

Leaders' Committee

London Councils Challenge – Utilising the broader contribution of London Local Government

Item no: 7

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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	<p>Leaders' Committee is asked to:</p> <ul style="list-style-type: none">(i) endorse the proposed process for strengthening the means by which the contribution of London local government more broadly to its collective political leadership via London Councils can best be harnessed;(ii) agree that a detailed Memorandum of Understanding be developed to support this approach and establish the principles which should underpin the operation of commissioned support to London Councils by chief executives and other senior staff.

London Councils Challenge – Utilising the broader contribution of London Local Government

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 the sector, in particular from borough chief executives.
2. Officer networks exist across London local government and help enable officers to share and learn from each other and about pan London developments 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. Separate from that, as the Challenge report discussed, such networks and their members also have the potential to support the collective political leadership of London local government via London Councils.
3. This report is focused on the latter of those two roles – the potential contribution of chief executives and other senior professionals in support of the work of London Councils – and ensuring that the means for doing that is clear, transparent and underpinned by the right lines of accountability.
4. This is a subject Leaders have discussed in informal sessions following the Challenge report and the Executive covered at its Awayday session in November as well as at its most recent meeting in February. The Chair of London Councils, Councillor Kober, the Vice Chair, Councillor O'Neill along with the Chief Executive met recently with senior members of the Chief Executives London Committee (CELC) to discuss these issues.

Background

London Councils context

5. 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."

6. Leading members at London Councils have been clear that this issue needs to be addressed. They believe that the arrangements for commissioning such support need to be clearer and more 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 clear flow of accountability back to the London Councils' Leaders' Committee.

CELC context

7. Last year, CELC discussed its future, its relationship with other parts of London local government. It concluded that it should seek to be both:
 - a voluntary professional network of supportive colleagues helping chief executives to do their jobs as London borough Chief Executives most effectively on behalf of their own councils and the communities that they served; and,
 - a body that is ambitious for London as a whole and, therefore, is keen for its members to support the collective political leadership of London local government via London Councils.

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.

Consideration

8. 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 of concern. In addition to clarity, there was also a need 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 individuals may be working on as part of the support offered to London Councils collectively. There was real mutual benefit to be had, it was felt, from a more explicit piece of two way communication.

9. In terms of further clarifying this relationship, the priorities that Leaders set out included clarification of:
- the 'pivot' or commissioning role of the Chief Executive of London Councils – as set out in the Challenge Report - in securing chief executive support for discharging the collective political will of Leaders' Committee. In doing so, the Chief Executive of London Councils was clearly accountable to the collective political leadership of Leaders' Committee, not to CELC or any other professional grouping. In turn, those chief executives commissioned to provide such support would also need to be accountable through London Councils to Leaders' Committee for that work. Part of the role would also be to secure wider CELC engagement with this work. This would help to ensure that London Councils' work benefited from a strong, collective input from chief executives. This work would be clearly differentiated and separate from any collective professional or managerial initiatives, which might be pursued via separate routes, eg via SOLACE nationally or regionally;
 - the means by which that pivot or commissioning role is played. Firstly, this meant transparency with leading members about the identity of those commissioned to play such roles and the respective policy areas it applied to, as well as how the commissioning process should operate. Secondly, it needed to be explicit about the need for consultation with officers of CELC to help inform such commissions;
 - the nature of the responsibility of the Chief Executive of London Councils for the *overall* advice offered to members collectively. This was also a point highlighted by the London Councils Challenge report. Linked to that, the direct accountability of London Councils officers to the senior management of the organization also needed 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

10. In responding to these issues, a number of potential steps are set out. Firstly 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 a small range of key policy areas on an annual basis. These would be likely to be based around the key portfolio areas of members of the London Councils Executive – although clearly the annual commissions would reflect the priorities that Leaders had established, rather than positions for their own sake.
11. It is possible to imagine, for example, Lead Chief Executives contributing by:
 - supporting London Councils members and staff in promoting greater local leadership of integrated health and care, both with our own members and broader partners, including health;
 - supporting sub-regional partnership leads at member level to work together via London Councils and its officers to secure a more localised approach to skills provision and employment support;
 - helping London Councils members and officers to work with City Hall and Government on framing a credible proposition for piloting business rate retention in line with positions agreed by Leaders' Committee.
12. A potential means for achieving this would be for the Chief Executive of London Councils, following the Annual General Meeting each June, to consult the Executive on the range of support to be commissioned and to inform all CELC members of such roles that emerged from this process. This would be after the configuration of political portfolios had been established for the forthcoming year – and would provide an opportunity for all those interested in playing any such roles to identify themselves. The Chief Executive of London Councils 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 producing some straightforward briefing about the identity of chief executives across London for leading members more generally.

13. 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:
- the expressed view of the Executive about areas of potential support and the relationship to decisions made at the London Councils AGM about portfolio areas;
 - expressions of interest from individuals;
 - existing areas of experience, interest and expertise;
 - the diversity of the boroughs that a group of chief executives work for (including geographical spread, nature of places, political control etc);
 - the personal diversity within a group of chief executives commissioned to provide such support.
14. 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 types of group would need to secure appropriate professional representation and participation, allied to a balanced membership, including for all sub-regions. These groups would build on a number of such groupings that have already been established.
15. It is proposed that through London Councils officers, Lead Chief Executives and supporting groups would, where appropriate, be part of briefing London Councils portfolio holders, or other groupings – potentially all relevant sub-regional political leads on a particular topic. This would be on a periodic basis and such Lead Chief Executives would work with officers to 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 the London Councils Executive would, from time to time, wish to invite the 'Lead' Chief Executives collectively to join them when it is taking a longer term, strategic view of priorities. This could help inform business planning – which would be a means for capturing the nature of what is being commissioned from such contributions and reviewing how effective London local government had been in pursuing its ambitions.
16. This proposition is designed to harness a broader contribution from chief executives and others to support the collective political leadership of London Councils via Leaders' Committee. In making that contribution, chief executives would, via London Councils, be accountable to that collective political leadership. In doing so, it would be expected that

such Lead Chief Executives would seek, via supporting groups and other means, to secure the engagement of colleagues more generally in pursuit of those aspirations that Leaders had agreed upon. It is envisaged that this mode of operation would apply to matters of the highest political priority as determined by Leaders' Committee. Beyond those areas, CELC members would 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 would be likely to be in the sphere of operational, managerial and professional matters that chief executives and others would wish to collaborate on, but that were not identified as being the highest immediate political or policy priority collectively for London Councils Leaders' Committee.

17. Whilst those types of activity would not be part of the London Councils commissioning framework as proposed, London Councils would still 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 such work would not, from time to time, be reported to members, including Leaders' Committee, as is the case now.

Self Improvement

18. 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."

19. The approach referred to as having been developed with the LGA is attached at Appendix 1 for information.
20. It is proposed that Leaders' Committee be invited to consider an annual report from the Self Improvement Board. It may wish to consider how best to secure input from the LGA Improvement Board as well so that the efficacy of the joint work across the sector to

promote self improvement in London – as aspired to in the document at Appendix 1 – can be considered.

Conclusion

21. 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 advice would be sought on any implications flowing from a more detailed Memorandum of Understanding.

Equalities Implications for London Councils

The Chief Executive will have regard to equality considerations as part of the process described in paragraph 13.

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.