

Why do Local Authorities fail and what is the key to long term success?

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Serial Intervener

Why is it so hard for us to change what we do based on the evidence from others?

- We are different
- We are better than that
- Everyone else does it like us so there must be something else
- I/we are not brave enough
- What if this goes wrong anyway
- Any other excuse you can think of

- Every failure is unique to that local authority
- Every failure is the same in every local authority
- It's just the symptoms and manifestations that are different
- The gap between success and failure is very small going down BUT
- It's like climbing the north face of the Eiger coming back up

3 key features in every failure

- Governance
- Leadership
- Honesty in communication

A Postcard from Birmingham

- For the last 10 years Members and Officers did not want to hear truth or tackle problems
- 24/25 was the first truly honest budget for years
- £400+m revenue cuts over 2 years
- Council Tax up by 9.99% last year and same proposed this year (England still has capping)
- £1.25bn EFS requiring £750m asset sales in two years 31% of balance sheet. Currently £260m receipts received but £132m still to be identified and 3rd year likely

Getting governance right

- Are the public rules the ones you follow or are there unspoken rules?
- (this is really the way we do stuff around here)
- Late reports
- Evaluation of options
- Risk – see later

Key issues

- Avoiding fear
- Avoiding groupthink
- Setting the right tone
- Dealing with dissent
- If no-one tells you about the rocks ahead you may end up on them
- You need to live your values from the top down

Local Authority Companies and Trading

- A consistent source of failure
- Wrong skills
- Can't hold to account
- Conflicts of interest both officers and Members
- JV Development companies a particular problem
- Risk and impact on balance sheet

Risk

- It is not a one-time record it is continuous through the process
- How often do reports then say what we will do if risk materialises?
- Can we live with the consequences?
- Optimism bias

Why do we need to keep so many secrets?

- It is possible to put much more in public
- Many authorities misuse exempt information
- If the culture prizes opaqueness can members hold officers to account?
- Are you gambling that the ends justify the secret means?
- What about Councillors right to know?

Communication issues

- It's easier to tell the truth early
- Do we learn lessons?
- An early apology works even if your lawyers/insurers hate it
- Learn from others and don't suppress it
- Your council is bigger and will last longer than you so that's what comes first

The Three Statutory Officers-Cex (HoPS), MO, S151

- Do they individually and collectively know what their responsibility is?
- Do they know that they have to work together?
- Do they know that these roles are very different from the service/corporate leadership job?
- Being the best accountant/lawyer/manager/visionary is not what these roles demand
- Do Members know what these roles entail
- Saving Members from themselves is a core function

Scrutiny – use it better

- Pre-decision
- Testing the budget assumptions
- Member drafted
- Task and finish
- Need to get members out more
- Cross party chairs of working groups
- Informal workshops

Questions or?