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Corporate governance of local education authorities

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Introduction

1. This inspection was carried out by the Office for Standards in Education (Ofsted) in conjunction with the Audit Commission under section 38 of the Education Act 1997.

2. The corporate governance of local education authorities (LEAs) has assumed growing importance, particularly because of the government's arrangements for comprehensive performance assessment. This assessment is of each council's performance as a provider of services. It leads to an overall judgement on each authority. The first judgements were made in December 2002. The arrangements include an appraisal of corporate matters and so make successful corporate governance essential for an authority to gain the autonomy which follows from a high-scoring assessment.

3. Corporate issues are inspected under Ofsted's framework for the inspection of LEAs. However, analysis of inspection findings shows that the relationship between an authority's corporate governance and the performance of its education functions is by no means straightforward. This thematic inspection was undertaken to pursue the issue of that relationship in more depth than is possible in the course of inspections of single LEAs. The inspection was based on those judgements made on LEA inspections which are crucially material to corporate governance. These judgements are listed below and, taken together, provide an operational definition of the nature of corporate governance:

- the extent to which the LEA targets its resources on priorities
- the LEA's arrangements to secure continuous improvement
- the clarity, coherence, consistency and feasibility of corporate plans
- the procedures for implementing and evaluating corporate plans
- the speed, openness and effectiveness of decision-making, particularly financial decision-making
- the quality of leadership given by elected members
- the quality of leadership given by senior officers
- the quality of advice received by elected members
- the success in achieving co-ordinated action in support of priorities involving collaboration between several agencies
- the effectiveness of measures to combat social exclusion.

4. For the purposes of this thematic inspection, the average of the grades used to record the judgements made on these issues in institutional LEA inspections was used as an overall grade to summarise the quality of each LEA's corporate governance. When this corporate governance grade was compared with the overall

grade for the quality of the LEA, a complex picture emerged. At the extremes of judgement, the relationship was fairly straightforward. Very good LEAs had good corporate governance. Very poor ones had poor corporate governance. For those in the middle which were simply satisfactory and so neither particularly good nor particularly bad, the relationship was less clear. In some, corporate governance was good, in others it was poor.

5. In order to examine the relationship more closely, this inspection analysed the findings from a sample of published LEA inspection reports of eight poor and nine satisfactory LEAs. In order to pursue the issue in more depth in LEAs which were judged to be good overall, two-day visits were made to a sample of nine LEAs. The LEAs visited are listed in the annex and the evidence arising from the visits to each of them is identified in the report. They were chosen to show highly effective work in different types of authority with different social and economic circumstances. When all of the evidence is taken together, inspection findings from nearly one in five LEAs form the basis of this report.

6. The report is mainly about the nature of good practice. Inspection findings from the visits to the good LEAs form the bulk of it. They are partly presented as case studies.

Commentary

7. LEAs are councils that have statutory responsibilities for education. These councils have other statutory duties and provide other services. Their education functions are only part of their work, and they have a corporate dimension that extends beyond education. This inspection has shown that dimension to have important effects on education services. The corporate governance of LEAs provides, through financial planning and arrangements to promote improvement, the essential preconditions that must be met if that authority is to be successful. It also provides the planning, the decision-making, and the evaluative work that enable the LEA to function, to implement its policies, and to meet its priorities. It enables the education service to benefit from the council's other services and from collaboration with others in the community. It also enables the education service to contribute to that community through the promotion of social inclusion.

8. LEAs are not only providers of services. They also have a role as community leaders. The inspection has shown this role to be a highly important one if an authority is to discharge its education functions well. It has also shown that it is a duty of local government that is too often neglected.

9. The good LEAs were all characterised by strong and effective community leadership. It was first evident in financial arrangements which aligned spending with policy and priority; it informed the planning and decision-making that turned policy and priority into action, it produced effective collaboration and it enabled action to combat social exclusion. The LEAs visited included all types and sizes. Four of them were recently established. They showed clear benefits from being able to start from scratch but, since the others were long established, a fresh start, although offering advantages, is not essential for successful performance.

10. The middle group of LEAs were satisfactory overall. Nevertheless, they had some weaknesses. To the extent that those weaknesses had not been removed, there was a failure of leadership. The initial analysis of LEAs in this category suggested that the part played by corporate governance in them would vary. That was indeed the case. The largest single group were in reasonably prosperous areas and pupils' performance broadly reflected the social and economic circumstances of those areas. The problem facing these LEAs was to exercise leadership in such a way as to promote excellence. There were also LEAs in this group that were improving from a position of weakness. In those LEAs, the strength of leadership lay in the improvements made so far. The weakness of leadership lay in not having done all that was necessary. Policy had moved on, but its implementation lagged behind.

11. In the weak LEAs, leadership was poor. More than anything else it was the failure of leadership that characterised the authorities. The result was strategic failure: money could not be provided where it was needed; planning was poor and the schools were not receiving the support they needed. In the absence of the leadership needed to bring the councils' services together, they did not follow a course that they had set for themselves, but rather were driven by external pressures. In this situation it was not possible for them to contribute to social inclusion. This was a serious issue because most of these authorities were in areas where there were significant social problems.

12. It was only in the good LEAs that there was consistent strength in promoting social inclusion. These LEAs were in very different areas. Even in the most prosperous ones, there were places and groups of people needing, and receiving, extra support. In two of the LEAs, a large proportion of the population had severe and multiple social and economic problems. An LEA must be first rate to tackle this degree of need. The contrast between these LEAs and some of those in the group of satisfactory authorities suggests that an authority which is neither particularly good nor particularly bad can at least survive in an area that has relatively few problems. The contrast with some in the group of weak authorities shows that where need is great and corporate governance is weak, the result is failure.

13. The exercise of effective community leadership is crucial in determining how corporate governance affects the performance of councils as education authorities. There is no doubt that officers make an important contribution to that leadership, but ultimately the responsibility for it rests with councillors. The weak authorities show that strong leadership by officers cannot fully compensate for political weakness. The political leadership of councillors is the most important single factor in successful local government.

Community Leadership

14. Effective community leadership was central to the success of the good authorities visited. It is not inspected as a separate issue by inspections of single LEAs but emerged from the thematic inspection as a crucial factor in the most successful authorities.

Community leadership and involvement in a unitary authority

Bournemouth as a unitary authority was set up in 1997. Although the council was a new entity, the town had a history of local pride and a clear sense of identity. To build on this was a clear and corporate strategy. In education the pursuit of that strategy began before the vesting day, with a conference for headteachers, governors, the local chamber of commerce, the further education college, and higher education institutions in the region. The aim of the conference was to establish the relationship between all of the parties, their respective contributions to education, and their expectations of the new LEA. During this same period, councillors, operating in cross-party pairs, visited all of the schools to hold similar discussions with all teachers. The involvement of a wide range of interested parties continues, and is embedded in the authority's decision-making process. Initiatives are 'bottom-up' as well as 'top-down'. The scrutiny panel's co-opted members include representatives of the area's youth council, parents, governors and further education. The strategy for community involvement has involved setting up learning centres for parents of young children to develop parenting skills and, for those parents looking for jobs, to improve their employability. Since the inception of the new authority, standards have risen.

15. The successful LEAs visited brought different groups together and led them towards common goals. Providing leadership is of key importance in education because it is educational institutions which deliver the service, not the LEA itself. If the LEA is to improve the education service, it can do so only through leadership. But an education department cannot do this in isolation from the rest of the local authority. Leadership depends on collective and corporate commitment, on shared vision and agreed strategy.

16. In Bournemouth, the council was able to exploit the fresh start given to it as a new authority, but it was also able to build on an already existing, strong sense of local identity. That fresh start enabled it to define the relationships between – and mutual expectations of – all parties in educational provision in the area. Newness is not, however, a precondition of exercising community leadership. The work of leadership in Gateshead, for example, shows how strength can build on a history of close connections between a council and its citizens.

17. Communication and consultation are very important. This is partly a matter of attention to detail. In Warrington, the chief executive has found it worthwhile to spend a little of his time observing the reception given to members of the public in different sections of the authority in order to ensure that citizens can rely upon, and trust, the council as a provider of services. In Blackburn with Darwen, the authority has taken much care to ensure that the whole process of local government is conducted as openly as possible. Effective communication is a high priority. Policy statements are written and publicised with great care to ensure that they are clear and consistent.

Much use is made of the local media to ensure that the public is kept in touch with developing policy and practice.

18. The establishment of local strategic partnerships in these successful authorities has greatly assisted them as leaders by providing them with a forum at which a wide range of representatives of the community can be brought together to work towards a common purpose. This is particularly the case in Hartlepool. It is also very strongly so in Lewisham. There the complexity of social issues and the level of need demand that the community should work together if the problems are even to begin to be solved.

Financial strategy

19. Where the budget planning and setting process is supported from a strong corporate centre, budgets can only be set to deliver policy, and planned in such a way as to support schools.

Budget setting in a unitary authority

Blackburn with Darwen was set up in 1998. The council's corporate budget setting process starts each year with a review and re-statement of priorities. In the views of the chief executive and the leader of the council, this is the major part of the work because, once priorities have been set, the major budget blocks that relate to them can be put into place quickly. As far as possible, the whole process takes place publicly to display community leadership to the electorate and to reach political agreement. The leader of the council sees this as vital so that all the members of the council's executive, or cabinet, have a common view of priorities and money can be allocated to particular services corporately, rather than through a struggle between each executive councillor for the interests of their individual services. This also facilitates the provision of full and timely financial information to schools. Since 1998, the LEA has worked closely in partnership with schools, particularly through a School Funding Review Working Group which has now become the School Forum. This group comprises headteachers, governors and representatives of teachers' associations. It begins its work early in the budget cycle to ensure that financial decisions affecting schools are discussed openly and that, when the final allocations are made, there are no surprises. By the end of the autumn term, schools have a broad idea about their budgets for the following financial year. As a result they can begin to sketch out their own budgets from the beginning of the spring term.

20. The visits showed that a strong corporate centre is vital if education funding, and school budgeting in particular, are to be planned effectively. At the simplest of levels, just getting budgets out on time is essential if schools are to be able to plan ahead, but that cannot happen if corporate financial planning is weak. These successful authorities showed, as in the case study, that councils must have a clear sense of corporate purpose, expressed in terms of political priorities, and, at the same time, that they must work closely with schools. In Gateshead there is a corporate commitment to this dual approach which is signalled by the leader of the council and the chief executive meeting with headteachers early in the budget setting process to discuss the education budget for the year to follow.

21. Gateshead and Lewisham both show the importance of strong political leadership and priorities, as they have sought to preserve education spending at a time when the councils must reduce overall spending. Both of those authorities are able to attract grant funding because of social and economic need and because they are able to demonstrate a strength in delivery which depends on corporate strength. That same strength is equally important in Warrington, where the social and economic indicators prevent access to grant funding, and the resulting financial situation demands setting rigorous priorities.

22. In the authorities which were satisfactory overall, the effectiveness of financial strategy varied widely. It ranged from one authority in which good corporate financial arrangements enabled education to manage its own financial strategy effectively, to another in which the LEA's arbitrary changes of budget were made without proper explanation to the schools. For most of these LEAs, however, the corporate budget strategy did not cause problems. Three of them were authorities in transition. In one, the authority had just moved to a strategically planned budget from one based on past patterns of spending. Two others were being reinspected after a highly critical first report; they showed clear improvement, even though some areas of difficulty remained.

23. In weak LEAs, weak leadership at both corporate and education department levels prevents the authorities from directing their finances at priorities. This problem derives from corporate failure. In a third of the weak authorities, there was simply a lack of corporate strategy. Councillors were unwilling, or unable, to work together, and so to set priorities. In three cases, officers and councillors had actually formulated strategy to the extent of declaring that education was a priority for them. The problem came when this declared priority was not carried through into the authorities' budgets.

24. The effects of these weaknesses were evident in the schools. Firstly, and more than any other area of LEAs' work, it damaged relationships with the schools. In some authorities, it led to growing problems of poor match between schools' needs and the allocation of money to them because the budgets simply followed patterns which had been established in the past. In one case the allocation of money was done so poorly that it was unpredictable, and so badly managed that schools were unable to plan and were either running into high deficits or amassing large surpluses.

Continuous improvement

25. No authority can be, or can remain very effective, without the drive to make improvements and to respond to changing circumstances.

Continuous improvement in a county authority

Suffolk County Council sees continuous improvement as a major principle of its work. It seeks to embed a culture of performance improvement throughout the organisation. This corporate policy is a major contributory factor to the quality of the council as an education authority. It is the driving force of the council's corporate strategic planning, which is presented in its Policy and Performance Plan. This document sets out the council's vision and policy priorities. It incorporates the best-value performance plan and states the indicators against which the council's progress will be measured. Progress is regularly and formally monitored against those indicators as part of a process which leads to an annual, published progress report. The council's performance management system is the means by which the Policy and Performance Plan and its indicators are embedded in the day-to-day working of the officers. Staff appraisal is then based on each officer's contribution to the council's priorities. Both the corporate management and the education management teams receive quarterly performance reports on progress with key indicators. These reports identify the areas where the planned improvement is not being made, and are then used to begin the definition of the necessary remedial action to be taken either by single departments or corporately. This approach has led to improved services. Education both contributes to improvements in other services and receives contributions from them. For example, when the review process showed weaknesses in aspects of community care, the education department designed a programme of learning activities to enrich the lives of elderly people in very sheltered accommodation. When it turned to shortfalls in attainment in English among 11-year-old pupils, the process led to a programme of male council workers, such as firemen, working on reading in schools, particularly with boys whose performance lagged behind.

26. All authorities do some evaluation. The distinctive thing about the most successful authorities is the strength of their commitment to evaluation and review. They seek, as Suffolk does, to embed it in the culture of the organisation. They act systematically on the findings of evaluation, and so bring about improvement. The organisational structures they use for the work vary. But all of the structures establish a continuum of action from the political activity of scrutiny to the performance management of individual officers. The matter of scrutiny will be dealt with separately below because it raises issues of a different nature.

27. The visits showed that, whatever form the work took, the starting points were policy and priority. The improvement work was about ensuring that priorities were followed and policies transformed into activities. Thus, in the Suffolk example, there was a regular review of progress against the indicators chosen to measure success. Measurable indicators were used by all of the authorities visited. The distinctive feature of Suffolk was the rigour of the whole process and the emphasis placed upon it by the planning arrangements.

28. All of the authorities also welcomed external scrutiny to supplement and, to some extent, to validate their internal evaluation procedures. In Hartlepool, for example, response to the various external inspection regimes, including Ofsted's inspection programmes for schools and LEAs, is built into the authority's management procedures. West Sussex supplements external inspection with commissioned evaluations by external consultants.

29. This external evidence supplements both the analysis of performance indicators and the evidence which is produced by the authorities' own surveys. The views of schools on the services which LEAs provide for the schools are used by good LEAs to improve those services. Even the work of improvement itself can be the subject of evaluative activity and action to bring about progress. For example, Lewisham has just introduced a new system for the performance management of its officers. This was done in response to a survey of staff opinion which revealed that officers felt that their senior officers were not good at giving them feedback on the quality of their work.

30. This area of work also illustrates the nature of the relationship between education services and the corporate centres of authorities. Both sides in this relationship are capable of influencing the other. In both Hartlepool and Gateshead the education service took the lead in the introduction of performance management. When the corporate centres of these authorities moved forward to introduce corporate systems they built on their education department's work. This evidence of education taking the lead applies particularly to systems of evaluation and improvement because education has for many years had a better range of evaluative data than have other local authority services.

31. In the LEAs which were only satisfactory overall, the most frequent weakness was in performance management. Stronger corporate centres in three LEAs had begun the introduction of performance management, but had yet to establish it consistently. The weak corporate governance of another authority had failed to develop a consistent approach to improvement, and, consequently, had not obliged the education department to deal with its weak approach to quality assurance.

32. In the weak authorities, the work of ensuring best value was consistently poor. In one case the authority's corporate best-value plan simply bore no relationship to the plans of the education department.

33. The most common weakness was in performance management. Six of the authorities had no system at all. Where some work was going on – but was ineffective – the problem lay in a failure to link the appraisal of performance to the priorities of the authority, and specifically to its targets for educational performance. The harmful effects of corporate weakness were particularly evident in two authorities. In one, the education advisory service had an effective system of performance management, instigated at its own initiative, but there was no system in the rest of the education department because there was no corporate requirement to have one. In the other, an external contractor had been engaged to take over the school improvement work. It had its own system of performance management, but worked in isolation in an authority which lacked a corporate improvement strategy.

Strategic plans and their implementation

34. Success in planning and implementing policy plays a key role in successful LEAs. It was at the core of corporate governance in the authorities visited.

Policy advice in a metropolitan borough

Gateshead has a history of community leadership, built over many years. It moved early into a cabinet political structure. At that time, many other councils experimenting with this structure were having internal political difficulties with the discontent of councillors who, no longer part of the power structure, resented the loss of influence with the demise of the committee system. It was in this context that Gateshead council set up advisory groups as part of its process of policy formation. The aim was to ensure that the concentration of political power in a small cabinet did not damage the trust that the council had built up over many years between itself and the community. The groups have come to take on an important role in policy formation. They are composed of councillors who are not members of the cabinet or of the scrutiny panel dealing with the matters on which the group offers advice. As well as councillors, the groups have representatives of citizens with an interest in the services under discussion. In addition they may call in other people whose views are particularly relevant to the matters in hand. Recent policy developments in corporate parenting which involved education and other services were the subject of advisory group discussions with young people in public care. One outcome was improved housing services which enabled young people's transition to independent living to be managed better. Scrutiny groups, too, are becoming involved in policy formation. Formulating a response to the Local Government Association's consultation on the possibility of a five-term year, the lifelong learning scrutiny panel called in representatives of schools, parents and trade unions to discuss the matter. Widespread involvement is key to the authority's approach to community leadership.

35. The beginning of strategic planning is the formation of policy. The former has no meaning without the latter. In various ways in the authorities visited, the formation of policy also brings community leadership and strategic planning together. In Gateshead, the formal place given to advisory groups and to scrutiny in policy formation ensures that the councillors are aware of the views of the citizens they seek to lead and with whom they seek to create a unity of purpose.

36. The care taken with communication in Blackburn with Darwen has been reported above. It is part of a broader commitment to consultation and to taking account of citizens' views. This leads both there and in other authorities, to policy priorities which are strongly based on local need. Blackburn, with a 30% ethnic minority population, makes issues of ethnicity central to its policies. The area did not see the disturbances which occurred in similar areas in 2001. Warrington illustrates the point from a different angle. There, both the leader and chief executive of the authority operate a policy of close contact with the educational community in the area as an important part of the LEA's policy formation. Strong policy formation also enables effective delegation. In West Sussex, when policy is set, its delivery is delegated, often to an area level, to respond to the social and economic diversity within the county.

37. Whatever the method of policy formation, its outcomes must carry widespread conviction among those who must put it into practice and those whom it is meant to serve.

Planning and implementation in a county authority

Warwickshire has strong planning from the top down and from the bottom up. It functions well despite conflicting political, social and economic pressures. The county's strategic plan grows out of the community plans produced by district and borough councils. Before it is finalised, it is subject to extensive consultation. After finalisation, regular review meetings, involving officers and councillors, keep a check on progress and follow up any shortfalls in implementation. These arrangements ensure that education plans are compatible with the county strategy. The planning process in education is now being changed to follow this corporate pattern. Local education area plans, which are produced in consultation with local partners and stakeholders, are approved by Area Committees, formed of local councillors and contribute to the overall education strategic plan. This pattern is important in the county for two reasons. The first is that there has been no political majority for some years and the county's strong strategic direction depends on collaboration between different political interests. The second is that the county is very diverse. In the north there are towns which, as previously established industry has declined, have seen growing deprivation, especially when compared with the affluent, rural areas to the south.

Strong strategic direction also depends on meeting potentially conflicting social and economic interests. The county's success in responding to these pressures is particularly evident in its financial decision-making. Decisions can be made faster because of the thoroughness of the policy making and planning process. Consensus is established and priorities are agreed through thorough and rigorous discussion. Recently, an initiative was taken which has the potential to bring considerable improvement to some young people's quality of life. A group of young people about to leave public care devised a piece of theatre which they performed to councillors. In it they showed the problems which would face them as they made the transition from care to independence. The councillors were convinced of the case the young people had made and within 24 hours a sum of money was assigned to a new initiative aimed at improving the situation.

38. This case study shows that strong corporate planning is possible and, indeed, is more necessary where there is no political majority and where there are different needs in different sections of a community. It also shows that strong planning provides the means of its own implementation where it retains the flexibility to respond to emerging need.

39. All of the good councils attached high priority to their education functions. They stated that priority strongly and explicitly in their highest levels of planning. This process was then followed through a hierarchy of operational plans. In Warrington, for example, the community plan is built around seven pledges. The planning system requires that all services, including education, demonstrate in their own plans how they are contributing to each of the pledges. In Hartlepool, the local strategic partnership extends this process beyond the council to those other bodies with which it collaborates.

40. Such systems, however, as the example of Warwickshire shows, work best where there is flexibility. To some extent, developing government policy makes this essential. The sequence in which plans are required by government sometimes means that aspects of established, and still current, plans become partially overtaken by new requirements. At best, as in Gateshead, authorities see planning as a rolling programme, and seek to strengthen coherence gradually.

41. The most effective work also involves ensuring that the complexity of local authority work is recognised. Suffolk is currently revising its planning process to place more emphasis on the effects of activities, and less on the simple correspondence between plans.

42. In three of the satisfactory LEAs there was a strong and effective corporate planning process. In principle, there was also a planning hierarchy to spread that planning to service departments. In practice the system was not working. As a result, at departmental and service level, some educational planning was good but some was poor. As with financial strategy, it was encouraging that three of the authorities were in transition. They were showing signs of improvement. Nevertheless, the improvements had yet to be implemented consistently. More generally, these authorities were weak in the implementation of plans, rather than in planning itself.

43. Ineffective corporate governance in the weak authorities resulted in poor planning. The one authority which had a sound corporate plan failed to influence education because the services of the authority were not only ineffective but also strongly autonomous.

44. More generally, the corporate centre of these authorities was unable to improve strategic planning of the education service because of its own weaknesses. This was traceable to poor leadership by chief executives and councillors. It led to a failure in planning throughout the authority. As a result the education services did not pursue strategy, but were left responding to events as they cropped up.

45. In these circumstances, such plans as there were, were not implemented, not least because of the absence of financial strategy. The planning weakness was compounded by ineffective evaluation. None of these authorities had effective scrutiny from their councillors.

46. Decision-making too was poor. This was partly a product of weak leadership, but also a product of poor consultation between the LEAs and the schools in their areas. Some of these LEAs failed to consult schools, others had consultation arrangements so complex and poorly operated that they made consultation a burden and decision-making ineffective.

47. The effects of this corporate weakness on education services were seen in many ways but, most significantly, in the areas of support for special needs, for social inclusion, for post-16 education and for the development of information and communication technology. All of these demand strong, strategic leadership because of the complexity and, in some cases, the controversial nature of the decisions to be made.

The work of officers and councillors: leadership and delegation

48. The effective authorities visited had good, and often innovative patterns of organisation. It was, however, the collaboration of officers and councillors, together with their individual contributions and the leadership they provided, which made up the essential ingredients of success.

Structures of power and delegation in a London borough

Lewisham has distinctive and very effective political and administrative structures. They facilitate both delegation and strong strategic direction. The authority has an elected mayor. Although, at the time of the visit, the mayoralty had only been established for 6 months, discussion with officers and councillors showed that the arrangement has begun to strengthen strategic working. Major decision-making rests with the Mayor and with a cabinet of eight members. The responsibilities of the cabinet members cover, respectively, each of the council's strategic priorities. They cut across services: for example, one member of the cabinet has responsibility for social inclusion, another for the environment. At the top administrative level, under the Chief Executive, there are just four executive directors, respectively responsible for regeneration, education and culture, social care and health, and resources. There is deliberately no consistent correspondence between the cabinet and executive responsibilities so that different groupings must be formed according to the matters under consideration and so that cabinet members' concerns are necessarily strategic. They cannot become involved in operational matters which are, very properly, delegated to officers. The administrative structure was introduced in order to encourage services to work better together, both so that they support one another and so that executive directors can ensure that any gaps in provision between the services are filled. It necessarily involves a high level of operational delegation and also serves a staff development function because the tier below the directorate has to fulfil a role in strategic management as well as in managing service delivery. The borough faces multiple and complex problems deriving from both deprivation and diversity. Inevitably, social inclusion is a major issue. The authority's structure is enabling it to confront the issue powerfully and systematically.

49. The case study of Lewisham shows that the concentration of political and executive power that builds corporate strength brings with it an increased need for delegation. It depends on strong systems of performance management and of management development.

50. All of these authorities had different structures but, those differences notwithstanding, the structures were all effective in strengthening the corporate working of both officers and councillors, and in providing for high levels of delegation, combined with clear patterns of accountability. All of the councils, including the two with directly elected mayors, had cabinets. In all cases, decision-making within the cabinet was collective and thus reinforced corporate strength. For all of these authorities the days of the silo, with departmental chief officers responsible to a single councillor, are past.

51. The structures of the authorities have a deliberate lack of direct correspondence between the top tier of officers and the councillors in the cabinet. For example, in Gateshead the officer in charge of education is the group director for learning and culture. He is responsible, not only to the councillor holding the portfolio for learning and culture, but also to the councillor holding the portfolio for children and young people. In Warwickshire the chief education officer works with three portfolio holders responsible, respectively, for education, lifelong learning, and social inclusion. In Blackburn with Darwen, the tier of officers below the chief executive is composed of three non-departmental directors whose responsibilities include working on external partnerships as well as stimulating and co-ordinating collaboration between the service departments. Their role is explicitly corporate.

Scrutiny in a unitary authority

Warrington was set up as a unitary authority in 1998. Its approach to the reform of political structures has been cautious. After reviewing the experience of other authorities, it has, mainly at the instigation of the leader of the council, devised an innovative political structure in order to improve the authority's work. At its core is the familiar cabinet system, with portfolio holders responsible for the council's various services and a system of scrutiny panels related to each of the services. The innovation is in the creation of a third strand, with the establishment, for each scrutiny committee, of a policy review group. The responsibility of these groups is to consider the findings of scrutiny from a policy standpoint, so as to determine whether or not policy needs to be changed in order, for example to enable a missed target to be met or to determine whether the target had been properly set. The work of scrutiny is thus bound up with policy formation. The scrutiny function itself is operated in an innovative way. The education scrutiny committee has, in all, 19 members, including co-opted teachers, parents and diocesan representatives. In effect, it extends political accountability beyond the authority's elected councillors to secure the direct involvement of those with an interest in education. The result is a group too large to function as a single entity which therefore works in sub-groups, formed to deal with specific topics and including co-optees with a particular interest in the topic. Three or four different areas of work can thus be subject to scrutiny at the same time and, through the chain to the policy review group, citizens with a stake in education are involved in the formation of LEA policy.

52. Success in the implementation of plans depends crucially on building evaluation into the whole process so that it does not become a check on compliance with the plan, but the essential prerequisite of future planning. Warrington's recently adopted and innovative political structure is designed to facilitate this.

53. Among the group of LEAs visited, this was a developing area of work. The case study of Gateshead showed how the scrutiny function is contributing more than it did to policy formation. In that authority, as in Warrington and Bournemouth, the co-option of interested parties into scrutiny committees is part of the process of the scrutiny function becoming increasingly involved in policy formation. In Suffolk, specific and time-limited groups of interested parties are set up to work in this way, most recently as part of a scrutiny of the funding policy for special educational needs. In Lewisham, there is a single overview and scrutiny committee, sub-groups of which are devoted to individual services and referred to as select committees. The

committee dealing with education had a powerful effect when, after consulting with parents, its work led to the withdrawal of a proposal to close a special school.

54. The LEAs which were satisfactory overall varied widely in the quality of leadership provided by their councillors. At worst, in one authority, they did not see themselves as needing to exercise leadership at all and so concerned themselves with ward issues rather than education strategy. By contrast, where authorities were improving, members were contributing to that improvement. Weaknesses in corporate governance revealed themselves in the conduct of scrutiny and in aspects of the authority that cut across several services.

55. The leadership provided by officers was not weak in any of these authorities. In four of them, it was good. However, in three of them it was uneven in quality. In two of those, that was because of ineffective performance management. In the third, it occurred in areas where strategy is crucial, for example in following the code of practice for relations between schools and LEAs. Officers in nearly all of these authorities provided good advice for the councillors but, where the leadership of the councillors was poor, the authority was, at best, only just beginning to improve.

56. All of the weak authorities had weak political leadership. This had its origins in a variety of factors and its effects took a variety of forms. In four of the authorities the weakness originated in a lack of majority political control. In one, there had been no political majority for sixteen years and a political administration was only established as the inspection began. However, there were four others in which there had been long-standing political control by one party. There, the weaknesses were due to councillors exercising leadership in the areas for which they were individually responsible, but failing to work together corporately. In all of these authorities, councillors were failing to establish the trust of schools.

57. In some cases, weak leadership by councillors was damaging the leadership shown by officers. In one case, this was because newly appointed officers could not alter the schools' perception that councillors were interfering in the schools' affairs. In another, it was because a long history of political interference in day-to-day matters had seriously weakened officers' capacity to lead.

58. There were, however, more cases where officers had failed to offer effective advice to members and so to strengthen leadership of the authority as a whole. This was so in one authority where new, inexperienced councillors were being given poor advice. In another, the failure to appoint a chief education officer was due to poor advice from officers. In two others, officers had failed to offer councillors effective guidance on working strategically.

59. Delegation was weak in three of the authorities because the arrangements for it were unclear, particularly in one of them, where the officers acted at an operational, rather than at a strategic, level. The extreme of delegation is to employ a contractor to deliver some or all of the LEA's functions. The case of one authority where a contractor's work was overseen and evaluated poorly by the LEA, showed that contracting out some or all of a LEA's functions cannot, by itself, compensate for the authority's weaknesses.

Collaboration between education and other services

60. No education service can function independently of other services of the council or of other bodies in the community. Good corporate governance is not essential to that collaboration but makes a strong contribution to it where collaboration achieves most.

Inter-departmental working in a county authority

West Sussex County Council has a strong commitment to meeting corporate goals through joint working between services. The Chief Executive puts it in these terms, "There must be a willingness of all in the organisation to be involved in education and for all of education to be involved in other work." This has brought about particular improvement in collaboration between education and social services, as part of the county's commitment to tackle social exclusion. A Family and Schools Unit has been established with the strong support of councillors, to bring together officers of the two departments, and staff from the health authority. The unit concentrates on supporting families, and seeking to remove the pressures on schools when children face family problems. It brings an inter-disciplinary approach to casework with children in families at risk of breakdown, as well as with children who are at risk of exclusion, unable to attend school, or needing some form of specific support from health or social services. It forms part of the strategy behind the council's Public Service Agreement which supports social inclusion by setting education targets for improved attendance, for improved performance at the age of 11 in those parts of the county that are relatively deprived, and for increasing the proportion of 19 year olds gaining intermediate level qualifications.

61. Some of the authorities, like West Sussex in its Family and Schools Unit, use structural solutions to the problem of inter-departmental working. The executive structure of Blackburn with Darwen, reported above, is another example. By contrast, in Warwickshire, inter-departmental working is managed by the chief executive's department.

62. In Lewisham, a children and young people's partnership board has been established to co-ordinate the joint working between the education and social services departments on corporate parenting. The scrutiny of the work is then provided by a joint meeting of the education and social services scrutiny panels.

Partnership between a unitary authority and outside bodies

Hartlepool is a newly established authority and, like a number of the other new authorities, has been able to use its newness to establish policy, without historical encumbrance. It is strong at providing leadership for its community, and this brings benefits to education. One headteacher commented, during the visit that, "It's like being pieces in a large jigsaw puzzle, and we all know which piece we are." This is a small authority, but one with a major task of regeneration. It was clear to officers and councillors from the beginning that the work could not be done by the council alone and had to be carried out in collaboration with others. The result is a powerful Local Strategic Partnership, which has become the main vehicle for establishing local policy. This ensures that local consultation and participation are central to the workings of the

council. That authority makes its main task the delivery of the partnership's community strategy and, in effect, that strategy and the council's objectives are one and the same. The authority has been reorganised so that its structure mirrors the seven themes of the strategy. The cabinet members' responsibilities also reflect the strategy. The themes of the strategy are then developed into action plans within each department. Lifelong learning and skills is the strategic theme for education and, as with all of the themes, a multi-agency group has been set up to take the work forward. In education this group is chaired by one of the council's partners, the principal of the local further education college. Not surprisingly, these methods of working have led to gains in the work to combat social inclusion, and so to the delivery of the strategy's cross-cutting theme, strengthening communities.

63. All of these authorities had highly effective local strategic partnerships. In Blackburn with Darwen, as in the case study of Hartlepool, there is a remarkable consistency of values and priorities between the councils and the partnerships. The effectiveness of the partnerships in all of the authorities depended on the care taken by officers and councillors to establish and maintain good working and personal relationships with outside bodies.

64. In Gateshead, there is a particularly strong relationship with the local further education college which provides training for the local authority's staff and collaborates with the LEA, the secondary schools and the local universities on raising expectations through the excellence challenge programme. In Bournemouth, partnership with parents extends well beyond the required work with the parents of children with special needs. There is also an unusual degree of partnership with young people themselves, for example, in the council's scrutiny arrangements.

65. The most radical external collaboration was in Lewisham, where, supported by government money, there is a behaviour improvement project which brings together activities under the education development plan and collaborative projects with Connexions, the police and the probation service.

66. Collaboration was weak in only one of the satisfactory LEAs. Weak corporate governance was leading to poor working in partnership between local authority services. In one other authority it was basically sound, but was happening without corporate commitment or strategic leadership. As a result of this lack of a policy framework for collaboration, its effectiveness was undermined. In six of the authorities it was strong, including one where the strength came from the local strategic partnership.

67. Poor corporate governance does not necessarily prevent reasonably effective collaboration between a local authority's services, or with external agencies. Such collaboration can occur at an operational level between middle-ranking officers. It was satisfactory in six of the weak LEAs. The weakness was that, in the absence of strategic leadership, the partners were unclear what the collaboration was expected to achieve, and about the nature of their mutual expectations and obligations.

Social inclusion

68. The promotion of social inclusion is the aspect of LEAs' work which is most dependent on strong corporate governance. The good authorities visited all placed a high priority on this work. They could also demonstrate success in setting up new activities, establishing a co-ordinated approach, and at least beginning to have some effects on people's lives. The work depends on corporate strength because it necessarily involves both effective community leadership and collaboration extending beyond the education department itself.

69. The co-ordination of work is illustrated by multi-disciplinary work in both Bournemouth and Gateshead, where different services collaborate to support families. It is further illustrated by the contribution which the education service makes to improving the care of the elderly in Suffolk. Effective planning of work across all council services in Warrington, and the strength of the local strategic partnership in Hartlepool are, in both areas, vital to the councils' promotion of inclusion.

70. The authorities visited serve very different areas, with very different types and levels of need. Their effectiveness derives from their response to their individual situations. West Sussex is a generally prosperous area, but has set up programmes of support for its more deprived localities. Blackburn with Darwen has made a concerted and effective response to the ethnic diversity of its people. Lewisham is taking a strategically driven approach towards the complex and multiple needs of its community.

71. This was the weakest aspect of the satisfactory authorities and the weakness came, in most of them, from lack of overall policy. It was a corporate failing. All of the authorities did some good work within education but, even where corporate governance was relatively strong, it was not strong enough to produce work of consistently high quality. Thus, in two LEAs where social inclusion was a high corporate priority, there remained unevenness in the contribution made by the education service, for example in child protection and in providing for pupils without a school place. As with strategic planning, the problem was not in planning or policy, but in implementation.

72. In this area, which depends on effective corporate governance, there was little good work to be seen in the weak authorities. There were four examples of education services themselves doing some satisfactory work, but, in the absence of overall strategy, individual initiatives did not combine to combat social exclusion effectively. The contractor employed in one of the authorities had expertise in this area but could achieve little in the absence of strategy in the council.

Annex

The following LEAs were visited as part of this inspection:

Blackburn with Darwen

Bournemouth

Gateshead

Hartlepool

Lewisham

Suffolk

Warrington

Warwickshire

West Sussex