



developing the new performance framework for localities



foreword

In March 2006 we published *Driving improvement* setting out our detailed proposals for a new performance framework for localities.

Although we never saw this as a blueprint for change we are delighted that so much of what we sought is reflected in the white paper *Strong and Prosperous Communities*.

A new streamlined approach to inspection and regulation is to be introduced, focusing on a clearly defined set of outcomes and indicators with inspectorates working together in a co-ordinated way to assess the risk to performance.

The host of existing targets, indicators and assessment regimes are to be abolished – including Comprehensive Performance Assessment, Joint Area Reviews, Annual

Performance Assessment and social services star ratings – all of which will create the space for councils to focus on the things that are important for local people and help free up the resources to do so.

So there is much to celebrate – but also much to be done as we seek to shape the implementation of the new framework on behalf of our member authorities.



Cllr Sir Simon Milton
Chairman
LGA Improvement Board
March 2007

introduction and background

Fundamentally, the performance of councils matters locally - to the people who use local services and live in places that they want to enjoy and be proud of. Local authorities are ambitious for local people and the places in which they live and work. Our objectives are to improve public services, widening access and choice, and empowering people to make positive choices about their lives. We want to deliver the best value we can for people's taxes and to create attractive, vibrant, safe and friendly places in which to live.

Moreover, we are ambitious for ourselves as a sector. We can demonstrate consistently strong improvement over many years despite the limits on our flexibility caused by over-centralised regulation. Much of this improvement is self-driven, both by individual councils and by the sector as a whole. Local authorities are by and large self-aware. Supported by sector-owned tools such as peer review, we increasingly understand our strengths and weaknesses and are working with our partners to move resources into the areas that deliver the best outcomes for local people.

As we move into the post-CPA era, a new performance framework needs to go with the grain of and enhance the power of sector-led improvement. It needs to enable us to focus on the priorities of local people and work with our partners to deliver against them.

It is these principles that were the foundation of *Driving improvement*, which we published, with the IDeA, at our first national Improvement conference in March 2006, setting out our ambitious proposals for a new performance framework for localities.

Our view was that the current regulatory regime has reached the limits of its capability to promote improvement – the number and competing nature of national priorities, targets, plans and indicators hinders joined-up working at local level; the inspection regime fosters compliance rather than improvement and innovation; and the regime has become too burdensome and resource-intensive.

Our objective was to inject pace and ambition into the agenda for change and secure a new framework that would:

- provide citizens and stakeholders with an accurate picture of the quality and value for money of their local public services;
- strengthen local peoples' ability to shape what local services are provided, and how they are delivered;
- encourage improvement, innovation and best use of public money in designing services and their delivery;
- reduce the burden of inspection and regulation and release this resource to support the delivery of front-line services.

Subsequently we also proposed a new national outcomes framework to replace the current plethora of national targets and performance indicators cascading down from separate government departments. Our framework proposed a series of key national outcomes, representing issues of universal concern for the next spending review period that would be delivered by councils and their local partners.

We have been successful. The white paper *Strong and Prosperous Communities*, published on 26 October, reflects much of the agenda that we set out in *Closer to people and places* and *Driving improvement*. It takes significant and welcome steps to strengthen local leadership, to enhance the role of frontline councillors, to cut back the plethora of national targets, to streamline inspection and to broaden the scope of Local Area Agreements, much of which is now being taken forward through the local government bill.

Specifically, with regard to the future of regulation and inspection, the white paper proposes a new performance framework based around:

- new Public Service Agreement targets negotiated for central government through the Comprehensive Spending Review which will give a clear view of the priority outcomes for the centre;
- a limited set of around 200 national indicators which will measure achievement of these outcomes and the delivery of essential minimum standards in each area;
- Local Area Agreements (LAAs), negotiated between the government and local partners, which will set out the priorities that matter for each locality, and express that in no more than 35 key targets, plus statutory DfES attainment targets;
- performance to be monitored not by the present raft of inspection regimes using poorly co-ordinated and overlapping performance measures, but through Comprehensive Area Assessment – led by the Audit Commission and based on an assessment of risk;
- a strengthened role for customers and citizens in driving improvement and monitoring performance.

These proposals clearly reflect many of the underlying principles of our own new framework proposals and build on some specific elements, in particular:

- a discrete set of national outcomes – building on the approach we published in the summer;

- a more proportionate, risk-based and streamlined approach to inspection, with an end to many of the current rolling programmes of inspection;
- strengthening customers' and citizens' role in driving improvement and monitoring performance;
- acknowledgement of the importance of a sector-led approach to dealing with poor performance being built into the way in which government responds to underperformance.

The challenge before us now is to make a reality of the new arrangements – ensuring that local politicians' assessment of the needs and priorities of localities remains centre stage; helping government to achieve its ambitions for a discrete set of outcomes and indicators, and ensuring a streamlined approach to the new Comprehensive Area Assessment that is based first on robust performance data emanating from the local level and the council and partners' own assessment of their performance.

This paper sets out how we are responding to this challenge on behalf of our member authorities.

national outcomes and indicators

The starting point for our proposals for a new performance framework was to achieve a consensus with government on a clear set of national outcomes representing issues of universal concern that we all share an ambition to achieve.

Currently, the excessive number of indicators and targets acts as a drag on improvement. It distracts from what matters locally, overburdens councils and their partners with data collection and reporting, saps local creativity and breeds a culture of compliance rather than innovation and improvement.

At the core of the LGA's and IDeA's proposals for a new performance framework therefore is a drive for a much smaller set of national targets and standards, leaving room for more attention to local priorities and more scope for local target setting and monitoring of performance.

The framework set out by the white paper reflects our ambition.

White paper framework for outcomes and indicators

- There will be a reduced set of national outcomes reflecting national priorities and expressed as Public Service Agreements (PSAs). We expect that around 30 of these will relate to local government.
- Flowing from the national outcomes (and also from any further departmental strategic objectives) will be around 200 indicators which will apply to local government working alone or in partnership. This single set of indicators will replace other sets of performance indicators applying to councils and the services that they deliver with partners.
- Local improvement targets derived from the indicator set and limited to a maximum number of 35 plus statutory DfES attainment targets will then be agreed through LAAs.
- A mechanism will be established to control any additional requests to report information to central government.

The ambition is there. The challenge for us now is to help government to achieve it.

The 2007 spending review is the process for agreeing the national outcomes and indicator set and we are actively engaged in discussion with both the Treasury and individual government departments to press the case for local government. We are arguing:

- that there is an absolute imperative to reduce the overall burden of indicators. The new performance framework works as a package – unless we reduce the indicator burden, councils will not have the capacity to become more self-aware, more customer-focused, and to put more emphasis on local priorities;
- that outcomes and indicators should not be constrained by departmental boundaries and should not be mutually contradictory. For most outcomes, there will be a number of government departments potentially contributing and PSAs should reflect the degree of joining-up that needs to take place both nationally and locally;
- that indicators should not be prescriptive about how outcomes are delivered because this stifles innovation and can lead to a tendency to define solutions in urban rather than rural terms (eg an assumption that services will be provided from fixed facilities);
- that an indicator is just an indicator. It cannot in itself explain performance. It should be seen as the starting point for a conversation with local partners which looks at what this information means in the local context and how the council and the LSP are responding.

Last summer the LGA led a project to explore a set of “core local data”. Three councils reviewed existing local authority performance indicators against a key test of “if we didn’t have to collect this, would we still collect it?” Often the answer was no. Indicators that do not tell councils or partners anything useful are wasteful of local resources and lead councils to develop their own measures to supplement them. Examples of indicators “for deletion” and comments made by councils were:

- BV 126, 127a, 127b, 128 on crime levels, where statistics are already gathered and reported by the police;
- BV170, 170a, visits to museums which take no account of whether there are facilities in the local area and do not take into account outreach work;
- BV 174, racial incidents recorded by authority. In some cases the numbers of incidents are so small that the number in itself is not meaningful (this is not to imply that councils in those areas do not take the issue extremely seriously);
- BV 226a, 226b, 226c, amounts spent on advice and guidance services which are difficult to collect, loosely defined, and not useful in driving improvement.

Next steps

Our practical objective is to secure a national set of 200, or so, defined performance indicators – reduced from current levels of over 1,000 – in place for the next round of LAAs in 2008. The national set of performance indicators will represent a core of information that all areas will report. We recognise that this will be challenging but believe it is worth working for.

As well as inputting to departmental thinking in advance of their spending review submissions we are also involved at senior level through the cross-governmental groups set up to implement the white paper and are working closely with the Lifting Burdens Task Force, (chaired by Michael Frater, Chief Executive, Nottingham City Council) which brings together a group of chief executives from local councils specifically to tackle the overall burdens placed on local government by central government.

We also want to ensure that the final indicator set reflects local circumstances and is useful to practitioners at local level. We will be calling on the efforts of colleagues in councils to support us. Of course it also means that we will have to hold ourselves to our own rules and not be tempted to promote information gathering for its own sake or assume that everything that goes on needs to be reported nationally.

an annual locality assessment – and peer challenge

In *Driving improvement* we proposed that the focal point for the new performance framework should be priorities for the area as expressed by the local people, community groups and partners; and set out in the community strategy. The new performance framework would have two key characteristics – it would be area-based, assessing the performance of the council and its partners in delivering the ambitions set out in the community strategy and LAA, and secondly the starting point would be robust performance monitoring arrangements at local level feeding into an annual assessment of performance reported to the local community, with any additional external inspection restricted to high risk areas.

This is effectively what is envisaged in the white paper, positioning Local Area Agreements at the centre of the new performance framework. It proposes a new approach to performance assessment that differs from the current CPA regime in two distinct ways. First, it focuses on the performance of the council and its partners in delivering the improvement targets set out in the LAA. Second, its main focus will be on risk in the future rather than an

historical analysis of performance. A new risk assessment is to be introduced assessing the risk that outcomes may not be achieved by organisations in the area and the extent to which those risks are being effectively managed. Moreover initial thinking indicates that there will be no inspection event – rather inspection could be an outcome of the risk assessment. The risk assessment itself will be undertaken jointly by the Audit Commission working with other inspectorates, drawing on existing information from a number of potential sources.

All this marks a radical departure from the CPA process and we do not underestimate the difficulty of developing this new approach.

But if a significant starting point for this new approach is to be the information flowing from the existing performance management arrangements at a local level then the sector's contribution must be to ensure that robust performance management arrangements are in place in order to deliver high-quality performance information and that there are opportunities to bring this information together in a single

Annual assessment: key features

- An **annual locality-based assessment** – undertaken across the local authority area by the council and local partners; with the involvement of local people.
 - Assess **outcomes** achieved by the council and partners. The core question should be “How well are the council and its partners doing in securing the implementation of the LAA and the community strategy?”
 - Provide some form of **explanation/commentary** on the reasons for particular levels of performance.
 - Include a **future/forward looking perspective** and examine the risks associated with meeting future targets
- and how the locality is planning to deal with them.
 - As well as looking at outcomes it should also provide a mechanism for assessing the partners’ collective **capacity to deliver** – to translate high-level strategic objectives into manageable delivery plans.
 - It would be based on regular on-going assessments of performance, in turn based on **high-quality performance data** delivered through robust performance management systems in place across the partnership.
 - The process would deliver an **annual published report** of performance to the public and the partnership, ideally linking into the timetable for the risk assessment.

assessment, to contribute to the annual risk judgement and CAA. Our proposals for an annual locality assessment are designed to help councils do this.

The annual assessment would provide a key part of the evidence base for the risk assessment and a basis for dialogue between the Inspectorates and the area about future risk. In this sense it would be seen as complementary to the risk assessment – rather than a duplication of it.

These proposals apply equally in unitary and two-tier areas, where shire districts would lead the process for their area, assessing performance in delivering the district-wide community strategy and performance against their contribution to the county-wide LAA.

The proposals should not, in practice, pose additional resource implications for localities because the assessment report would derive from good performance management arrangements already in place across the partnership and the data organisations already need in order to manage their own businesses effectively. In addition, by providing the local evidence base for the Audit Commission-led risk assessment, it would minimise the need for other locally-generated information. Finally a credible sector-wide approach to assessment should replace the existing LAA performance monitoring arrangements and could potentially lead to further rationalisation of other self assessment processes.

Our proposal for an annual assessment differs significantly

Annual assessment: benefits

- provide a mechanism for the partnership to regularly review and discuss its own performance – demonstrating **self-awareness** and providing assurance about delivery at a local level;
 - be a **tool for increasing accountability** and responsiveness to the locality. It is clear that local people do not read performance management information – the annual assessment would provide a mechanism for drawing information together for partners to then use to communicate performance to citizens and customers in a locally-relevant way;
 - provide the evidence base to **drive improvement** in the
- locality. Findings from the AA would inform identification of LAA “improvement targets” in future LAAs and inform both partners’ and the partnership’s improvement and capacity-building activity;
 - **promote learning** by identifying areas of potential concern that merit further examination via a more in-depth scrutiny exercise – supporting the broader powers for scrutiny to require evidence from all local public service providers and a duty on them to have regard to scrutiny recommendations;
 - complement and contribute to the Audit Commission-led risk assessment by providing part of the **evidence base** for the risk assessment and a basis for dialogue between the Inspectorates and locality in their assessment of future risk.

from the current LAA monitoring arrangements in a number of ways:

- LAA monitoring is undertaken primarily for upwards reporting purposes – to satisfy government about performance and as a basis for awarding reward grant – rather than to improve local accountability and support improvement in local services;
- the scope of the annual assessment is much broader. It focuses on the LAA and the community strategy and looks beyond the 35 improvement targets and DfES attainment targets;

- the current LAA arrangements are not seen as particularly helpful to councils. The quality of feedback that councils receive from government needs to improve so that the process stimulates innovative thinking amongst local partners about how to get the most out of the combined spend in the locality;
- they do not address the *capacity* of the area as a whole to deliver.

The benefits of this broader approach to locality assessment suggest that a well-developed and robust annual assessment process might effectively replace the current LAA performance reporting arrangements.

However, we recognise that the annual locality assessment will only be of any practical value for councils, partners and the inspectorates if there is confidence in its integrity. This is more likely to be the case where it can be demonstrated that:

- the assessment is undertaken and applied consistently across localities. As part of our future programme of work we will be working with the sector to develop an assessment tool;
- it is based on robust evidence – including information generated from strong local performance management systems and other published evidence. Councils will need to take a leading role, working with local partners, to ensure that robust systems are in place and to deliver the annual assessment process. The longer-term ambition would be for the partnership to establish its own partnership performance management systems and support arrangements;
- and finally it is the result of a rigorous process of local development and subject to regular external peer challenge.

Peer challenge

One of the ways in which we propose to establish the credibility of the annual assessment is that it should be subject to regular external validation through peer challenge. We propose to extend the highly regarded and well-established local government peer review model (which now forms an integral part of a range of inspection and assessment regimes) into a new form of peer challenge of the annual assessment.

The concept is simple: a peer is a critical friend, someone that understands the issues and challenges that a council faces. Working with peers informs a council's understanding of its strengths and weaknesses by creating a constructive climate in which those most closely linked to an authority can undertake an honest appraisal of it. Bringing in peers to challenge the annual assessment would combine two powerful, proven mechanisms for motivating self-improvement within a new performance framework. So, while we see use of peers in this way providing a level of external validation of the annual assessment, we also believe it has the additional advantage of promoting further learning and improvement.

Practical implications

Further work will need to be undertaken to ensure that an adequate pool of people from appropriate backgrounds is available to be drawn upon. Part of the solution will be to stagger peer challenges throughout the year and commission the work sufficiently far enough in advance. Our initial calculations are that this would require the deployment of close to 800 peers each year, covering a total of 4500 working days – which is similar to the number of peers and days utilised under the current peer review model.

However we recognise that we may need to look at the current complement of peers. Assuming that the peer challenge process would require a leader and chief executive to participate in or lead each challenge, we would need to more-or-less treble the number of accredited peers from these groups. In addition the increasing focus on 'place' or 'locality' as opposed to the

Peer challenge: an emerging model

Peer challenge, not peer review

Conceptually, peer challenge would differ from peer review in three main ways. It would:

- be a challenge of the annual assessment of performance of public services in a locality;
- whilst being informed by a benchmark, have the flexibility to be delivered in such a way as to ensure a focus on the annual assessment and supporting evidence;
- involve non-local government peers with specific service and sector knowledge.

Focus of peer challenge

- The focus of the peer challenge would be on challenging the council's and partners' annual assessment of their performance and capacity to address the current and future challenges facing the area.
- In line with the peer approach's proven ability to unearth the 'softer' more intangible aspects of performance and capacity, there would be an emphasis on understanding the robustness and quality of leadership, relationships and culture in the area.
- The raw material for a peer challenge would be the annual assessment, with peers meeting and engaging council staff, elected members, local residents, partner representatives and so on to elicit evidence on which to base a challenge.

The peer challenge process

- The peer challenge process would be conducted in a way

similar, in terms of structure, momentum and ethos, to corporate peer review.

- We envisage that a peer challenge team would comprise six-eight individuals, drawn from local government and involving people from other sectors where appropriate in order to ensure expertise on the team in pertinent areas such as health or the voluntary and community sectors.
 - The period of time spent on-site by the team would be one week.
 - To achieve this, it would be necessary to invest a more substantial degree of time in advance of the review, absorbing the messages of the annual assessment and supporting evidence in order to establish a clear focus for the efforts of the team whilst on-site.
 - The team would deliver the formal feedback to the council and its partners at the end of the week. This would be followed by the production of a formal written report, which in turn would lead to members of the peer challenge team facilitating an improvement planning session with key stakeholders.
- #### Timing and scheduling
- A council and its partners would commission a peer challenge on a periodic and voluntary basis, with the findings being published.
 - We would expect the Audit Commission and inspectorates to take into account the fact that the annual assessment has been subject to a peer challenge when considering it as evidence to inform the risk assessment.

'local authority' will require more engagement of peers from other sectors in all of the sector's peer-led work. We are already addressing this through the current direct recruitment of voluntary sector peers and work with a number of potential private and voluntary sector partner organisations that have expressed an interest in working as hubs for the recruitment of peers from outside the local government sector.

Next steps for the annual assessment and peer challenge:

Over the next few months we will:

- develop, with the sector, a core annual assessment tool (and peer challenge model) that can be applied to all localities, but flexed according to local circumstances – including its application in two-tier areas;
- continue discussions with CLG, the Audit Commission and the inspectorates about their involvement in the further

development of the annual assessment (and recognition of the added value of peer challenge), the potential contribution that the annual assessment could make to the joint inspectorate risk assessment and the scope it might provide for relaxing current LAA reporting mechanisms and other self assessment regimes;

- initiate discussions with partners and other government departments to explore the benefits and implications of the approach for them;
- test the peer challenge approach alongside the annual assessment tool with councils and partners in the field – alongside the Audit Commission's own developmental work, from Autumn 2007;
- work with the sector to develop a recruitment campaign to attract senior peers from local government and partner organisations.

customer insight – improving outcomes for people

Councils are already actively reconfiguring service delivery around citizens and customers – bringing services together in single access points, developing personalised packages of support to address individual needs. In *Driving improvement* we argued that decisions about the nature and quality of local public services should be based on a robust understanding of local peoples' needs and that citizens' and communities' satisfaction should drive the assessment of local performance. Again, this is reflected in the white paper with proposals to strengthen customers' and citizens' role in driving improvement, and monitoring performance and inspection.

Councils are already putting a lot of effort into gathering information about their customers. Some of this is required by government, some is locally driven. But this information is often not useful for improvement and often not well used by councils.

We believe it is crucial to present a clear view of how customer insight can be used in a new, re-balanced performance framework, and to build the capacity of

councils to be able to gather and use information to drive their own improvement. We are therefore working in alliance with the National Consumer Council (NCC) to achieve these objectives.

Last year the LGA and NCC jointly commissioned research into customer satisfaction measures and how these might be used in a new performance framework for localities. This piece of research was designed to set out broad options for the way that customer satisfaction measures could be used. The research focused mainly on councils themselves. However, looking forward to comprehensive area assessments, the research gives pointers to ways that councils could use information to inform a wider role in "place shaping" and the potential added value from sharing data with local partners. It concluded that:

- the focus of customer insight should be on what customers experience. This goes beyond finding out whether they are satisfied or not. Simply knowing that 50 per cent of your customers are satisfied doesn't tell you whether this is good or bad, or what you need to do to improve. Instead councils

need to ask specific questions about the things that matter to customers and what actually happened to them when they received the service;

- it is not enough to get an overall view of 'customers'. Public services have to respond to the diversity of their customers and it will not be enough simply to show that customers overall are happy. Different groups will have different needs and preferences for how a service is provided and a more sensitive, better informed council can tailor services and communications in response. Segmentation should therefore be used to understand the experience of different customer groups. If councils can share a common approach to segmentation, they can start to learn from each other how to improve the way they serve different groups;
- councils and partners need to be able to find their way through the current blizzard of customer surveys and make more effective use of the information they collect. The LGA and NCC think there is potential in developing a shared 'protocol' which would set out a common approach to surveys. Together with a shared approach to segmentation, this has the potential to enable much wider sharing of customer insight within councils, between councils, and potentially more widely in the public sector.

Next steps

The high-performing council of the future will be one that has a well developed insight into its customers, understands the differences between key customer segments and shares this information with other public service providers to get a rounded view of people in the local area.

Both the LGA and NCC are therefore committed to take this work forward. The next stage will be the development of practical tools that can be used by councils – a shared segmentation and data protocol – which will be tested on the ground with councils. We will be keeping in close contact with government departments and regulators to ensure that this work is part of a coherent approach to the implementation of the white paper.

In the meantime there is much that councils can already do to get the most out of customer insight.

Getting the most out of customer insight

We know from our previous research into good practice in business (*Putting the customer first 2006*) that successful organisations value customer insight and give real drive to ensuring all members of the business have a common understanding of who their customers are. The key success factors are:

- making the use of customer data and championing this at a senior level – enthusiasm is not enough!;
- investing in skills and resources to ensure that customer data is timely, robust and gets to the right people at the right time;
- investing time in clarifying what data is needed. Data

needs to support decision-making, not be driven by technology or what is already available;

- segmenting customers to understand how decisions will impact on different groups and to tailor communications and services;
- developing a single customer view – bringing together key customer data so that the organisation can relate to the customer as a person, not as a fragmented series of transactions;
- integrating customer data into performance management to inform strategies and plans and set performance targets.

protocol on sector-led intervention

Our commitment to outstanding local services

Local government has a strong track record of improvement. The evidence following the introduction of local government peer review and then of CPA demonstrates not only the year-on-year improvements that councils have made, but also the extent of strong performance that exists right across the sector. We are committed to extending that vision of excellence to all areas and all local public services.

In addition to knowing a great deal about the sector's performance, we also now know more about what makes for improvement than ever before. These include focused leadership; effective communications; effective engagement with partners, local people, users and staff; robust people and performance management and effective systems. Local government has developed a range of effective tools to support and challenge councils that are underperforming. The sector is now in a position to direct this knowledge and these tools towards tackling underperformance in local authorities.

This protocol sets out the principles for sector engagement with councils that are underperforming, are at significant risk of slipping, or have become 'stuck' due to poor internal drivers for improvement.

Principles

There will be no tolerance of poor performance within the sector, whether of a political, corporate or service-specific nature. Councils, however, must take responsibility for their own improvement. We expect every local authority to address underperformance rigorously wherever it exists within the council and to use appropriate levers to challenge underperformance in other local services.

The aim of sector intervention and support therefore will be to strengthen a council's own democratic and professional functions, not to replace them. Sector-led intervention is voluntary; it cannot be imposed. In this respect, it is entirely different from statutory intervention, in which the Secretary of State undertakes an action in order to secure compliance from an authority to address poor performance.

We recognise that sector-led intervention must be flexible, timely and proportionate if it is to be effective. Indeed, one of the key advantages of the sector's assistance is that it is more likely to be politically and professionally relevant to the improvement needs of a council. And it is more likely to strengthen the capacity and self-awareness of councils so that they can take responsibility for their own improvement.

All councils have a responsibility for assisting other councils to improve, which means ensuring that the sector has the necessary resources to intervene to support councils. We ask for a commitment from across local government to contribute the gifted staff and the experienced elected members to provide hands-on assistance, and to unlock the learning in high-performing services for twinning partnerships with those that are struggling. Whilst we continue to see a role for external providers of improvement support, this should be as part of the overall National Improvement Strategy as owned by the sector.

Process of intervention

Identifying under-performance

The sector will draw on a range of intelligence about council performance in order to assess whether, when and what form of engagement would be most effective. This would include, but not be limited to:

- an unsatisfactory annual assessment;
- poor and declining customer satisfaction levels;

- weaknesses identified through external peer review;
- service failure as identified through inspection of high-risk services;
- poor financial management as identified through a critical audit report.

The sector will also rely on 'softer' forms of performance information which, when coupled with services that are fragile, present a picture of a council at risk of slipping into poor performance or unlikely to drive further improvement from within. The correlation, for instance, between political or managerial turmoil within a council and the risk of declining performance is well documented. This form of intelligence, which is often picked up informally by political groups or through political peers, will be used with confidence – but also with care – by the sector as a predictor for councils where early support would be effective in preventing further decline and helping to turn a corner.

The nature of intervention

Sector-led intervention must be flexible, timely and proportionate if it is to address councils' improvement needs. The emphasis of engagement will be to support a council's capacity to improve, whilst providing assurance that the pace of progress is satisfactory. There will be varying levels of underperformance, and potentially, varying degrees of council's commitment to engage with the sector, or recognition of the need for recovery. The nature of intervention will respond to these circumstances in a proportionate manner, and will include:

Where a council has a high degree of self-awareness and limited instances of underperformance

We would normally expect, in the first instance, for the council with its local partners to develop a local action plan, addressing actions, timescale and support needed to remedy the poor performance. The IDeA regional associate would act as broker of any external support or challenge required, including an external peer assessment of progress if appropriate.

In those cases where the council is unable to remedy the underperformance through locally determined and delivered solutions, the sector may seek to intervene further to support improvement. The form and extent of engagement will reflect the nature and seriousness of the underperformance. Service weakness is likely to trigger, for instance, engagement largely through regional or sub-regional players, with a focus on drawing in appropriate improvement tools to support service improvement – eg, secondments and interim management from within the sector, twinning arrangements drawing upon clusters of service excellence, political peer mentoring.

Where a council is self-aware but has serious instances of underperformance

Where the underperformance is serious and entrenched, and likely to be of a corporate nature, or where there is a lack of long-term commitment to improvement, sector engagement could include:

- the LGA initiating a meeting between the council and LGA representatives from each of the political groups to discuss improvement challenges and priorities, along with the sector's intervention offer;
- appointment of **political peer mentors** and commissioning of a member development programme; engagement of relevant **political party(ies) and other elected representatives** in direct challenge and support.
- brokering of a 'top flight' local government practitioner for the council to provide a deeper diagnosis of problems, assist the council with identification of priorities for improvement, assist with drawing up an improvement plan, broker packages of appropriate support and signposting to other resources;
- production of an **improvement plan** setting out key priorities for improvement; milestones and success measures – and agreed areas that will not be dealt with as priorities;
- establishment of a **local government partnership**, contracted with a high-performing council with agreed support arrangements and outcomes for improvement.;
- establishment of a **Challenge Board** composed of experienced members and officers, service specialists, business community, public sector partners and a government office official – both to monitor progress against priorities and to provide challenge around sustainability of improvement. Focus will be on improvement outcomes rather than processes;

There may be exceptional cases where the sector's offer of support is not accepted, or fully acted upon. In those instances, the sector may withdraw in order that the relevant Secretary of State may consider engagement activities or formal intervention with the council.

Tools of intervention and support

The sector will draw upon the full range of support mechanisms currently in place and will develop new areas including:

- using political peers to engage relevant political groups where there are concerns that the performance of a local political leader or political group may jeopardise a council's improvement; and where appropriate working with political groups to develop tools for driving up standards of political leadership;
- extensive use of the talent within the sector, drawing upon experienced local government elected members and professionals capable of effectively supporting a recovery or improvement programme. We would expect the National Improvement Strategy to provide for an enhanced improvement architecture – using the IDeA Peer Clearing House, Leadership Centre for Local Government and Regional Improvement Partnerships – to deliver this;
- brokering a new interim chief executive, service director and/or senior management team, or secondments into key senior posts;
- use of contracted local government partnerships to tackle serious instances of underperformance or where there is a lack of commitment to improvement;

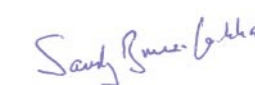
- use of capacity building funds to underpin sector support and intervention, including support for Regional Improvement Partnership activities targeted at underperformance; we would expect the National Improvement Strategy to place RIPs at the centre of providing tailored support for service improvement;

- developing the role for regional associates as the sector's front line in brokering appropriate support and challenge for poor performers;
- developing the sector's support for councils in commissioning relevant external providers of improvement support.

This protocol has the full support of all political groups within the LGA.

Signed:

Lord Bruce-Lockhart
Chairman of the LGA



Cllr Margaret Eaton
Leader, LGA Conservative Group



Cllr Sir Jeremy Beecham
Leader, LGA Labour Group



Cllr Richard Kemp
Leader, LGA Liberal Democrat Group



Cllr Keith Ross
Leader, LGA Independent



further information

Customer satisfaction with local services: what it is, why it matters and how to take it forward (summary leaflet)
<http://www.lga.gov.uk/ProjectHome.asp?ccat=1145>

Also available from LGConnect 020 7664 3131
info@lga.gov.uk

National Consumer Council work on public services

<http://www.ncc.org.uk/publicservices/index.htm>

IDeA information on customer focus and the customer services peer review

<http://www.idea.gov.uk/idk/core/page.do?pagelD=1292506>

For further information please contact
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Local Government House
Smith Square,
London SW1P 3HZ

or telephone LGconnect, for all your LGA
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