

Evaluation of sector-led improvement

Companion Report: perceptions audit of key
stakeholders

November 2013



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Evaluation of sector-led improvement

This report, produced by the LGA, forms part of the Local Government Association (LGA) evaluation of sector-led improvement. Other outputs from the evaluation can be found here: <http://www.local.gov.uk/research-performance-and-improvement>.

Sector-led improvement

With changes to the nationally imposed inspection and assessment regime, a new approach to improvement has been developed by local government. This was set out in the LGA's document 'Taking the Lead' in February 2011, supplemented in June 2012 by "Sector-led improvement in local government"¹ which describes a coordinated approach to sector-led improvement across local government, the support being provided and where to go for further information and advice.

The approach is based on the following key principles:

- councils are responsible for their own performance and improvement and for leading the delivery of improved outcomes for local people in their area
- councils are primarily accountable to local communities (not government or the inspectorates) and stronger accountability through increased transparency helps local people drive further improvement
- councils have a collective responsibility for the performance of the sector as a whole (evidenced by sharing best practice, offering member and officer peers, etc.)
- the role of the LGA is to maintain an overview of the performance of the sector in order to identify potential performance challenges and opportunities – and to provide tools and support to help councils take advantage of this new approach.

'Taking the Lead' identified a small core set of activities that are commonly undertaken by councils who proactively take responsibility for their own performance and improvement. This common set of activities provides the framework for sector-led improvement across councils' services and activities. It is also the framework around which the LGA's offer of support to councils is based, as follows:

- strengthening local accountability

¹ <http://www.local.gov.uk/sector-led-improvement>

- inviting challenge from one's peers
- learning from good practice and through regional structures and networks
- utilising transparent and comparable performance information
- investing in leadership.

The evaluation

The LGA's evaluation looks at both the overall approach to sector-led improvement and the specific offers of support. It is running over a two year period, with the main aim of understanding whether, in the context of reduced resources within the sector:

- the approach to sector-led improvement has the confidence of the sector and the government, and the trust of the public
- the sector has been able to strengthen local accountability
- the sector is adopting the sector-led improvement approach and continues to improve with a reduced burden of inspection, and in the absence of top down performance assessment
- the tools offered to the sector have had a positive impact on the sector's capacity to improve itself.

A baseline report was published in February 2013. In addition, a number of companion reports, of which this is one, are being published alongside the main evaluation reports, looking at specific issues in more detail. This companion report complements the final evaluation report, which can be found here:

<http://www.local.gov.uk/research-performance-and-improvement>.

Stakeholder perceptions audit: summary

In June and July 2012, independent researchers Ipsos MORI were commissioned by the LGA to interview 10 senior stakeholders face-to-face and by telephone to gather feedback on their perceptions of the sector-led improvement approach and their level of confidence in whether the sector is able to lead its own improvement.

Sixteen months on, between 8 October and 29 November 2013, Ipsos MORI conducted a second wave of interviews to evaluate whether perceptions and awareness levels had changed. This wave involved 15 in-depth interviews with senior civil servants across three government departments and people from regulators, inspectorates and third sector organisations.

Key messages

- Awareness of, and confidence in, the theory behind and the principles underpinning sector-led improvement have seen improvement from wave one. However, there is still a gap between how aware and confident stakeholders feel about the approach in theory and how much they know about and feel improvement is evidenced in practice.
- Stakeholders were positive about the support the LGA offers local authorities for sector-led improvement, although the findings suggest that more could still be done to increase awareness of the various elements of the LGA offer beyond peer challenge.
- Stakeholders identified a number of risks with sector-led improvement, but positively they were also able to focus on ways to improve the approach going forwards including better sharing of best practice.
- Stakeholders pointed to there still being a need for reassurance on how poorer performers are identified and what will trigger intervention. Engaging poor performers was still perceived as a key risk to sector-led improvement, despite evidence over the last 16 months that the majority of local authorities are keen to engage.
- One way to mitigate this concern may be better communication on the structures and processes already in place to identify and support poor performers. Lack of knowledge of the arrangements led many interviewees to believe that these did not exist.

- As sector-led improvement has started to bed-in, and views are largely positive, stakeholders would now like to see more evidence of improvement and how sector-led improvement has led to changes felt by service users.

Stakeholder perceptions audit: main report

Introduction

This research report, produced by the LGA, examines the findings of a series of in-depth interviews with senior officers working for regulators, inspectorates, third sector organisations and senior civil servants across the Department of Communities and Local Government, the Department for Education and the Department of Health. The purpose of the project was to evaluate perceptions of local government's ability to manage its own improvement, and examine whether perceptions had changed over the last 16 months.

Background

In the run up to the last General Election the LGA led a campaign to reduce the burden of inspection and assessment on local government. The Coalition Government quickly dismantled much of the previous "performance framework" for councils. The National Indicator Set, Local Area Agreements, Government Office monitoring, Comprehensive Area Assessment, the annual assessment of adults' services and subsequently the annual assessment of children's services have gone as mandatory elements of performance management.

This scaling back of central monitoring provided the sector and the LGA with an opportunity to build a new approach to sector-led improvement. This is set out in the LGA-led document "Taking the Lead"², which developed over a lengthy period of discussion and engagement with the sector and was finally published in February 2011.

In 2012 and early 2013, a baseline assessment of the new approach was conducted. As part of this, in June and July 2012, independent researchers Ipsos MORI were commissioned by the LGA to interview 10 senior stakeholders to gather feedback on the perceptions of the sector-led improvement approach and their level of confidence in whether the sector is able to lead its own improvement.

Sixteen months on, Ipsos MORI conducted a second wave of interviews to evaluate if perceptions and awareness levels had changed. This research formed part of a wider evaluation of sector-led improvement the LGA was conducting.

² Local Government Association, *Taking the lead: Self-regulation and improvement in local government* (February 2011)

Methodology

Ipsos MORI carried out 15 in-depth interviews from a sample of those identified by the LGA as key stakeholders between 8 October and 29 November 2013. There were:

- Ten interviews with those working for regulators, inspectorates and third sector organisations.
- Five with senior civil servants across the Department of Communities and Local Government, the Department for Education and the Department of Health.

Regulators were better represented in this wave compared to the last wave, where ten stakeholders were interviewed (four regulators and six senior civil servants). Two interviews were conducted face-to-face, 13 were carried out over the telephone and all lasted between 20-45 minutes.

This stage of the research feeds in to a wider evaluation of sector-led improvement conducted by the LGA involving research with other key audiences, such as council chief executives and leaders.

Stakeholder perceptions audit: full results

This section contains analysis of the full set of results from the second wave of interviews.

Awareness of sector-led improvement

Awareness of the theory, principles and goals of sector-led improvement had generally improved since the first wave of research conducted by Ipsos MORI. Many respondents had been personally involved with the approach throughout the year, for example through previous job roles or membership of boards.

Sector-specific stakeholders (such as those working in adult or children's services) were likely to have awareness of the approach only as it pertained to their sector, without necessarily having an overview of how the approach worked across the whole sector.

However, awareness of some the specifics of the approach *in practice* was often lower amongst stakeholders Ipsos MORI spoke to, and this could impact on what they perceived as risks of the approach. One civil servant said "I would say I am very familiar with what it is trying to do... but [less so] on the details of just what's involved".

Peer challenge

Peer challenge was the sector-led improvement offer most recalled by stakeholders. Many had heard evidence that the peer challenges were effective and the people conducting them were credible. According to one civil servant:

"[peers are] not just coming in to inspect, they are actually offering helpful advice and assistance and I think that combination of challenge and assistance is quite a good one."

Stakeholders also believed that peer challenges were suited to local authorities' learning patterns in such that they offer advice and assistance rather than just inspection. Councils were more likely to act upon peer challenges as recommendations come from respected individuals in a similar situation. A civil servant explained that:

"peer support is valued because it's people who do the same thing as you and you can learn from them and it's less threatening than some of the top down approaches".

On the other hand, one stakeholder mentioned they had seen evidence some peer challenges had not been as hard hitting as they could have been. For instance, there was concern that professional colleagues may have found it hard to have frank

conversations with one another and local authorities may have only chosen reviewers of the same political party, which restricts the pool of suitable peers. A civil servant said:

“it’s people they work with day to day so it might be a little harder for them to be robust and open and honest about some of the things they might find and be concerned about”.

This finding may point to a misunderstanding about the process and purpose of peer challenge, since the LGA selects the peers rather than the council (albeit with some input from the council to identify the type or experience of peer they would like). Peers are selected on the basis of their political background or area of expertise, deliberately in order to make it easier for them to have robust, honest and informed discussions during and following the challenge.

LG Inform

Stakeholders typically were unsure of how LG Inform works in practice; including its purpose and scope. It should be noted, however, that stakeholders did not have access to LG Inform at the time of the interviews and therefore a lower awareness of its workings would be somewhat expected.

A minority were aware of its (then pending) release to the public. Stakeholders from health and adult social care services mentioned other data sharing models and were unaware LG Inform contained data that would be useful in their sectors. A civil servant observed that:

“the [offer] I’m least able to comment on is LG Inform. I have very little access myself to that and I don’t have any sense at all of how it is working on the ground”.

This general lack of awareness fed into some of the stakeholder concerns around transparency and benchmarking. Better communication around the scope of LG Inform and the data it contains may help to allay anxieties around transparency and comparability.

LG Inform became available to the public on 30 November 2013, after the end of the field work period of this research, although it had been available to councils throughout its development.

Confidence in sector-led improvement

Generally stakeholders were much more confident than they were during the first wave of research in the theory of sector-led improvement and the principles underpinning it. However, they remained less sure about how the theory works in practice. For example, an adult social care stakeholder said:

“I think the devil is in the detail in terms of implementation – it’s hard to argue with the principle; it’s just how you make it sort of work in practice in a way that provides the level of assurance that various parts of the system need”.

This gap between the theory and the practice created uncertainty around sector-led improvement. Ipsos MORI concluded that, since the first phase of this research took place, stakeholders’ perceptions of sector-led improvement had moved from cautious optimism to conditional optimism.

What stakeholders said improves their confidence

- Believing and understanding sector-led improvement in theory
- Greater awareness of sector-led improvement in practice
- Seeing examples of improvement through personal experience or feedback from councils (for example, case studies)

What stakeholders said inhibits their confidence

- Economic climate – pressure on service delivery with fewer resources
- Less central government involvement in the approach (e.g. the withdrawal of funding from the Children’s Improvement Board) means stakeholders have less ‘on-the-ground’ awareness
- Lack of evidence (such as examples of data demonstrating improving performance)
- Lack of awareness of poor performers who have received external support leading to improvement.

Perceived benefits and risks of sector-led improvement

Benefits

The principle of the voluntary uptake of sector-led improvement was seen as a benefit by the majority of stakeholders. A civil servant believed that with sector-led improvement being voluntary:

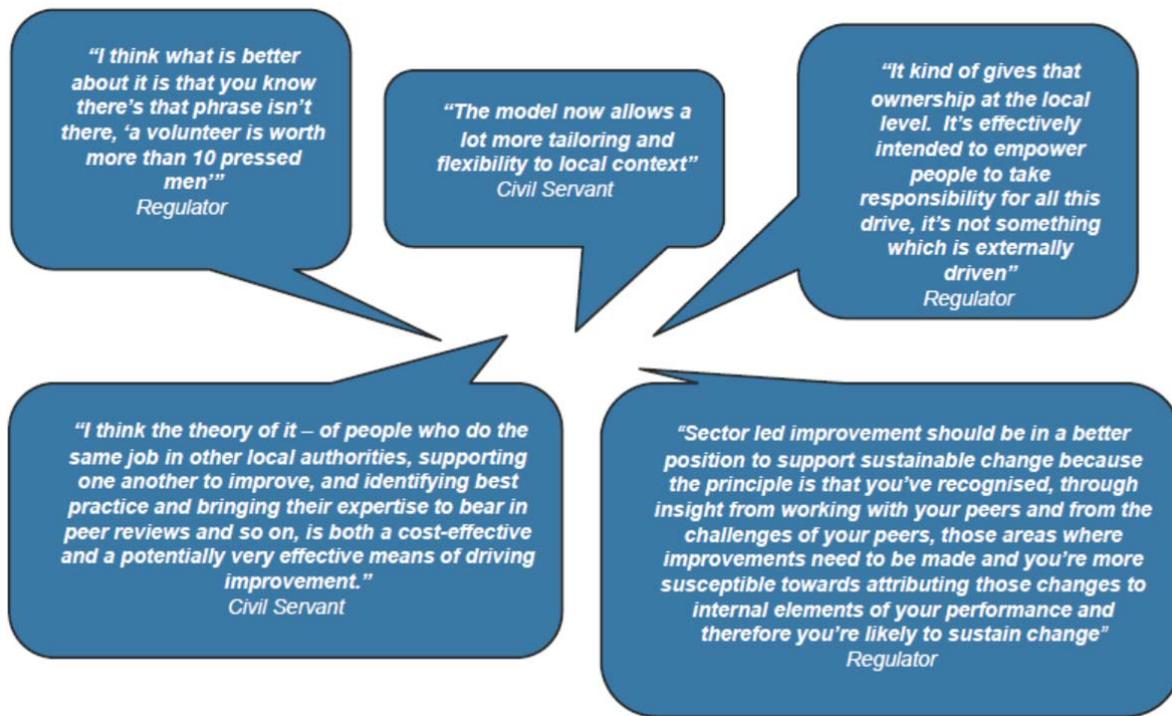
“there is the ability... to go and listen and have conversations and think about what particular the local context and needs are and be open to that. I think that’s a strength”.

The voluntary nature of sector-led improvement meant that:

- The sector is taking ownership of improving itself
- It is not a one-size fits all solution – the tailored approach allows local authorities to focus on what is important to their local area

- It invites real investment and initiates longer-term fundamental change
- There are opportunities for more holistic and thorough understanding of issues - involves sharing knowledge and solutions with different people in the same situations
- It promotes positive relationships with local residents and stakeholders.

Stakeholders overwhelmingly mentioned sector-led improvement as an improved approach to what has gone before, and the voluntary nature of the approach was key to this.



Risks

Stakeholders highlighted a number of perceived risks to sector-led improvement.

First, stakeholders believed there were risks that could stop sector-led improvement being a success. Despite spending cuts and a rising demand for services, there remains a pressure to show improvement. However, stakeholders felt there was a lack of evidence of this improvement, and this is key to boosting confidence in the approach on the part of the government and the public. Moreover, some expressed a concern that, unless it can be proved that sector-led improvement is improving performance, the approach would be marginalised. This was particularly the case in areas where regulators are still operating, for example in children's services. In part, because of this perceived lack of evidence, it was feared that central government

and associated regulators were not committed to funding sector-led improvement. The withdrawal of funding from the Children's Improvement Board was offered as an example of this.

Since the interviews, an objective analysis of performance data from a basket of 97 metrics related to local government services has been completed³. This has demonstrated improvement across nearly three-quarters of them, and communication of this to stakeholders may help to allay anxieties.

Secondly, because there was no "systematic predictive model" and stakeholders were not aware of a clear boundary for intervention, some felt that the voluntary nature of the approach was not necessarily suited to improving poor performers. It was suggested by some interviewees that sector-led improvement requires a level of self-awareness that poor performers may not have, and they may not even realise they need the help. Furthermore, some felt poorer performers may be anxious about being held to account, as it could be difficult to publicly list faults. They felt that even if local authorities do take up the offer, there would be no compulsion to fully engage with sector-led improvement in a way that will actually lead to improvement. A regulator said that:

"If there is no actual compulsion to engage in sector-led improvement activity, there's always going to be a danger... that there might not have been in previous regimes, that you miss stuff that slips through the gaps"

After reassurance by the interviewers that the sector-led improvement offer has a very high take-up, stakeholders were still concerned about the tiny minority of local authorities that had not engaged with sector-led improvement.

Finally, since some stakeholders perceived that authorities are not obliged to publish performance data, transparency was also an issue for them and not all data was perceived to be understandable or comparable. The result of this is that they believed authorities would not be able to benchmark and poor performers would not be identified. Consequently there was a perceived risk to service delivery.

This finding may point to a misunderstanding about available comparable performance data. Local authorities are required to provide a wealth of comparable data to central government, as defined in the single data list, which is designed to

³ 'Evaluation of sector-led improvement: data analysis' at <http://www.local.gov.uk/research-performance-and-improvement>

“make local councils more transparent and accountable to the public”⁴. In addition, LG Inform stores around 2,000 different measures, including from the single data list and elsewhere, allowing officers, councillors and the public to make comparisons with other councils. The perception of stakeholders that such data are not available in a usable format suggests that work needs to be done to ensure they are aware of LG Inform and the single data list.

Transparency and accountability

Stakeholders were positive about sector-led improvement improving public accountability in theory. There were some concerns about the practice, though, because there was a perception that sector-led improvement cannot be truly transparent if not all local authorities are publishing performance data and other information (such as local accounts and the results of peer challenges). Many were not fully comfortable with what was seen as a loss of benchmarking data and felt there are particular standards that must be maintained nationally – particularly around children and adult social care services – and there was a perception that this was lacking in the new model. A regulator said:

“Benchmarking is the key leader to driving improvement. There’s no question that if you look at the performance of your neighbouring authority or comparable authority, you want to do better instinctively”.

As noted above, this finding may point to a misunderstanding about available comparable performance data. All local authorities are required to provide a wealth of comparable data to central government, as defined in the single data list. Some of the concerns around benchmarking and transparency may be alleviated now public access to LG Inform has been established. More communication to stakeholders about LG Inform was seen as helpful to increasing confidence in the transparency of the approach.

There was an additional concern that there was little guidance on how different accountability tools should be used (for example, local accounts and peer challenges) and inconsistent presentation of information which makes comparison more difficult for both the public and the sector. One civil servant said:

“The model now allows a lot more tailoring and flexibility to a local context, but a lot less ability to robustly be able to... compare this to another authority in similar circumstances”

⁴ <https://www.gov.uk/government/policies/making-local-councils-more-transparent-and-accountable-to-local-people/supporting-pages/single-data-list>

In general, stakeholders still felt they were less aware of what was happening with local authority performance and under-performance than under the Comprehensive Area Assessment. Some stakeholder attitudes to sector-led improvement were coloured by the expectation that it would provide a comprehensive picture of sector performance, even though sector-led improvement is not designed to do this.

Finally, some stakeholders felt it was an issue that local authorities who are being externally supported are not identified. There was a perception among stakeholders that there was a “reticence” to name poor performers.

Sector-led improvement in specific services

The interviewers asked specific questions about sector-led improvement within children’s services, adults’ social care and public health and wellbeing. The key points from the findings were as follows.

- Awareness is key - stakeholders who are closer to children's and adult social care policies tend to be more positive about sector-led improvement in these sectors.
- In general, confidence in sector-led improvement in children’s services is higher than in adult social care services, as Ofsted plays a greater role.
- Most agree that the more general risks of sector-led improvement mentioned earlier in the report particularly apply to adults and children's services, for example, the importance of transparency and concern around poorer performers are exacerbated.
- In children’s services in particular there was a perceived need to consider establishing a consistent preventative model. This reflects concern that local authorities receive support *after* they have been identified as failing rather than before.
- In adult social care there was the concern that commissioning of services was not subject to the same level of scrutiny as received by providers.
- Awareness of sector-led improvement was lowest among public health and wellbeing stakeholders, unsurprising given that this area had only been within the local government domain for six months at the time of interview.

Improvements and next steps

There were a number of improvements that stakeholders themselves suggest for sector-led improvement within these service areas.

Dealing with poor performers

Stakeholders suggested that more support needed to be provided for those local

authorities who may not have sufficient capacity for internal reflection. They felt local government needed to clarify more clearly the boundaries for external intervention and clarify the roles of existing regulators and central government. As part of this stakeholders would like to see clear, systematic predictive risk modelling. One regulator said:

“There needs to be some predictive risk modelling ... it’s easier to go in once it’s all gone catastrophically wrong. The important thing here is to be able to identify where you think the trajectory for the improvement is not going to be met and not going to be delivered and I think sector-led improvement hasn’t got that sussed at all”.

Transparency

Stakeholders said that all local authorities need to be fully committed to publishing performance information. This should include marketing to make the public aware of where to find local accounts, peer challenge reports, etc. Stakeholders also said they would like to see some benchmarking, particularly in children’s and adults’ services, involving a consistent way or a template in which performance data is published. Again, this latter concern may now be addressed in the form of LG Inform, which was not available to interviewees at the time of the research, but is now available for them and the general public.

Demonstrating evidence of success

Stakeholders believe more effort should be made to publicise case studies of improved performers and elements that are working well. This would, it was thought, improve morale and helps boost poor performers. They felt local government needed to produce a clear evaluation of the difference sector-led improvement has made to service users, and that there needed to be a more open culture where councils receiving external support are identified.

Further communication

Stakeholders believed there needed to be more open dialogue between all of the key players, including regulators, local authorities, central government and the LGA. Communicating how the delivery of sector-led improvement works in practice was key to stakeholders for trying to tackle low awareness of the benefits; and a more collated picture, it was thought, might lead to greater understanding in general. One regulator commented:

“I would like to see some really powerful case studies that said; ‘The problem was this...’; ‘The sector’s intervention was this...’; ‘Performance improved in this way...’. So, it’s a combination of... we identified the issue, we did this, the council thought it was valuable and the council’s performance improved”.

In fact, a series of case studies of sector self-improvement has been produced by the LGA⁵. They demonstrate examples of the support given to authorities by the LGA or others in the sector, and the benefits of that. Better communication of these examples to stakeholders may increase their confidence.

Conclusions and recommendations

Stakeholders' views of sector-led improvement, both overall and within specific services (children's, adult social care and public health), generated the following conclusions:

- Stakeholders were generally much more comfortable with sector-led improvement in theory compared with the first wave of research and understood the value of a voluntary, sector-led system for the majority of councils.
- Some felt there was a need for a clearer and fuller systematic approach to monitoring risk which is communicated to wider stakeholders in order to assure them that poor performance will be identified before things go wrong.
- Better communication about the benchmarking tools available is needed in order to aid transparency for stakeholders outside of the sector, and the public.
- Where possible, the sector should standardise performance information when it is presented (for example, in peer challenge reports or local accounts), to help comparisons and aid transparency to the public and stakeholders.
- The existing measures in place to help improve councils facing performance difficulties should be promoted.
- Better communication to stakeholders is needed about the measures in place to ensure that poor performers are not allowed to 'opt out' of the system and are not 'left to fail'.
- Better publicising of examples and case studies is needed, demonstrating authorities who are benefiting from sector-led improvement, in order to provide evidence of areas where sector-led improvement has been successful.
- Evidence of a systematic approach for monitoring success or difficulties would reassure stakeholders of the positive impact of sector-led improvement.

⁵ Sector self-improvement case studies are available at <http://www.local.gov.uk/sector-led-improvement>

For more information please contact:

Matt Vincent

Local Government Association

Local Government House

Smith Square

London SW1P 3HZ

Email: matthew.vincent@local.gov.uk

Telephone: 020 7664 3000



Local Government Association

Local Government House

Smith Square

London SW1P 3HZ

Telephone 020 7664 3000

Fax 020 7664 3030

Email info@local.gov.uk

www.local.gov.uk

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