

National Assembly for Wales Communities, Equality and Local
Government Committee CELG(4) LGC (07)

Inquiry into Progress with local government collaboration

Response from : Cardiff Business School

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Dr Tom Entwistle and Dr Rachel Ashworth
Cardiff Business School
Cardiff University
Cardiff
CF10 3EU

EntwistleT@cardiff.ac.uk

Tel: 029 2087 5503

Introduction

We are grateful for the invitation to submit evidence to the Committee on the progress of the local government collaboration agenda. This short note draws together our recent work on collaboration conducted as part of the evaluation of local government policy commissioned by the Welsh Government with key findings from our latest research on the practice and potential of collaborative scrutiny in Wales.

We have arranged our evidence over four sections. First, we use recent survey data to paint a picture of the nature of local government partnership activity describing its focus; key partners and characteristics. Second we consider questions about the scale and impact of partnership working. Third, we look at the governance and accountability of these arrangements before concluding with a summary of our evidence.

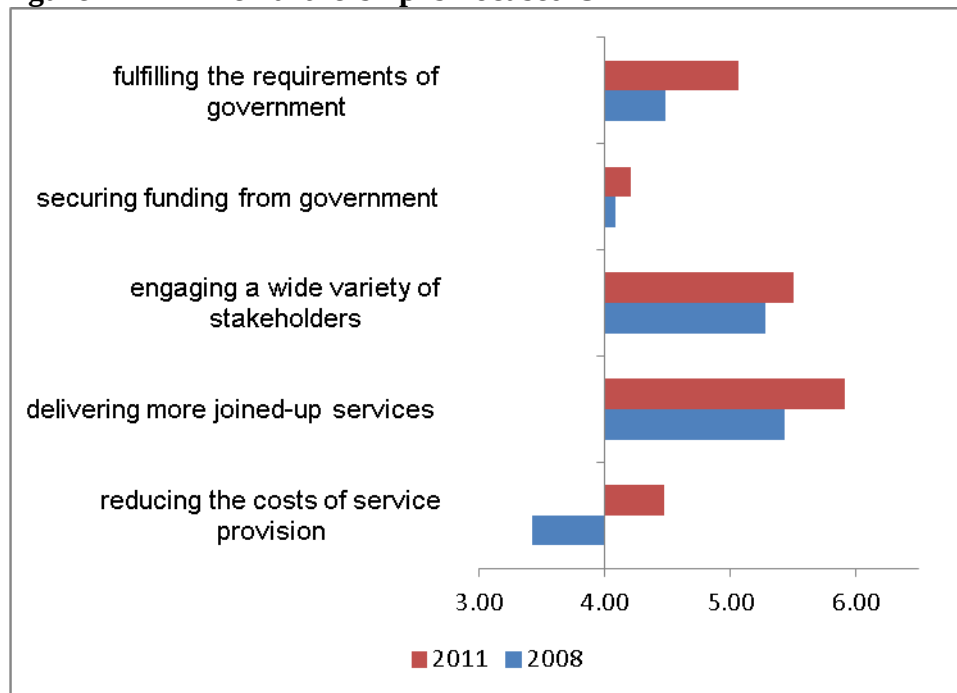
We do this from a presumption that partnership working – both between local authorities and with a range of other agencies – is both an inevitable and desirable feature of contemporary public management. It is impossible to conceive of an administrative arrangement which would negate the need for collaboration across boundaries. The issue is not whether Welsh local government should work in partnership but how effectively it is managing the process.

The Focus of Partnership Activity

In surveys of approximately 200 senior officers and elected members across Welsh local government, conducted in 2008 and 2011, we asked our respondents to report on

their experience of partnership working. Figure 1 suggests that joining-up and stakeholder engagement are seen as more of a priority than reducing cost.

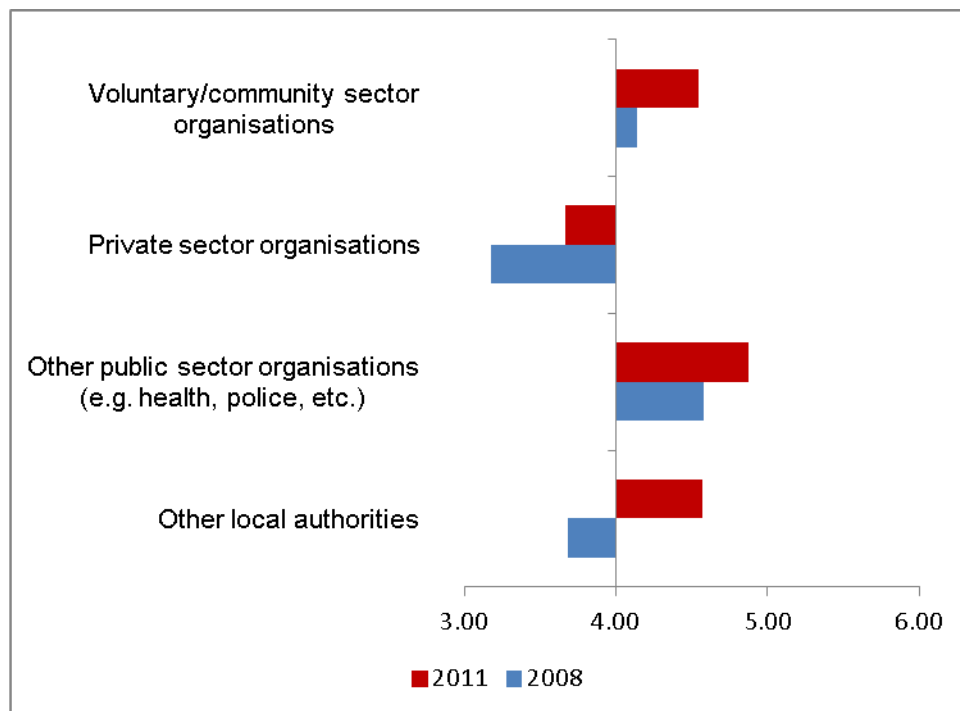
Figure 1 The Partnership is Focused On



Source: LTI surveys 2008 and 2011; Scale: 1 strongly disagree; 7 strongly agree
 There is clear evidence, however, of an important change in the perceived emphasis of partnership activity over time. While joining up and stakeholder engagement remain as important as in 2008 – presumably reflecting both the very different economic environment and the higher political profile of the partnership agenda – there is a marked increase in the percentage of respondents reporting a focus on reducing costs (57% in 2011, compared to 34% in 2008).

Figure 2 suggests that changes in the focus of partnership activity over time are matched by an increase in the proportion of respondents who rated other local authorities as key partners (up from 45% to 60%). Working with other local authorities promises perhaps the best chance of unlocking economies of scale. There was also a small but statistically significant increase in the proportion who said that they were working in partnership with the private sector. This too is consistent with a greater emphasis on cost reduction, since working with contractors is often seen as a strategy for improving efficiency (Figure 2).

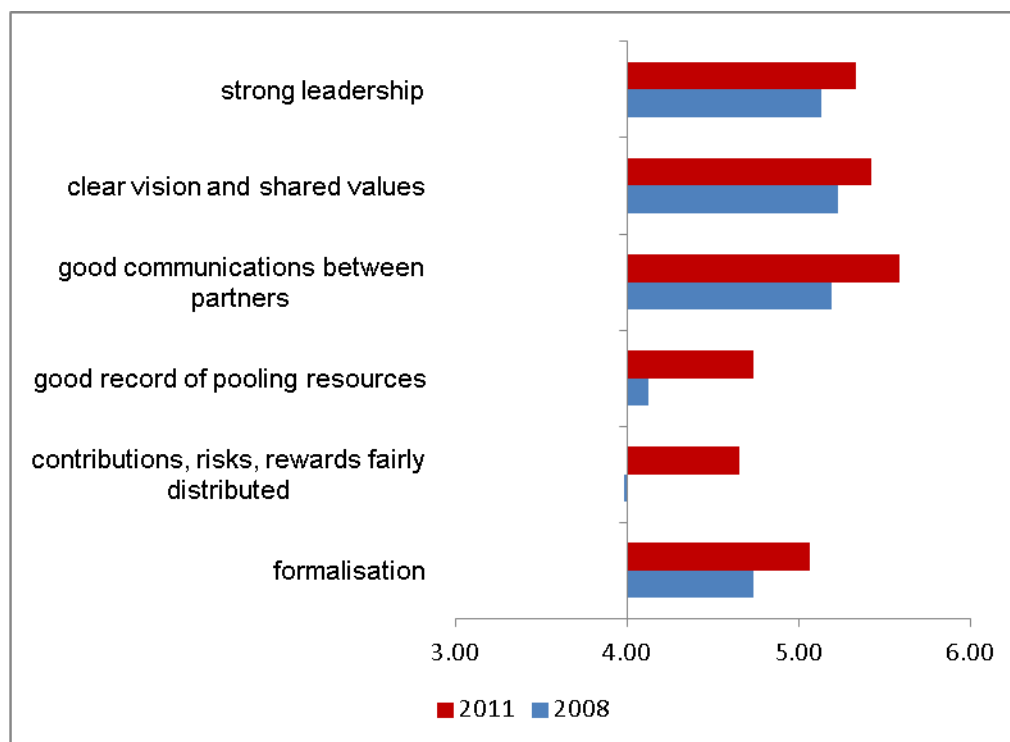
Figure 2 Key Members of the Partnership



Source: LTI surveys 2008 and 2011; Scale: 1 strongly disagree; 7 strongly agree

Changes in the focus of partnership activity and the rating of key partners track into changes in partnership characteristics. Between 2008 and 2011 there were statistically significant increases in responses the fair distribution of ‘contributions, risks and rewards’ and ‘good record of pooling resources’ questions, both of which might be regarded as markers of the search for efficiency savings.

Figure 3 Partnership Characteristics



Source: LTI surveys 2008 and 2011; Scale: 1 strongly disagree; 7 strongly agree

In summary, our survey evidence suggests that in 2011 respondents perceived partnership working to be more focused on the efficiency agenda than was the case in 2008. Respondents were not however just paying lip service to the efficiency agenda. Changes both in their rating of key partners (other local authorities), and the nature of their reported collaborative behaviour (equality of contributions and pooling resources) are consistent with collaborations focused on the pursuit of efficiency.

Impact of Partnership Working

While our data suggest that partnership working is adapting over time in ways which seem appropriate to a more challenging environment, they do not tell us anything about the scale of partnership activity.

Four of our case studies do however shed some light on the scale question: two on Local Service Boards; and one each on Regional Transport Consortia and partnership working in North Wales. All of these cases were chosen precisely because they are, in their different ways, at the forefront of the collaboration agenda: Local Service Boards are intended to encourage local authorities to work with other agencies within the area; the transport consortia emerged from the requirement to introduce regional transport planning; while North Wales was recommended to us by our steering group as a region at the forefront of the collaboration agenda. All four case studies suggest the same story. Collaboration, although largely positive, has to date only been realised on a very small scale and, as a result, has had only a modest impact.

As reported in our transport planning case study, the regional consortia employ only one or two people largely using fixed term funding provided by the Welsh Government. Our North Wales case study, found that the new school advisory service in North Wales will employ 30 people, while the new commissioning hub will have a

staff of three. Local Service Boards typically employ a partnership manager or co-ordinator and require other participants to combine Local Service Board work with their existing 'day jobs'. These figures are in contrast to the thousands of employees maintained by the larger local authorities in 'mainstream activities'. If the number of employees can be taken as indicative of the scale of collaborative activity – and where collaboration is focused on the efficiency agenda we think this is indeed a reasonable measure – then partnership working in Wales is, after more than 10 years of encouragement from the Welsh Government and the WLGA, still of only marginal significance.

Of course the number of employees is not the only, or necessarily the most appropriate, measure of partnership activity. It may be more helpful to look at the amount of money channelled to or through collaborative structures. Although employing only few people, the commissioning hub in North Wales will be responsible for the deployment of a significant amount of funding to procure specialist services. Similarly, the transport consortia play an important part in allocating large sums to member authorities and private construction partners. A measure of the flow of money through partnership-type bodies may, therefore, give a more positive account of the scale of partnership activity. It could be argued, however, that the real currency of collaborative activity in which officers and councillors exchange intangible resources through *ad hoc* meetings, telephone conversations, email and social media – resists all attempts to measure it. While the networking is virtual, the outcomes in terms of improved performance might be very real. The picture of Welsh partnership working provided by our surveys and case studies is predominantly one of networking and information exchange rather than resource sharing and cost saving. More crudely expressed, partnerships still seem largely to be 'talking shops' rather than 'one stop shops'. This does not mean that they are not adding value and improving services. *We are clear that networking and information exchange do improve services.* Our point, however, is that to date, few partnerships have been established to employ people and provide services in their own name.

Governance and Accountability

There are a number of different forms of collaborative governance from completely informal coordination to joint boards and limited companies working at the regional or national level. While informal information sharing between neighbouring authorities presents few challenges to local accountability, the very arrangements which are good for economies of scale and scope – lead authority, joint board etc – present a number of challenges of governance and accountability. In this way, whilst there is a general consensus that collaboration is an effective mechanism for the strategic planning and provision of public services, equally, there is widespread agreement that collaborations across the UK lack appropriate and sufficiently robust accountability structures and mechanisms. Joint working between local authority overview and scrutiny teams has been widely proposed as the ideal solution to this accountability problem, both in England (see for example, joint scrutiny of LEPs (Local Economic Partnerships)) and in Wales.

A recent study we conducted for Welsh Government was focused on identifying the extent and nature of collaborative scrutiny conducted to date in Wales, whilst also determining the factors that facilitate or impede joint-working between authorities on

scrutiny. Research data derived from five focus groups conducted in different regions of Wales between November 2012 and February 2013 highlighted some examples of the types of collaborative scrutiny already being undertaken. The data also provide a series of important insights into the perceived opportunities and threats associated with the collaborative agenda for public services.

Overall, the research indicates that collaborative scrutiny is slowly developing in Wales. There are some examples of joint collaborative scrutiny focused on key public services which has generated both individual and collective benefits for local authorities. It is important to note that several of the cases identified by the research were prompted by the Welsh Government's Scrutiny Development Fund which places a heavy emphasis on collaborative bids. These include projects which involved designing and delivering joint scrutiny training and also one which evaluated the impact of NHS procurement on the local economy. One further important example which developed independently of the Scrutiny Development Fund is the long-term scrutiny of Prosiect Gwyrdd – a partnership between Cardiff, Caerphilly, Newport, Monmouthshire and the Vale of Glamorgan. The focus here was a complicated procurement for the treatment of waste. The Prosiect Gwyrdd Joint Scrutiny Panel was established in December 2009 and comprised two scrutiny members from each of the five authorities. It conducted an inquiry into the health and environmental impacts of waste incineration which culminated in an influential report in the summer of 2012. It is important to note that whilst overall there were few cases of collaborative scrutiny which involved the instigation of formal joint scrutiny arrangements and inquiries, the research did reveal a high level of interaction, knowledge exchange and peer support between scrutiny teams – particularly at officer level – across Wales, facilitated by regional network arrangements.

In addition to identifying examples of collaborative scrutiny, the research also identified a range of barriers that act as impediments to further joint-working. On the basis of this evidence, in our report we suggested that collaborative scrutiny would be more feasible if a series of conditions could be put in place. These conditions include:

- A clearer specification of the accountability role that joint local scrutiny could perform in scrutinising collaborations and partnerships (versus inspectorates and regulators), and in particular further thought as to how elected members best contribute to this role
- The presentation of a clear rationale for joint/regional service delivery and regional scrutiny to elected members
- Further clarity on the governance and service delivery configurations of Welsh public services
- A digest of case studies and potential blueprints for scrutiny officers to employ
- Sufficient resource and capacity to deliver collaborative scrutiny
- Guidance to partnerships, consortia and other collaborations – and a strong reminder to local authority leaders, executive members and chief executives - on the importance of scrutiny
- Service and policy-specific training for members and officers.

Conclusions

Evidence from our surveys and case studies suggest local government is attaching increasing priority to the partnerships agenda. Furthermore, those partnerships are themselves increasingly alive to the importance of increasing scale and reducing cost. These are exactly the changes that ministers would want. Our evidence also suggests however that the map of partnerships is predominantly one of small scale networking activity rather than ambitious service integration. While informal networking is good for the circulation of knowledge, it is ill-suited to the realisation of economies of scale and scope.

So while things do seem to be moving in the right direction, the pace of change is not perhaps consistent with the nature of the challenges facing Welsh local government. It is notable that the most advanced areas of collaborative activity, observed in both surveys and case study work, are in services which have been pushed in this direction by strong leadership from the Welsh Government (waste, transport, education and housing). In other services, inter-authority collaboration, as a policy, is relatively under-powered in comparison to other agendas pursued by the Welsh Government. Simply put, the existing system of local governance leaves the vast majority of local government officers and councillors with more important things to do than collaborate with each other.

Our evidence suggests that if the Welsh Government wishes to see more collaboration between authorities – together with the associated benefits – it will need to push that agenda much more strongly than is currently the case. The focus of collaboration will need to switch quite decisively from the ‘shall we or shan’t we’ debates of the last decade to a focus on the ‘what and how’ of regional and sub-regional service delivery.

Finally, we emphasise that it is imperative that collaborative arrangements between local authorities are underpinned by robust accountability structures and mechanisms at their inception. Joint scrutiny conducted between local authorities, such as in the case of Prosiect Gwyrdd, can fulfil a key role in representing the views of the public and holding collaborations to account. However, the evidence shows that effective joint scrutiny between authorities will be highly dependent upon an appropriate level of preparation, capacity and resource. Further, it is vital that local authority partners within collaborations demonstrate a clear commitment to principles of open, transparent and democratic governance and therefore are ‘open to scrutiny’ and accountability from the outset.