to the management of efforts to address poor performance and potential failure – either corporately or in key service areas – in London local government. It seeks to reflect the roles of the national local government family – via the LGA – and local government in London – via both London Councils and senior professional networks, led by the Chief Executives London Committee (CELC).

Issue

2. The key issue is: how do we ensure that there is a 'bottom up', London-led approach to detecting where our councils may be at risk of poor performance and, in some cases, corporate or service failure and how we can help secure tailored improvement support and uphold the reputation of London local government?
3. London local government, London Councils and the LGA are committed to working in close partnership with it on these issues. We fully support the principles that the LGA has set out to underpin an approach to sector led improvement and dealing with poor performance. London has a strong track record of working collaboratively and there is likely to be significant value in working with its established structures and building upon its strong commitment to its own mutual challenge and mutual support. Equally, we wish to work with the LGA Principal Adviser for London and, where appropriate, access national support from programmes, peers and wider improvement infrastructure.

Proposition

4. We, below, briefly set out a number of potential stages in preventing and dealing with poor performance and potential corporate or service failure in London authorities.

Stage 1: Identifying signs of potential failure

5. The LGA's Independent Advisory Board, chaired by Steve Freer, concluded that 'it is important to recognise some of the indicators which may give rise to performance failures which include:-
 - *a lack of trust and confidence in relationships between leading members and senior staff;*
 - *adoption of high risk change strategies;*
 - *disengagement from the wider community of local government;*
 - *significant financial difficulties and/or inability to gain agreement for an appropriate financial strategy.*
6. We agree with this conclusion and that these are the signs that we should be monitoring against. There is a range of evidence, indicators and intelligence we would use to consider

whether there were, potentially, service or corporate issues of such significance emerging in specific London boroughs. This range includes:

- published data on performance and from inspection;
 - reports from councils on key performance or financial strategy/management issues;
 - data from LAPS tool;
 - data from LG Inform;
 - feedback from chief executive to chief executive peer discussion;
 - informal feedback from senior professional groups – in particular the Association of London Directors of Children’s Services, the Association of Directors of Adult Social Services in London and the Society of London Treasurers;
 - Independent regulator Auditor reports on financial health of councils and any NAO reports on financial systemic issues within the sector;
 - other intelligence and observations from LGA Principal Advisor and from LGA regional advisors in specific service areas, e.g. Children’s Services;
 - other soft intelligence via senior professional and political networks.
7. Most of those are, of course, signs of a potential issue – not hard evidence of its existence. We would treat them accordingly. It is very important that, based on such signs, we do not seek to make a judgment on any individual authority. We are very mindful of the danger of people feeling that they are being judged by ‘gossip’ or by hearsay. Based, however, upon this range of information, it is proposed that the Chair of the Self-Improvement Board, working with relevant colleagues on the CELC Steering Group (primarily the relevant policy lead) and the Chief Executive of London Councils, judge whether it is appropriate to seek a discussion with the Chief Executive of an authority that may be causing concern.

Stage 2: Initial Engagement

8. The Chair of the Self Improvement Board would seek to discuss the issue with the relevant chief executive. In cases of specific service concern, it may be appropriate to include relevant London professional leads and CELC service/policy lead in this discussion also. Peer to peer chief executive discussions may inform this stage, but the meeting with the Chair of the Self Improvement Board would need to be outside of that process. The LGA’s Principal Advisor for London would also be consulted on such meetings, as would appropriate LGA regional advisors in specific service areas. e.g. Children’s Services.

Stage 3: Post Engagement Action

9. A number of possible outcomes could flow from Stage 2. These include:
- there is a satisfactory resolution which indicates that there is not an issue of major substance and any focus or attention should be upon correcting anything about the *appearance* of a potential concern;
 - there is recognition that there is a performance challenge, but the council is well aware of it and has appropriate steps in place to deal with the issue. In this case, it may be relevant for the Chair of the Self-Improvement Board to ensure that it was an issue that was flagged as part of any future chief executive to chief executive peer arrangements;

- there is recognition that there is a performance challenge and that there is the need for some support from others in the sector. This may be about trying to broker some simple mentoring for individuals, exposure to good practice, joint sessions with management teams, secondments or peer support etc. On a case by case basis we would seek to facilitate some specific London support where this appeared likely to address the issue most effectively;
 - there is recognition that there is a performance challenge and that significant support is required from LGA based programmes, peers or the London led element of the national improvement programmes around children or adults. The Chair of the Self Improvement Board supported by the Chief Executive of London Councils, would liaise with the LGA Principal Adviser on brokering this;
 - there is recognition that there are cases representing a very significant performance challenge and that the seriousness of those, the national profile of them and the scale and nature of the support required means that the leadership of the engagement should rest with the LGA. In these cases, the LGA will work in close consultation, at all further stages, with the Chair of the Self-Improvement Board, any relevant lead chief executive and the Chief Executive of London Councils.
10. It is also the case that, in a very small number of cases, sector led efforts at improvement – in London, nationally or both in combinations – will not be capable of helping secure the sort of improvement necessary to avoid central government intervention.

Political oversight

11. We acknowledge the role that the LGA plays in this environment and the type of information that is shared with its members on a confidential basis.
12. In respect of political involvement in London, we believe it is appropriate for the relevant Group Leaders at London Councils to be briefed privately of any significant activity that takes place at the more significant, latter end of Stage 3 as set out above.
13. We would seek the agreement of the Group Leaders to treat this information in confidence and to only use it when they were asked to provide some additional support or intervention – possibly helping source a particularly experienced London member to help in a particular case or to provide some specific encouragement to the political leadership in the relevant authority in respect of necessary actions that may need to follow.
14. The Chief Executive of London Councils would be responsible for briefing Group Leaders supported, as appropriate, by the Chair of the Self Improvement Board.