



**Local Authority Governance and  
Accountability Framework Review Panel Meeting**

**21 October 2020 3.30 – 4.30**

**Virtual Meeting**

**Meeting Note**

**Attendees**

Catherine Frances	Director General for Local Government and Public Services MHCLG (Chair)
Michael King	Local Government and Social Care Ombudsman
Joanne Roney	OBE, Lead on leadership and learning, Solace (Chief Executive Manchester City Council)
Rob Whiteman	Chief Executive, CIPFA
Abdool Kara	Executive Director, Local Services, NAO
Jacqui McKinlay	Chief Executive, Centre for Governance and Scrutiny
Mike Newbury	Director, Local Audit, NAO
Dennis Skinner	Head of Improvement, Local Government Association
Duncan Whitfield	President, Association of Local Authorities Treasurers Society
Quentin Baker	President, Lawyers in Local Government
Nick Burkitt	Director of Local Government and Communities MHCLG
Alex Skinner	Director of Local Government Finance, MHCLG
Max Soule	Deputy Director, Local Government Stewardship, MHCLG
Ruby Dixon	Head of LG Assurance Local Government Stewardship, MHCLG
Julie Stephenson	Senior Policy Adviser, Local Government Stewardship, MHCLG
Urmi Solanki	Policy Adviser, Local Government Stewardship, MHCLG
Aisling Lyon	Senior Policy Adviser, Local Government Stewardship, MHCLG
Mary Stallebrass	Senior Policy Adviser, Local Government Stewardship, MHCLG
Rebecca Griffiths	Senior Policy Adviser, Local Government Stewardship, MHCLG
Molly Watson-Phillips	Policy Adviser, Local Government Stewardship, MHCLG
Bob Bhardwaj	Policy Adviser, Local Government Stewardship, MHCLG

**Introduction**

The Chair introduced panel members

**Agree Minutes and Actions from Previous Meeting**

There was an action in relation to concerns about application by local authorities of the six-month rule for non-attendance at local authority meetings raised at the last meeting by the NAO. MHCLG officials noted they are not aware of any major concerns about the six-month rule. The Lawyers in Local Government Bulletin provided a reminder to local authorities of the coming deadline in August ahead of the six-month point since the lockdown began in

March. Feedback from the sector indicated that this was not expected to be a widespread issue, and MHCLG was not aware of any major concerns that have arisen in the weeks since. MHCLG and NAO to discuss outside the meeting.

The Panel agreed the draft minutes of the last meeting (29 September 2020), the Chair advised the Panel the minutes are to be made public.

### **MHCLG Targeted Support for Councils at Risk**

This was a discussion about how MHCLG facilitates targeted support to individual councils who are at risk of Best Value failure and to invite a discussion on the Panel's views and role of their organisations in this space.

The presentation referred to the PAC's concerns last year regarding the "gap between substantial intervention powers of the Secretary of State and the daily operation of a largely unregulated sector". The PAC's recommendation at that time was that MHCLG be "a system leader to ensure the whole system is effective" playing a more proactive role rather than reacting when things go wrong.

MHCLG acknowledged that, drawing on its work on statutory and non-statutory interventions with councils, assurance could be strengthened. Lessons learned from recent interventions were [published](#) last summer. Feedback from engagement with some sector experts has highlighted that MHCLG could do more at an earlier stage to encourage those councils most at risk to improve before they reach crisis point.

MHCLG noted that it does not have plans for a formal series of targeted support to councils at risk. Instead MHCLG has identified a potential model, with general principles, to guide in specific cases any targeted support that MHCLG decides to offer and provide assurance to Ministers and the MHCLG Accounting Officer about those councils.

The general principles behind the new approach were drawn from the published lessons learned from recent interventions:

- Prevention: the intention is to address issues *before* Best Value powers are needed (Government only uses statutory intervention as a last resort);
- Collaboration: as a non-statutory approach, Government will be working *with* individual local authorities to identify areas of concern, and to co-design a bespoke support package;
- Transparency: all reviews, reports, recommendations and details of any improvement work will be published on gov.uk;
- Holistic: the approach provides expert diagnosis of the particular challenges an authority is facing and a tailored support package to address recommendations for improvement.

This proposed approach is distinct from the support being offered to councils to help them manage Covid-19 pressures, or support provided by other Government Departments in relation to particular services. There is some interplay with councils who are managing acute financial pressures where those councils are also at risk of failing their Best Value duty.

The Panel welcomed the approach to deal with the gap identified by the PAC. The Panel's comments were as follows:

- CIPFA reflected that it is important that the offer does not replace sector-led improvement (LGA's peer review and other more targeted offers from the LGA). Councils will have other additional incentives to work with the LGA. The 'System' is broader than local government and includes other local public services. Involving other Departments will enhance the offer. MHCLG will need to demonstrate they are making decisions based solely on evidence. Therefore, the more MHCLG can demonstrate clearly why some councils need support and others don't, the better. LGA, CIPFA, Solace and others in the sector can help to assemble the right review team for particular cases.
- Solace said, in relation to the proposed aspects of a council that may be considered when identifying councils at risk, a lack of 'strategic vision' for the authority may not be the right language. Councils may have outstanding vision statements but living up to them is another point. On trigger indicators, staff turnovers in roles for statutory officers should include Directors of Children's Services and Directors of Adult Social Care as they are key to budget pressures. Something on the roles of politicians may also need to be reflected; failure is not just about the capacity of senior officers.
- NAO reflected that having an independent chair and transparency, as proposed, would be beneficial. There may be an issue on who is needed on the review team if you don't know what the problem is at the outset of a review, extra expertise may have to be called upon once support has been put in. There is a question of capacity in the sector to support this work as the sector is stretched, consideration should be given to the capacity of other regulators and professional bodies in providing support and improvement. In some cases, failure may arise because the capacity for maintaining essential services whilst also driving transformational improvement is stretched thin. Continued system failure in one area could be down to failure of a system rather than specific issues in a council.
- LGSCO commented that the emphasis on flexibly tailoring solutions according to particular situations and drawing on diverse sources of information to form a rounded view of what is going on, is a good approach. The process described would allow stakeholders to feed in where they had concerns. It also reflects the independence of local government. The nature of support would need to be tailored to the situation; expertise might exist but there may be a capacity issue to provide that support.
- The Centre for Governance and Scrutiny reflected that in identifying councils at risk, the role of politicians is important. The impact that politicians can have on culture, and how things can change if political dynamics change, is important to consider. Having more transparency, given the bespoke nature of any targeted support, is important, without creating undue process - with this information councils can self-diagnose. Good communication that acknowledges the existing local improvement support that councils can access is key to ensuring an appropriate reaction by the sector to this approach. Sector capacity is a concern.
- The LGA said that it is important to get the messaging right. Councils that may receive targeted support will probably also be supported by the LGA, so the two packages should complement each other. Work across sector-led improvement and MHCLG-led targeted support is key to ensuring the right outcomes.

Next Steps: MHCLG to bring back a discussion on targeted support with lessons learned to a future meeting.

### **Forward plan for meetings**

The Chair showed the Panel the topics for discussion to the end of the year and what topics remain for future meetings (for sight of the Panel only). The Panel said that they would like to discuss councils at risk. The Chair said she would consider this topic for future Panel meetings.

The Chair also explained that as certain milestones had been reached in improving the Framework e.g. the Redmond Review, the Panel will return to quarterly meetings from 2021.