

# LGG Sector Self Regulation and Improvement – Consultation Response

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We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with donors, partner governments, accountancy bodies and the public sector around the world to advance public finance and support better public services.

## **General Comment**

*It is important that the previous centrally enforced performance and inspection regime is not simply replicated by other means. CIPFA believes that there are strong arguments for introducing sector self-regulation to drive improvement and protect and enhance the collective reputation of local government but new arrangements need to be carefully calibrated in terms of the burdens they place on local authorities in a time of diminishing resources and their impact on local authorities to focus on meeting the needs of their communities.*

*CIPFA believes that where such arrangements are clearly justified every attempt should be made to build on existing models to ensure that frameworks and requirements are as efficient and streamlined as possible.*

**Question 1.** Do you agree with the principles on which these proposals are based – in particular that councils have a collective responsibility for the performance of the sector and will collaborate to both give and receive support?

*Whilst it is clear that there is a reputational risk to the sector of poor performance by a small number of local authorities, it is important that any methods developed by the sector for highlighting underperformance are very clearly risk based and do not place a burden of compliance on the many to highlight the few. Where possible, remaining inspection and audit reports should be used to help to identify under performance.*

*The promotion of best practice is an important function but care should be taken to embrace the wide range of good practice which resides within the sector and beyond. This is particularly important as we move away from a one-size fits all approach towards an ethos that focuses on local solutions to local needs.*

*From experience CIPFA believes that more focus is required on how best to transport good practice from the organisations in which it has been developed to much wider adoption.*

**Question 2.** Will the proposals we set out help strengthen local accountability?

*Strong accountability requires clear, up to date information about performance and the ability to compare with other comparable organisations. For these reasons CIPFA believes that high quality benchmarking can play a very important role in improving local accountability. For the avoidance of confusion this needs to be 'joined-up' with the transparency agenda which Government is promoting so strongly.*

*Provided that frameworks are based on dissemination of best practice with 'safety-net' mechanisms for picking up poor performance then such an approach should not compromise local accountability. Local accountability should promote assessment or performance against local needs and priorities not a centrally determined framework.*

**Question 3.** Do you agree with the key elements of this approach - transparent performance information, self evaluation leading to an annual report and regular peer challenge?

*CIPFA is currently working on a best practice framework for the production of an annual report aimed at the local taxpayer. This report will combine financial and performance data but the key to its success will be the ability to use best practice principles to identify what matters to local people. Our work has suggested that a*

*one-size-fits-all approach is not appropriate if we wish to promote real local accountability.*

*We currently provide a comprehensive suite of statistical and benchmarking data for local authorities. We would encourage LGG not to reinvent the wheel but to build on existing data and knowledge within the sector to promote effective and efficient challenge.*

*Peer challenge has the potential to be an important part of the process of strengthening accountability. However, in order to realise that potential it is important to ensure that it is organised in a way which the public will regard as demonstrably robust and credible. Involvement of 'peers' (stakeholders) from other sectors, and clear linkages to feedback collected in a systematic way from the public, would be helpful features of the model. A commitment to publish peer challenge reports will also be important.*

**Question 4.** How can we best generate the new culture of trust and openness within the sector that this approach requires?

*We believe that the key to developing a new culture of trust and openness in local government and other public services lies in placing citizens and service users at the centre of our thinking.*

*Rather than designing new systems to suit the bureaucracy we need to instil a new discipline across the public services to tailor systems to meet the needs of citizens and users. This is already the rhetoric of many public bodies but it is rarely their reality.*

*The consumer voice should be much louder in developing public policy and providing feedback and advice on public services. Elections are too infrequent and are too blunt an instrument for collecting the views of users of services. Consumers should have frequent opportunities to contribute detailed feedback on the services they use and require and in particular on how they can be improved and made more efficient. This needs to be tackled imaginatively. Whilst the introduction and observance of public consultation standards might be a helpful first step it is unlikely to excite a sense of real engagement. The public need to feel that their views are valued and to see evidence that they are influential in planning the way in which services are developed.*

*Public bodies have to make choices about the range of services which they can and cannot afford to deliver within the resources available to them. Consumers are much more likely to understand and to support those choices if they feel that they have been given an opportunity to express their views to decision makers. This works best when decision making is relatively local and adds weight to the argument for a more devolved culture for UK public services.*

*Over time these changes have the power to enhance trust and confidence in public services. However, they will do so much more quickly if organisations develop explicit mechanisms for involving citizens and service users in the quest to minimise waste and maximise value for money. Service users in particular are often in a uniquely qualified position to advise on where waste is occurring and how it can be eliminated. Tapping into their ideas will have significant benefits providing there is real organisational commitment and determination to harness their expertise to deliver real improvements.*

**Question 5.** In terms of an “early warning system”.

- What are the key early warning signals from a political perspective?
- How best is the activity undertaken at a national and sub-national level?

*CIPFA supports the LGG's intention to work with inspectorates and professional groups to identify early warning signals and share intelligence where that is appropriate.*

*However, we do not underestimate the difficulties which may be encountered to enable such arrangements to work in practice.*

*Care will need to be exercised to ensure that national standards are not imposed in conflict with locally agreed priorities. The key to assessing performance under the localism agenda will be to identify those authorities that are failing to respond to locally determined priorities.*

*Activity at a national and sub national level should be focused on identified challenges and supporting the dissemination of successful approaches that have been taken within the sector to meet these challenges.*

**Question 6.** Is there still a need for inspection for adult and child safeguarding, or is a more robust approach to self assessment and peer challenge sufficient?

*LGG should avoid replicating the existing inspection regime. If an alternative to the existing regime is to be promoted there needs to be clarity about how and why such a regime would be expected to be more supportive to improving performance.*

**Question 7.** Do you agree that, in order to limit the number of outcomes Government expects of councils, the LGA should seek to agree a small number nationally with government, following consultation with the sector?

*There will always remain a tension between national indicators and local priorities. CIPFA accepts that minimising the number of national indicators, particularly if derived by the sector, may provide a balance between the two and allow room for local discretion. It is important in determining the indicators that they cover areas that are valid national areas of interest and that ‘indicator creep’ is avoided.*