



Communities and Local Government Committee

Oral evidence: Local Authority Commissioners,
HC 42

Monday 27 June 2016

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Members present: Mr Clive Betts (Chair); Bob Blackman, Helen Hayes; Kevin Hollinrake; David Mackintosh; Mary Robinson.

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Questions 1 – 65

Examination of witnesses

Witnesses: John Biggs, Mayor, London Borough of Tower Hamlets, Sir Ken Knight, Lead Commissioner, London Borough of Tower Hamlets, Mary Ney, Supporting Commissioner, Rotherham Metropolitan Borough Council and Councillor Chris Read, Leader, Rotherham Metropolitan Borough Council, gave evidence.

Chair: Before we begin today's proceedings, I think it would be appropriate if I said a few words about our colleague, Jo Cox, who was so tragically killed only 10 days ago. There was, of course, a sitting of Parliament last Monday, and many Members present today were there to hear the very moving tributes to Jo and to her work as a parliamentarian and a constituency MP. One aspect that was not covered was the fact that Jo was a member of this Committee from May last year—when she was elected—until March. She told me that she came on the Committee because she had a real passion and commitment to devolving power down to local communities. We saw, in the tributes paid to Jo, how much it meant to her to represent her home town of Batley and Spen. She was absolutely delighted to be part of our inquiry into devolution and the report that we produced, which she felt was a genuine move to support the transfer of powers back to local communities like the one she represented.

Jo spoke to me again when she decided to come off the Committee. She referred to the fact that many issues had come up, such as the Syrian refugees. Again, the statements in the House paid tribute to her

outstanding work on that particular subject. She also had commitments to her constituency and recognised that her commitments to her family came above everything. Therefore, she just felt that she did not have time to do justice to the Select Committee. We respected that—I certainly did at the time—and recognised how much other work she was really engaged in and, of course, her important family commitments. As my colleague, Rachel Reeves, said so movingly last week: you can replace a Member of Parliament but you can't replace a mother.

When Jo left the Committee, she said to me, "Clive, thank you for helping me so much. I was a new Member, and you gave me quite a lot of advice and assistance. I just want to thank you for it." I thought, "You don't very often get people saying thank you to you in this place." That was typical of Jo; she was always thinking about other people, and always looking for how we could work together and appreciate what other people did. It is just so tragic that we are now appreciating what she did and can no longer do for us in this House, in her constituency and, even more importantly, for her family.

Before I conclude, I had an email from Mark, the Clerk. He asked, if I spoke about Jo—I was going to say something last week but I've said it today instead—that I simply say how much the Committee staff will miss her and that all the Committee staff liked her. It is, again, a tribute—from the people she worked with—that the officers of the House thought just as highly of her as her colleagues as Members of Parliament did. Would all Members stand for a minute, and would everyone join us in a minute's silence to remember Jo?

The Committee observed a minute's silence.

We now move on to today's business. Thank you for coming to give evidence this afternoon. This is an inquiry into the use of local authority commissioners in Tower Hamlets and Rotherham councils. Before we start our questions, I ask members of the Committee who may have interests relevant to the inquiry to put them on the record. I am a vice-president of the Local Government Association.

David Mackintosh: I am a Northamptonshire county councillor.

Q1 **Chair:** We have that on the record, so you know what particular interests we may have relevant to this inquiry. Thank you for coming. I do not know how many of you have been to the Committee before. Ken is quite a well-known figure—perhaps with different hats on.

Sir Ken Knight: Different uniforms, yes.

Chair: Putting fires out of a different kind, if we can use an appalling pun. You are all welcome. Commissioners have now been in both authorities for some time. Do you think the changes that have been made and are being made are sustainable and will not disappear when you disappear?

Sir Ken Knight: I am happy to start. I think they are sustainable, but you will appreciate that directions are not brought in lightly. I know you will be talking to the Secretary of State or the Minister about that. The Secretary of State or Minister requires evidence before making directions to put commissioners in. You will appreciate therefore that before directions can be recommended to take them out, there is a similar test of evidence that the policies and changes are embedded into the procedures of the council. That is what we are working with the Executive Mayor on over this next period. For the commissioners in Tower Hamlets, it has not just been about policy and process change, but a demonstration that those processes have been embedded into new procedures.

Mary Ney: From Rotherham's perspective, we very much feel that the intervention has been successful so far and that improvement is sustainable. We have shown you our series of public reports, which we produce every three months for the Secretary of State. You can see how that tracks different areas of work that we are undertaking to demonstrate sustainability and good progress with the improvement plan. We are in the position that we have had all-out elections in May, with strong continuity in terms of the new leader of the council and the cabinet. We now also have, apart from one post, our new management team and chief executive in place, so we have the potential for speeding up now on the cultural change aspects, which needs that team to drive it.

Q2 **Chair:** I was going to pick up on that as the next point. In some ways, you can change procedures, tick boxes and say that things are being done in a different way, but in the end, it is the culture, isn't it? That is what is going to carry forward into the council's operations once the commissioners have gone. Things will not really have changed unless the culture has changed. How do you do that? How do you measure that?

Sir Ken Knight: In terms of the commissioners in Tower Hamlets, you are absolutely right—it is really the golden thread that runs through the whole of the directions. Of course, culture change is not subject to a direction itself, and yet it is so fundamental for it to take place. I will let the Mayor speak to the issues that the council has undertaken, but we have been pleased to see that a cultural review has been initiated and undertaken by the council. That work has culminated in a number of changes taking place, including a review and introduction of a new whistleblowing procedure that can be trusted by those internally and externally. We are currently in the final stages of agreement for those areas where we are receiving allegations from whistleblowers that still do not—quite incorrectly, in our view, but perception and reality blur into one—trust some of the new procedures in place because they do not know that they can be trusted. We are working with all of that to see some demonstration of culture change with the Executive Mayor.

Mary Ney: For Rotherham, we had the benefit from the start of a climate among the new leader and cabinet and the officers who were still in place of a willingness to improve, and a recognition that there had been failings in the past and that we could help with that. We established that from the outset. We also had the great benefit of having one of us full time as a managing director commissioner. That gave us as a commissioner team a very strong line of sight into the organisation and the way it operated, and also leverage on culture. We were able to start to demonstrate a model for good cultural behaviour and good behaviour among officers and members, and to start to tackle those issues about culture, which are about pace and ownership of issues.

Q3 **Chair:** When we had our inquiries into Rotherham, one of the issues was that the problems were not just with the culture of senior management and the cabinet; the problems went a lot lower down.

Mary Ney: Yes.

Chair: As commissioners, aren't you sat a bit up there? How do you assure yourselves that there has been a culture change further down?

Mary Ney: We have not been entirely just "sat up there" in our style of intervention; because we had a managing director commissioner who was full time, it was very much 24/7 and reached right the way through the organisation. Peer review checks were undertaken in services that had not been looked at and scrutinised previously, and we ourselves, in the way we divided our portfolio, were very much hands on—working in decision-making but also working alongside officers to deliver the changes that were needed. In my case, in relation to licensing, it was very hands on into that part of the organisation. We were able to model and demonstrate different ways of working—corporate ways of working—that were not there before in the way we undertook the development of a medium-term financial strategy. We were looking at the work we had to do to tackle culture as well as it being part of the improvement plan in the way that you would expect to see.

Q4 **Chair:** I will come back to licensing in a minute, but perhaps I can just ask you, Mayor Biggs and Councillor Read, about your understanding of the changes that have been made. Was it clear from the outset what improvement would look like and how you would measure it?

John Biggs: I cannot speak for the other councillor, obviously, but I understand that like myself, he came in after the event. I was the successor Mayor to the Mayor who arguably got us into all this difficulty. The question of sustainability is a tricky one. In the end, for change to be sustainable, the organisation has to have ownership of it itself, quite obviously, and there is a complicated set of checks and balances, but like any organisation, you will have a culture of behaviour that may go back generations. I remember talking to Tony Travers about London Council. I

think it was he who said that back in the 1930s, what became Transport for London had a reputation for being rather aloof and standoffish—I know that Mr Blackman was a member of the GLA as well and will have some experience of that—yet 80 years on, it still had that culture. The behaviours and culture of an organisation may take generations to change, so what we need to do is to get ownership locally and to take hold of that and promulgate those changes.

I am happy to give as long an answer as you like. I suppose emotionally, or politically, there is another part of the answer. When I was elected Mayor, I sort of half thought—with apologies to my predecessor—that the wicked witch was dead and therefore, because I was a reasonably reputable fellow who had taken over, I could be trusted more rapidly to get on with stuff. I was initially rather disappointed that my existence was not seen as evidence of the cultural change that would lead to sustainable change, but we are working on it.

Councillor Chris Read: Yeah, I think it was reasonably clear from the off, Chair. We sat down very early on. I became leader within a week of commissioners being appointed, so the timescales sat very closely together. We put together the improvement plan fairly quickly after that. That was initially a commissioner-developed improvement plan. We have moved into the second year and the improvement plan is much more owned by the council. We had a clear set of objectives around what we were trying to do. Everybody understood by that stage the importance of dealing with child sexual exploitation in Rotherham and dealing with the issues around children's services more generally. Then there is that cultural impact, which is in a way unmeasurable: what does the organisation feel like? Actually, I think we have shared quite clearly in that mission the whole way through.

Q5 **Chair:** So it was clear from the outset what was going to be needed to have the transfer back to democratic control.

Councillor Chris Read: It was clear where we were trying to get to, Chair. I would put it like that. I couldn't say that I arrived on day one and knew exactly all the steps we would need to take to get there, but those big projects that we needed to undertake were clear, and because we have had that shared endeavour, it has made it much easier over the intervening 18 months.

Q6 **Chair:** How far down the road are you with getting Rotherham to be a child-centred borough?

Councillor Chris Read: It is early days. The formal decision on the child-centred borough has only just been taken. The first part of that was whether we could get children's services up to a reasonable standard. We are starting to do that now, with what we call compliance—the new commissioner uses the word "compliant"—but we have to embed good practice within that and good performance management amongst our children's services. Getting the bit for the most vulnerable children right

first has been the priority. How do we then embed that across the organisation? It is back to that cultural change again: how do we look at all the things we are doing and measure their impact on children? It is early days for that.

Q7 **Chair:** Have Ofsted been any help?

Councillor Chris Read: They have, yes. We have had a series of visits from Ofsted. To be fair, Ofsted took a bit of a battering through the whole Rotherham process, as so many of us did, but they have made regular improvement visits and given regular feedback, looking at different parts of our children's services—helpful, constructive feedback.

Q8 **Chair:** Let's move on to licensing, which you mentioned your role in. This is one of the issues that were highlighted in the Jay report and the Casey report, particularly around the taxi services. I want to make it clear, first of all, that not every taxi driver is someone who should be vilified for what happened, and that is quite important. Nevertheless, you have made important changes there. Can you say a little about whether they are working? I think that would be helpful.

Mary Ney: The first change was in relation to having a robust policy that set high standards for our expectation of the fitness of drivers and high expectations in relation to fitness of vehicles. Attached to that was a requirement on BTEC-level qualification; a requirement that they must undertake safeguarding training, including on child sexual exploitation awareness; and the installation of taxi cameras, which was a bit more controversial. That was the basis of beginning the process of restoring public confidence in the trade, which was weak, and restoring public confidence in the council's ability to keep the service safe, which was being questioned. That was not just around sexual exploitation, and it would be wrong to say that all drivers were problematic in that way. But certainly in the Casey report it was about other aspects of fitness of drivers. "Would you trust this person to drive your child or your loved one alone in their taxi?"—that was the hallmark we set.

There was a long process of the audit of all drivers. There was a review of the structure, because part of the failings were to do with the separation of licensing from enforcement—it's a bit of a technical point, but there wasn't that connectivity, so we were not enforcing well and following through. We have changed the organisational structure. There have been changes of management and there is now oversight by a new assistant director and strategic director.

We have changed the way the panel that hears individual cases works—that had weaknesses. Of course, during the intervention I have personally carried out all the decision-making, but I have undertaken that with the members of the licensing committee. They became advisory members of the licensing commissioner's case hearing, and have sat with me. The chair sat through all of them. We have done over 150 now, which is way

above the normal workload, because we have audited all drivers, even those who had licenses and could expect to keep them for three years—we still audited them. Some 6% of our drivers did not meet the standard we were now setting. They all had the opportunity for a hearing and around 60% of them no longer have their licence. We have continued with that implementation process.

The last part is the deadline for the installation of taxi cameras, which for the majority of drivers is this July when their vehicle licences change over.

Q9 **Chair:** How far has your attempt to improve the standard of drivers and reassure the public that they are fit and proper people to be looking after children, in some cases, or women alone at night, been undermined by the fact that taxis and private hire vehicles that have lower standards can come in from outside Rotherham?

Mary Ney: That is a problem with the legal basis of how taxi drivers are licensed: we can and will get drivers coming from other parts, who are not at the same standard. We are talking with councils in the South Yorkshire region to try and see if we can all achieve the same standard locally, which will help, but there are some councils that have had lower sets of standards and they have licensed a lot of drivers, because you are not allowed by law to set a cap. It does present a problem because, if they operate in your borough, we cannot enforce against them; we have to require their licensing authority to enforce against them if there is a problem with their practice.

Q10 **Chair:** Can any drivers go to the neighbouring authority and try to get licensed there when you turn them down?

Mary Ney: I think that we will probably see some of that because they will know our standards are higher and they will not come to us.

Q11 **Bob Blackman:** Mary, can you clarify the numbers you are talking about? You talk about percentages, and percentages are percentages. Could you go through the numbers?

Mary Ney: There are around 1,200 licensed drivers and 67 didn't reach the standards we were setting. They all had the opportunity of a hearing with me to talk about their offending history, the complaints about them and whether or not they were still fit under our new standards.

Q12 **Bob Blackman:** So the current position with those particular individuals is that they cannot pick up passengers in your borough, or they are not approved by the council.

Mary Ney: We have taken a licence away from about 60% of those, and we have allowed the remainder to keep it for whatever reason.

Q13 **Bob Blackman:** When you say 60%, that is—

Mary Ney: Of the 67.

Q14 **Bob Blackman:** So about 40.

Mary Ney: Yes. We have had an increase in appeals to the magistrates court; we are still in the middle of that process. We are winning about 70% of the magistrates court hearings, and there have been about 30-odd hearings so far.

Q15 **Kevin Hollinrake:** On taxi licensing, I understand you got some criticism for keeping the council officers in the same role in terms of taxi licensing.

Mary Ney: Some criticisms of—

Kevin Hollinrake: For keeping the same council officers in the same licensing roles within taxi licensing.

Mary Ney: There has been quite a changeover, actually, because we have had a reorganisation, so there are a number of council officers who are no longer within the licensing law enforcement service. There is also new management. Some management have stayed because they have now got a very good line of sight about the failings, and they have shown a very strong commitment to working with me to get good practice in place. So they have got good corporate memory around what it was like and what it should look like.

Q16 **Kevin Hollinrake:** Thank you. So, Mayor Biggs and Councillor Read, how important was it to have an impartial expert view when addressing the issues faced by your councils?

John Biggs: I think it has been very important for us. We have been through a very bumpy period. Although it would be easy and indeed tempting to cast it all away as being the behaviour of a particular person or a predecessor regime, it is apparent that there are a whole bunch of cultural issues in the way in which the authority has behaved. We needed a fundamental change in our senior management team—we have a new chief executive, who is sitting behind me—and we needed to dust down the customs and practices and issues like civility and the behaviour of members towards one another. It has provided a pause and maybe a space in which some things could be reflected upon. So it has been very helpful.

The desire is to move on quickly to taking back responsibility—which may be a later question—but I suppose it would be fair to say that we have learnt quite a lot about what organisationally has been wrong in the authority, probably for 20, 30 or 40 years, in addition to the individual exercise of bad behaviour by the previous Mayor, which of course grabbed the headlines. So it has been very helpful.

I think what happened in our borough highlighted that things became fairly rotten not just in the behaviour of members, which was the headline, but in some of the checks and balances and organisational and cultural requirements within the organisation and within the council: whether officers had the authority; whether they had the permanence of appointment; whether the delegations were being subverted. It is all sorts of stuff like that that the commissioner has been very helpful in helping

us to think about. Although we were initially reluctant to accept that, we have picked up a reasonable amount from them. Isn't that right?

Q17 **Kevin Hollinrake:** Councillor Read?

Councillor Chris Read: I would agree with a lot of that. Sir Derek Myers was the lead commissioner. He was fond of saying that they bring over 100 years of local government experience between them. The truth is that for an authority like Rotherham—a mid-sized authority—we would never have brought in senior staff with that kind of calibre and experience. We went from a situation where we had had a change of leadership and a change of cabinet, some beginnings of change among senior staff, during the course of Louise Casey's CGI inspection, which had not been enough to be able to stop the rot, essentially. They had not been in a position, for any number of reasons, to turn it around; that was certainly not through a lack of will on their part. What you saw when commissioners arrived was that we brought in real serious heavyweight expertise with that direct power of influence and the managing director commissioner, to whom Commissioner Ney has referred, who had that direct management line of sight across the whole organisation. That is a really powerful tool in changing an organisation.

Q18 **Kevin Hollinrake:** In your case, you have had a change of commissioner recently. Do you think that Commissioner Patricia Bradwell's perspective as an elected councillor will be different from that of the previous commissioner?

Councillor Chris Read: I think we are seeing that already. We had a situation where the previous commissioner, Malcolm Newsam, had a world of experience in children's services, was a well-regarded expert in his field and was someone who was absolutely in a strong position to work with the new director of children's services to directly help turn that service around; but that model took us further away from a kind of process of democratic decision making, or even a process that mirrored democratic decision making. While it was probably necessary in order to run the service better, we were conscious that it gave us a difficulty in terms of how powers might begin to be transferred back to members.

What we see now with Commissioner Bradwell is that comes in with a politician's eye view. She is modelling good behaviour for my deputy, who is our cabinet member for children's services, and she brings her senior staff with her—her own DCS—and that kind of wealth of expertise as well. Actually, it is a good staging post to returning children's services to democratic control.

Q19 **Kevin Hollinrake:** Is the process by which commissioners are appointed sufficiently transparent?

John Biggs: I was not there when they were appointed, so the personal answer is that I have no idea. It would be good if there was some degree of scrutiny and ongoing scrutiny of commissioners. I think that would be a

healthy development. The commissioners are fairly forthcoming with myself, as the Executive Mayor, and with members of my cabinet. I guess the openness to scrutiny would be very helpful, but whether commissioners should attend the overview and scrutiny committee and whether they should be subject to FOI requests—I think there is a strange conundrum here, which is that they probably are in relation to the powers they are exercising on behalf of the council, but they are possibly not in relation to powers they are exercising on behalf of the Secretary of State. That might be a different channel.

Another part of the answer is that the relationship with the commissioners needs to be an evolving one. It may come in with a fairly authoritarian streak—in terms of coming in, putting a stamp down, agreeing an action plan, setting benchmarks—but then we need to migrate that relationship towards one that becomes less parental and more permissive, and in which we assert greater responsibility. Perhaps the commissioners should then, at that stage, become mentors. It may well be in the case of Rotherham—a place that I only went through on a train once, so I do not know much about it—that the replacement of a commissioner, whether this was actually the case or not, actually helps to represent that journey of greater responsibility in the authority, and changing the skill set of the commissioners so that they better represent their needs.

Councillor Chris Read: The appointment process was fairly opaque, so it is very difficult to comment on how it came about. All I would say is that I think we were lucky in the appointments that we got.

Q20 **Kevin Hollinrake:** So you do not feel that it was transparent; it was not sufficiently transparent, in your view.

Councillor Chris Read: A list of names arrived one day, and that was it.

Q21 **Kevin Hollinrake:** How would you improve it? How would you have preferred that to have happened?

Councillor Chris Read: It is difficult to say, but perhaps with some degree of engagement with the authority around what that might look like and what particular skills we were looking for. A reasonable conversation—maybe it would not have helped in our case because, as I say, we were lucky—would not have been inappropriate.

John Biggs: Maybe there would be some merit in peer oversight, if you like. There is a lot of experience in local government and some role in which—clearly if an authority seems to be failing, you would not go and ask that authority automatically to appoint its own commissioners, but you might want to look at neighbours. I think that in its evidence the Local Government Association suggested that it might play a useful role, if asked, in advising on the skill sets and what might be helpful to make this work.

Q22 **Kevin Hollinrake:** Have you got something to add, Sir Ken?

Sir Ken Knight: In our case, of course, our reception was somewhat different at the start with the previous administration, with an authority in denial and with a Mayor and cabinet who refused to meet us. It was a challenge to start the process at all.

There were similar difficulties for the inspectors, PricewaterhouseCoopers, whose report received pushback from within the council. When my colleague, Max Caller, and I started on our own, it was probably the right decision for us to scope the area of work, including full and fair elections, which we have since seen happen under a new returning officer for three elections since we were appointed. We discussed with CLG broadening the base of the commissioners in light of that experience, so we brought in a very seasoned person in the field of child protection because we wanted to make sure that there was no smoking gun in child protection in the council when we became responsible those areas of responsibility. Because a lot of this related to investigations and the police, we brought in a well respected ex-police officer to consider some of those areas of potential fraud and malpractice.

It was right that we wanted to take stock of what we were seeing. Although Mayor Biggs says he thought it was all over when the election took place, it was much broader than that in the case of Tower Hamlets. We needed to appoint statutory officers because the previous statutory officers were all interim posts appointed by the previous Mayor that had no permanency, leaving entrails of less than public and transparent procedures, for example, for mainstream grants and other grants in the community. It was right that we wanted to ensure that we got those processes under way so that they became embedded in the council for the future.

Mary Ney: The only other comment I would make on that process is that you are appointing a team. Although you identify the skills that you need, it is particularly important that the team is cohesive and hits the ground with the same ethos and value set so that they provide a very consistent message across the authority. You are looking for people not just with the skill set and the experience but with values. Primarily because you know that you will have to address the culture within the organisation, it needs to stem from their passion about the value of local democracy. That is the way they will operate, particularly in relation to members. When you take away decision-making powers, you have to be really focused on rebuilding them. It is therefore about promoting local democracy.

Q23 **Chair:** May I press you on Commissioner Bradwell's appointment? As you put it, Councillor Read, having highly experienced and qualified experts coming in to be commissioners is one thing, but having a politician from another authority and a different political party coming in to tell you what to do must be a different dynamic, mustn't it?

Councillor Chris Read: I think the important part is not the commissioner telling us what to do. Part of the reason the Rotherham intervention has had the success it has had is because the commissioners were clear right from the beginning that their job was to facilitate good political leadership on our part. What you will see from Councillor Bradwell—I mean Commissioner Councillor Bradwell, she wears both hats—is her seeking to ensure that Gordon Watson, the deputy leader and cabinet member, is a good cabinet member, rather than being the person who directs the service, per se, if you understand the subtlety of those two positions.

Q24 **David Mackintosh:** Specifically to Mayor Biggs and Councillor Read, to what extent were the interventions welcomed by elected members and officers?

John Biggs: We could go on a long diversion on that question. Tower Hamlets is always an interesting place, and there is no place more exciting—it is far more exciting than Westminster. The politics has always been up and down, going back generations. It is fair to say that the main and the subsidiary opposition parties—Labour and the Conservatives—were very welcoming of the intervention, because things seemed to be seriously out of control, and indeed they were. They welcomed the commissioners and the intervention, although they felt rather grubby about the fact that it had happened—they felt rather frustrated that the powers for scrutinising the Executive Mayor were perhaps not up to the task when things were so far out of control. I think that has more or less continued to be the case, although I think it is in the nature of the relationship that we should expect to be frustrated and to want to get on with doing our own job, because there is an overhead involved in having commissioners there, helpful as they are, and so a reduction in the powers would be welcome at a reasonably early stage.

Remind me of your question.

Q25 **David Mackintosh:** To what extent were the interventions welcomed?

John Biggs: We welcomed the fact of the intervention; the best value plan was welcome; the rolling development of the best value plan was welcome; as well as the fact we have checks and balances that we have introduced and that we have put better procedures in place, that we have been required to appoint a senior management team, that we have looked at the organisational priorities. I think fundamentally that we have had to challenge the culture of patronage in the authority, which I think is probably quite common to quite a lot of authorities actually, but it became very unhealthy in the case of Tower Hamlets. That's all welcome. I think I have finished with that point.

Councillor Chris Read: I think “welcomed” would have been an exaggeration, if I’m being honest. You’ll not find a council leader

anywhere in the country who says, "Yes, I wish to surrender my executive decision-making powers to a group of other people, however capable, expert and all the rest of it they are." But actually, because of what had happened in Rotherham, because we've had the two reports and the length of time that it had gone on over, members moved very quickly to an understanding that said, "We're going to make this work", and I think that members understood that they were sort of drinking in the last chance saloon – if they didn't make it work, then we really would be a laughing stock.

So right from the beginning, there was a willingness from members on both sides of the chamber to engage, and we've been on a journey since then. So, commissioners came and engaged well with members early on. Quite a lot of time was spent face to face, building those relationships and building trust. In the initial instance, when commissioners were making executive decisions, they were sitting down with advisory cabinet members to make those decisions. Now that we've seen some powers returned, we are moving into a more public forum and to a cabinet commissioning and decision-making meeting more like a cabinet meeting that you would know from elsewhere in the country. So they've become—I just think of us as part of the team that is turning round Rotherham council.

Q26 David Mackintosh: And to flip that round to the commissioners, do you think you were welcomed by councillors and officers?

Mary Ney: Yes, I think we felt welcomed, in the sense that people knew there was a task to be done and people were very open to the role that we played. Very early on we tried to develop protocols that were based on—and it was very important that we modelled this for officers—the fact that we were valuing the role of elected members. There were some areas that we were very clear were for the leader of the council to lead on, and that was around some of the visioning of the community cohesion issues and the city region, where it was important that political leadership was seen to be at the fore, and that the ways that we devised our protocols for working meant that it was very much alongside cabinet members, and alongside—for me—the advisory licensing board.

Sir Ken Knight: No, I don't think we were, for the reasons I said, because I think it was a game of two halves. So, when we arrived, we certainly weren't welcomed by the Executive Mayor and the cabinet. However, we were welcomed, as Mayor Biggs said, by both the Labour and Conservative groups, and that officers themselves—at quite a senior level—were pushing back and not assisting. In fact, it typified it, for me, at a very public meeting when officers said there was nothing wrong with Tower Hamlets and that it was actually about the three Ps, which they

said were “Panorama”, Pickles and PWC, and that it was no one else’s fault. That typified to me the denial, which I think was important. However, that has changed and I think the appointment of the new statutory officers, as I have said, the new procedures that have been put in place, and the very public decision making on grants, which is transparent and open, have been welcomed, both by the community and by the council, and it is something that, for example, we would wish to see embedded for the future.

Q27 David Mackintosh: And how do you go about resolving disagreements between the commissioners and councillors?

Mary Ney: For us, because the protocol we devised was about exploring issues together and working through that process together to a decision, I don’t think we’ve had very many issues like that to contend with. The one area that was probably the most difficult was developing a medium-term financial strategy in very difficult circumstances. That was done by a working group process of the cabinet and commissioners, with the managing director commissioner and officers. So, it was a journey. I think most of the difficult decisions have been journeys. We have been very clear about the need to respect what the political direction was looking for and we were not about usurping that.

Councillor Chris Read: I think that is right. The short answer to your question is that we spend a lot of time talking to each other and working through those differences of opinion. The unspoken premise, if you like, that underlies that is that politics is for politicians. We know that processes have been poor in the past and we seek guidance from commissioners about the best way of doing things and achieving things. Thinking back to some of the discussions we had around the budget, in particular, and some of the assumptions that commissioners came in with about spending priorities, we disagreed with. They were political decisions essentially and we worked our way through those decisions.

Sir Ken Knight: For us, it is not our role as commissioners to do it to the council, but rather the council embraces the new way of working and procedures that are open and transparent. So it does rely as well on our having very open discussions with the chief executive and statutory officers.

I have one-to-one meetings with the Mayor and we have meetings collectively with the Mayor not only to ensure the direction of travel but to reassure the Mayor that we are not into mission creep and going into other areas he would not wish us to move into his executive powers for, which is quite right, and that we have an exit strategy over the next period of the directions.

John Biggs: I suppose I’m the one who hasn’t spoken. The formal answer to your question is that there is no disagreement between the commissioners and the council. The less formal answer is that there are

areas where we do feel frustrated and we feel that the position of the commissioners is that they are not going anywhere and, if we don't agree with them, they will wait until we do. It has for too long, in my view, been a parent-child relationship, and I find that frustrating, and somewhat disrespectful. I know I shouldn't say that to the Select Committee; I was warned before I came in not to say such things, but I do find it deeply frustrating that we have not got into a better position with our commissioners, which I would like us to be in.

Q28 David Mackintosh: Thank you. How do you think that local communities can effectively hold the commissioners to account, and also participate in the decision-making process?

Mary Ney: In the arrangements we set up, we had a process of commissioners publishing "minded to" decisions, so that they were available for people to comment on, to make representations. They were made five days ahead. In addition, we had three monthly public meetings of commissioners with the full council, to which members of the public could come and ask questions and make representations. I have to say that they did not come in their hordes, but one or two regulars came. That did mean that there was a place and the media could come.

I think commissioners have tried to make themselves available to talk to the media and explain issues, how we were operating and what we were doing, and we worked with partners to ensure that they were aware of that process, and published everything on the website, including our three-monthly reports to the Secretary of State, which give quite a full explanation of what the commissioners have been doing.

Sir Ken Knight: The directions that we are responsible for are not quite as wide as Rotherham as you would recognise, for the whole council activity as it is rather more specific. We very much recognise that all the decisions we make are in the shoes of the council. We are not making them as commissioners; we are making them as though we were the council making the decision. Therefore, the officers are fully involved in making the recommendations as though we were the council. We take those recommendations and make decisions as though we were the council.

More particularly, I would like to return to the grants programme, which was quite significant in the previous regime, where the grants programme decisions were not made in public. In fact, something like 80% of the recommendations of officers were overturned by the Executive Mayor, and we see no evidence as to why they were overturned or why they went to groups that they should not have gone to.

Right from the outset we set to ensure that there was a very transparent process that is open to the public, we take public submissions, we take officers' reports and now we have member input from the overview and scrutiny committee set up to do that. So we are very conscious of being

open and transparent in all those public decision makings, which are absolutely essential for local government.

Q29 **David Mackintosh:** Thank you. Anything to add?

John Biggs: I think commissioners are not really accountable to the public but you would need to go back to the foundations of having commissioners and ask whether they should be or not. I think there is a distinction between what Sir Ken calls the type A and the type B powers, in the case of Tower Hamlets. For the type A, their role is essentially advisory but, when they are exercising executive responsibilities, yes, there is a degree of accountability through committee hearings where representations are made. One thing the commissioners have not had the joy of is—this is not a criticism, by the way, and I have not come here to be particularly critical—understanding the community relations landscape in Tower Hamlets, which is complicated and can lead to frustrations in people’s receipt and interpretation of decisions that are made. But I think we are getting there.

Q30 **David Mackintosh:** Finally, do you think that the scrutiny arrangements in the authorities are robust enough to provide proper challenge to the council leadership?

Councillor Chris Read: I think we are developing those scrutiny arrangements. It is an odd sort of by-product of commissioners that the kind of formal call-in process from scrutiny is lost, although in Rotherham that had scarcely been used in the past in any case. We have had some support from the LGA, including mentors for some of our scrutiny chairs, so they have had some direct support. There is a quite intensive programme of training for members to develop their skills, their questioning skills and their understanding of particular subjects.

We are now moving—because we have some executive powers returning to members—to a situation whereby we can be much more robust in the scrutiny. As part of the governance review that we finished last year, we move into a system of pre-scrutiny. For the first time in Rotherham, there is a complete kind of turning the situation on its head. Executive decisions can be subject to discussion by the overview and scrutiny management board before they are made, and formal representations from back-bench councillors can be received before the cabinet makes those decisions, which is a world away from the situation we are in. That will help to move us towards a more open and transparent culture.

John Biggs: I guess I have the benefit of having spent 16 years at City Hall in London, performing a scrutiny role. I believe very firmly in the principle of scrutiny and that anyone deserving of office—in our case, as an elected Mayor—should be willing and able to defend every decision they make in public.

One of my first steps on becoming Mayor was to make a number of commitments about transparency and meetings in public. Some of our evidence—in fact, the evidence from the commissioners—gives the bizarre

advice that the previous Mayor had that it would be an infringement of his human rights to require him to answer questions in public, which is rather strange for a politician. I am very pleased that that can be read into the record at this meeting. He was probably the only politician around who would be so shy.

The ONS committee has carried out a similar transparency process. We are looking at whether it is adequately resourced. It requires some change in the behaviour of members. I try to encourage that and I think that members feel a little bit more empowered. It is obviously in the nature of a lot of authorities that the scrutiny functions are carried out by members who are overwhelmingly of the same party as the executive. Having a healthy scepticism is important, without it getting mangled by media interpretations.

It relates also to civic society in the community. I am quite interested in how we can involve the wider public in scrutiny through accountability—through public meetings or whatever. They tend to come when they are grumpy about something, of course, so they are not that interested in best-value reviews most of the time.

Q31 Bob Blackman: Moving on to the position of commissioners and costs, do you think—from a local authority perspective, first—that commissioners represent good value for money? John, would you like to start?

John Biggs: To not have had an intervention would have been pretty foolish of the authorities. There was a requirement for some form of intervention in Tower Hamlets, so we have four commissioners. They get a daily fee rate and support costs—probably of the order of £200,000 or £300,000 at present in a steady state with support costs. Is that good value? Well, I suppose that one would have to look at the alternative, which is an authority that was malfunctioning. I am sure that Sir Ken will have a vigorous reply to this in terms of his interpretation of his best-value duty. Are commissioners subject to a best-value duty? I suspect they are not, actually. Are you? Am I allowed to ask the questions?

Sir Ken Knight: I think we can demonstrate an area of best value in broader terms of best value and in cash terms. One looks at the papers presented by both the Mayor and the council, talking about the savings that have been made in cash terms on some of the property transactions and some of the grants-making processes and where grants went. There has been a real cash value in terms of those, for the future. I am happy to write to you, Chair, and bring those out in a paper if you would like, but they are already in the public domain, documented as real cash savings.

In terms of the cost of commissioners, of course there is a cost to using commissioners in this way, but it thankfully only happens under those very extreme and rare occasions, and it very rarely happens. It is right, in

extremis, that it happens. In broader terms, the intention is to bring the council back to best value responsibility, not to take it away.

Councillor Chris Read: I can hear the sounds of residents in my ward talking about the day rates as soon as I think about how I might answer the question. I would agree with a lot of what the Mayor says. There is a substantial cost to the public purse of having commissioners. You weigh that against a dysfunctional organisation, and there will never be a figure for what that costs. I suppose if you were to try to weight it bluntly, you would say that commissioners in Rotherham have cost the taxpayer somewhere just south of £600,000 so far. They have helped us to access, through the Government, somewhere in the region of £5 million in additional funding for children's services. So if you were to just weigh those two numbers, they have more than paid their way, but it comes back to the fact that this is a last gasp intervention. You would not want the Government to be forcing those kinds of cost on local authorities if they did not need to do that.

Mary Ney: I do not think I can add anything to that. We are, as commissioners, very cognisant of the need to be transparent about our costs. We publish on the website all our fees, expenses and so on, so the public can see that. Obviously the day rate will seem large in comparison with what people earn, but we do a long day, and we do not claim every day and every minute that we do. It is quite important that the commissioner role in this mode of operation is 24/7. It is the same as being a cabinet member or a chief exec; it is 24/7, and you do not count it all.

Q32 **Bob Blackman:** So, Sir Ken and Mary, given your experiences of being commissioners, is there another way of spotting the problems that led to you being appointed? We could then recommend to the CLG Department, "Wait a minute—this is what you should be looking out for," before getting to this real crisis. Are there key pointers that you have discovered in your experience?

Sir Ken Knight: One of the difficulties is that the Government will wish to see hard evidence before intervention, and sometimes it is the softer science and evidence that starts signalling a council or an authority getting into difficulties. The LGA has a key part to play in that, but in the case of Tower Hamlets, there was not an opportunity to politically mentor because it was outwith the normal political mainstream of local government, where the Mayor was and local government was. So you might want to look there.

One of the signals that might have been seen was the temporary positions of the statutory officers for over a year, resulting in a weakness in the council having the section 151 officer, the monitoring officer and the head of paid service all being temporary. Those show a weakness in terms of the ability to challenge, in this case, the Executive Mayor, and perhaps involve external auditors more readily in those positions. I think

you could see the general weaknesses that were going to be building up in an authority like that, but the LGA does have a role to play in that as well.

Mary Ney: I think because the origins were different in Rotherham, with councils that have weak corporate management structures, one of the most fragile areas becomes children's services. Certainly it was evident earlier on in Rotherham that there were issues around children's services, and there were definitely issues around child sexual exploitation that were known about. You therefore need a strong corporate organisation to be able to tackle that level and detail of failing, and that was weak. Spotting the signs of weak corporate management would have been the key in Rotherham to realising that the partnerships weren't working, and therefore the first area that would fail badly would be children's services.

Q33 **Bob Blackman:** So, to come back to the issue, how could Ministers or officials spot those problems before they are literally required to take over responsibility and take it away from the elected officials?

John Biggs: It is an impossible question to answer, in a way. On the ground in Tower Hamlets—I was sort of at one removed; I represented the area but wasn't a member of the council—there was an incredible frustration that things were happening and that there seemed to be little that could be done about it. The overview and scrutiny committee was seen as a key instrument but didn't really have the power to hold the Mayor to account, not least because he would never attend it, and it seemed to have trouble getting hold of information. That was raised with MPs, and there were conversations with the Department, but I think you can never get the answer right. There needs to be a presumption against intervention until there's a pretty good reason to have one. With hindsight we could have seen things happening sooner.

One of the key things we have been looking at is our whistleblowing processes, and one may also want to look at the duties of statutory officers, because they are statutory officers. As Ken has said, the fact that we had three—not one, not two but three—of our entire cohort of statutory officers on acting contracts and who were therefore, to some extent, subverted in their authority, made that very hard.

Sir Ken Knight: Another example of good local government breaking down was the number of occasions councillors themselves had to raise Freedom of Information Act requests of officers to get information about council activities. That just isn't good local government.

Q34 **Bob Blackman:** Finally from me, given that this is an expensive process, who should bear the cost? Should it be borne by the local authority? I think I know what conclusion I am going to get. Should it be borne by the Department directly? Should it be borne by the local taxpayer? How should it be borne? John, you can have a view on it.

John Biggs: The lazy answer is that it shouldn't be borne by the local authority, but I think to some extent it clearly should be. That is the

obvious place to place the bill. The authority is responsible for funding its own auditors and this could be seen as an extended form of audit. It begs a question about how the commissioners are managed—clearly not by the authority itself—and how we can ensure there is a balance between making sure that their job is as thorough and complete as possible with terminating it at a reasonable moment. We will never be in the perfect state, but I suspect we are now in a better state than many local authorities that don't have the joy of commissioners.

Councillor Chris Read: I suspect, if we are being really honest, it is right that the cost of failure is on the local authority and the local authority has to sort itself out. That said, at a time when budgets are under enormous pressure already, some sort of process around the support that could come from the centre would be a welcome part of that. We have been successful in gaining some additional money around children's services in particular, but there was no particular process around that—it was just part of the representations that we made to Government. Some sort of engagement and ongoing dialogue about what support the authority needs—where that is financial—in the short term to get them into the right place of being a more efficient organisation would be welcome.

John Biggs: Can I just add to my answer? Imagine I am the Secretary of State, which is not going to happen, and I am standing at the Dispatch Box and they say, "Well, Secretary of State, last month you released the commissioners from Tower Hamlets and yet Mayor Biggs has gone off and done this outrageous thing. How did you certify that they were fit for that?" There is an interesting question here about how one concludes that the work is finished.

Bob Blackman: I am coming on to that.

John Biggs: Of course, that is related to cost, because if there is an ongoing cost we need to manage that. I am sorry, I didn't mean to steal your question.

Q35 **Bob Blackman:** That is fine; if you answer the questions before I ask them that is even better. Sir Ken, have you got a view that you have saved Tower Hamlets a sum of money? Are you in a position to share your conclusion on how much money you have saved for that local authority through your commissioning work?

Sir Ken Knight: I hesitate to go through papers to give you that figure now. What I was suggesting is that I can certainly let you have that figure, which is a published figure, rather than thumb through papers now, if you don't mind. I wouldn't be guessing, because I have seen the figures, but I would like to give you that separately. I am happy to set that out. It is already in the public domain, actually.

Q36 **Bob Blackman:** Mary, is there a comparable figure for Rotherham?

Mary Ney: We wouldn't be quite the same, because our figure would be around developing the whole medium-term financial strategy and getting some resources in. The other part of the value, which you cannot put a

price on, is the work being done to ensure that children are protected in Rotherham. That is the biggest area where we as commissioners realise that we have to be successful.

Q37 **Kevin Hollinrake:** We covered this a little bit earlier on, but in terms of transparency and engagement, looking at Rotherham and Tower Hamlets separately, do you think the general public have had enough information about the interventions and work that the commissioners are carrying out?

Mary Ney: The information has been there—it is on the website—but clearly, not everyone is going to engage with that. I think we have done what we can to be accessible and give comments to the media, so we are having some direct dialogue with the public. Obviously, in the service areas where we work, whether with businesses or with other parts of the public such as taxi drivers, they are aware and have a line of sight on what we are doing, and they can take a view about that.

Councillor Chris Read: The commissioner team has even gone as far as to take out adverts in the local press, for example when the 12-month letter to the Secretary of State was published. There was some public consultation on the return of powers, including consultation with what we call an expert reference group—a group of senior non-councillors in the community. So there have been deliberate efforts.

I am not sure I would draw a distinction between that and the wider work we have been trying to do. I feel a responsibility as leader for engaging with the community and trying to have enough profile to be accountable in a way that wasn't there in the past. It is a whole suite of those things, really.

Q38 **Kevin Hollinrake:** Sure. I hear you did some roadshows or something as part of the commission, as well. It is on the front page of your website.

Mary Ney: Yes. I mean, that was one of the early steps which was done with the leader and leading members to develop a vision for Rotherham. There were 28 roadshows and engagement with over 2,000 people, in the end, who contributed to that, which led to the leaders setting an overarching vision for Rotherham.

Q39 **Kevin Hollinrake:** On the same point: Tower Hamlets?

Sir Ken Knight: The same would be true of us, to an extent. For example, we certainly publicise all of our decisions. The question is public penetration on that, isn't it? They are all on the Council's website. We also have attended and spoken at the staff conferences to talk about the role of commissioners and what they do. We deliberately haven't set out to be the focus of media attention or profile commissions in their own right, because we believe our role is on behalf of the council. We have joined in press statements with the Mayor and others when it has been appropriate to do so, but we didn't feel that it was our particular position to profile

commissioners. Rather, we were there as part of the council, with the council. But as I said, our directions are very different from Rotherham as to the entirety.

John Biggs: I think if you are an interested person who wants to understand what the commissioners are doing formally, there is quite a lot of information out there. We have a best value plan, which we review quarterly in a public meeting, which I now chair. That's all on the website. Actually, I didn't get a total answer to the question in my preparation about commissioners' amenability to FOI requests, but in principle, in the exercise of our duties, you would be amenable as a commissioner. I don't know how that's been tested, actually. I think it is fairly transparent, but as Ken said, our commissioners are all very shy. Putting it more formally, they see their role as facilitating and staying in the background, and I think that has worked reasonably well.

The contentious area is where they exercise formal powers, which is grant-making. A number of bodies lost their grants and were not too sure who to blame. There were public meetings, but I am not sure the awareness of those public meetings was as widespread at the time as it became afterwards.

Q40 **Kevin Hollinrake:** In Tower Hamlets, part of the reason why you were brought in was complaints from the general public about what was happening. Isn't it important that the public then have a role in shaping the work you do and see the work that has been carried out by the commission as well as the local authority?

Sir Ken Knight: It is true to say, also, that that public exposure was found by some very persistent and not unhelpful social media interest bloggers, who were exposing what was going on—and I use that word carefully—in the old regime of Tower Hamlets. I am pleased to say those social media bloggers haven't gone away, and report very favourably on some of the changes, and repeatedly show to the public what has been going on, and some of the changes that have been made, or bring to our attention areas where they perceive there to be further malpractice, so that we can deal with it in a proper way, within the procedures in the council, which were not dealt with properly before.

Q41 **Kevin Hollinrake:** But you don't feel it is important that they connect the improvements to the work of the commissioners?

Sir Ken Knight: I think you make very valid point. It is a good point, which perhaps is something for commissioners to think about—that public connectivity, not for the sake of the commissioners, but the changes that can be made through the commissioners and the council.

John Biggs: It is interesting, because I inherited the directions and the commissioners, and there was already a *modus operandi*, which we have modified a bit by being more transparent, and so on; but I guess our communications department in the council hasn't been the most outward-looking communications department—if that doesn't sound too absurd. It

is rather preoccupied with the weekly newspaper than with wider communication; but I guess, going back again, if we were to relive this, I would think about how we could integrate the work of the commissioners with the communications of the council more thoroughly. I think, as I said, there is a distinction between the limited number of powers in Tower Hamlets where the commissioners actually exercise formal responsibilities on behalf of the council, and those where they have an advisory role. I think there is a distinction in terms of the accountability and transparency that should apply to the one, as against the other.

Mary Ney: Yes, I think because, as commissioners, we are taking decisions, we do need to have public visibility and accountability, to some extent, for that; but it is also quite important, I think, if you take a lot of the point from Tower Hamlets, that this is not about our egos. This is actually about promoting the council and rebuilding confidence in the council; and the council is doing a lot of the work to deliver on the progress that we are making, and so it is quite important that the council is seen to be fronting that, and that that is attributed to the council.

Q42 **Kevin Hollinrake:** But you might agree it is also important that the public has real confidence that there is change happening, and in who or what is driving that change.

Mary Ney: Yes.

Q43 **David Mackintosh:** In terms of the transition of powers back, I just wonder, what involvement do members of the public have in that decision, or knowledge about it, and how you judge when progress has been made in some areas and not others.

Mary Ney: Perhaps I can start. Earlier on, we did set some criteria for restoration, so that was part of giving some certainty about what we were looking for. That was around good enough services, good enough value for money, good enough leadership in place, which would drive further improvement, and councillors having developed their skills and capability. When we looked at the first tranche—a third of functions have now been restored to Rotherham councillors—as part of that process we did take soundings, as the leader has referred to, from a number of independent groups; but there was also a public consultation phase on that, before finally agreeing that set. But the work we did was to test services against our criteria, which were well known.

Sir Ken Knight: Ours are in relation to specific directions so that we can identify specific areas where, clearly, there have been some key actions. The first, of course, was the election procedure and the appointment of the returning officer. Now that we have had three elections, because we had the general election, the mayoral election and now a referendum, and a new returning officer—now the responsibility of the head of paid service—we can advise accordingly that the elections were appropriately and properly held. We have equally been involved, of course, as the direction required us to be, in the appointment of the statutory officers,

which has now been made and done. There are a few small entrails in there, but nothing that won't be resolved. We are well on the road in some of the other areas, quite substantially, including procurement and property, and, finally, grants. There is a process by which we discuss, along with the Best Value Board, which the Mayor now chairs, the process at each stage and the milestones we need to reach in order to get through that, and we ensure that those progress meetings are held with the Mayor, the chief executive and the other statutory officers.

Q44 **David Mackintosh:** Specifically for Rotherham, the Jay report and Louise Casey's report both criticised the council's culture. I wonder how you are building a council-wide culture when some parts of the council are still being run by the commissioners.

Councillor Chris Read: It goes back to what we were saying about that team approach for driving forward the council, really, so I do not see a distinction in this sense between the places where executive decisions are made by members and where they are made by commissioners. We all have to model good behaviour. There was understandably a lot of criticism levelled at some of our predecessors about their personal behaviour, so first, I have to behave in the right way and model good behaviour to my colleagues and to the rest of the organisation, and we then have to put in place the things that we can do to encourage good behaviour. You can't just turn the culture around, but you can encourage good behaviour. Proper management lines of sight; performance reviews; management engagement; engagement between me and the chief executive and wider groups of staff; a more open and engaged way of working—those are all things that we can do right across the council, irrespective of whether there are commissioners making decisions or members.

Q45 **Bob Blackman:** John, now comes your moment of glory. You have written to the Secretary of State saying, "We want to get rid of the commissioners as quickly as we can. I want my executive power back." Why are you so anxious to rid the council of the commissioners, given that you have said that they have done a pretty good job and they have been turning around the authority? It is not just because you have been elected—can you change the culture of the officer cadre and the way the council has been functioning for some time?

John Biggs: I put it to you that it would be in the nature of anyone holding my mandate to be frustrated and want to assume—I was tempted to say total power—appropriate control of the council, which they are elected to do. I think it also creates a frustration in the community that they are not absolutely sure who is responsible for the decisions that are being made. Obviously, very respectfully to Ken, there is a question of the overhead in terms of the cost, but there is a question also of the officer time that is spent on addressing these concerns. This is a circular

question, because of course if the underlying function of the council, whatever it is—procurement or property—is rotten, we need to spend a lot more time looking at it, but we think we have implementation plans that are pretty good and are largely there. Perfection is probably unattainable, but we are close enough in most of those areas to make quicker progress. It is probably in the nature of the relationship that the commissioners will be a little less eager to accept that their job is done than the authority will be to encourage them that it is.

Q46 Bob Blackman: Is it your view, as the elected Mayor, that the authority is now in a position to function without the role of the commissioners?

John Biggs: I think if the commissioners disappeared tomorrow, we would survive. We would continue with our plan. I am very committed to carrying through all the actions in the best value plan. I suppose the formal answer is that we have a best value plan, which the commissioners are required to sign off, and on the basis that that is a fixed document with a fixed number of outcomes, we are nearing the end of it, and time will take its course. Insofar as the wider public in the borough take an interest in this, the question I am most commonly asked is, "Are they still here?" That has two sides to it. The first is that perhaps the low profile of the commissioners means that people aren't sure that they are still here, and the second is that they think I am such a fine Mayor that they would like me to assume my total powers immediately. Within that, there is a serious answer.

Q47 Bob Blackman: I understand. Sir Ken, at what point do you turn to the Secretary of State and say, "Our job is done. We can now depart, fully confident that"—in John's words—"you are not going to get asked at the dispatch box, 'How come you withdrew these commissioners too soon and this errant Mayor has set off on this scandalous route'?"

Sir Ken Knight: That is the big test, and of course I recognise that a local authority in directions is probably going to have to satisfy an even higher bar than a local council that is not, in order that there is not a risk of that council slipping back into some of the ways of working and culture that you describe. That is why at the start of this hearing I talked about embedding the processes and policies, which are so important. I know that some of them are being embedded.

So, in answer to your question, I do not think there will be a single point where all the directions are removed. Instead, we have already identified—in fact, we have actually not renewed one of the directions that was very critical earlier on; we asked the Secretary of State not to renew that and it fell away. But there are some along this journey that are completed—I have mentioned some of them already—and we are therefore not intervening in those and not making decisions on them. An example would be the appointment of the statutory officers or the work

on the elections. It is not necessarily practical to go through a statutory change for each one of those, but rather to bundle them up and come back at the right point to take a number of them out.

In the case of grants, the Mayor has referred to that direction as somewhat complex, because it has to move from annex B to annex A; that is to say, from a situation where it is entirely within a commissioner's decision making, which it is now, to one where it is permissive. The Mayor steps into the decision making position, but with consultation and agreement with commissioners. That is a subtlety of the change of directions that we will wish to make. We have a plan to do that and are on the journey to doing it some time in the autumn. Taking out that kind of direction is a big step forward. We are clear that the Secretary of State will want to see clear evidence that the conditions are being met for all of those, just as he wanted to see clear evidence of putting in the direction in the first place.

If I might, Chair, while Mr Blackman is asking me questions, I just wanted to get on record some of the figures that you asked me about before. Is that permissible?

Chair: Yes, of course.

Sir Ken Knight: I am still happy to write to you, of course. I am sorry that I misplaced my own note. In relation to grants, the PwC inspection found that applicants who had not met the minimum criteria for grants were recommended to receive £651,200 by the previous Mayor. That was not valid under the process that was agreed by the council. In addition, according to a recent report presented by the council's best value programme board, the improved controls implemented as part of the best value action plan, which of course was overseen by the commissioners but is now chaired by the Mayor, have helped to reduce spend through purchase cards considerably, from £7 million in 2008-09 to just over £1 million in 2015-16. The report also noted that, following the launch of the best value procurement action plan, the council has reduced the number of procurement waivers, shortcutting the procurement processes by 70%, from 218 in 2013-14 to 65 by the end of March 2016. That is a considerable real saving, in terms of new practices and procedures, that I think the council will make.

John Biggs: It does not mean that that money is not spent; it just means that it is spent properly, though possibly less of it.

Sir Ken Knight: But in best value terms, it is good value.

John Biggs: Yes.

Q48 **Bob Blackman:** Am I correct in saying that there could be a more long-winded procurement process that could still end up with the same result?

John Biggs: In some cases it was about officers being sloppy or members interfering in the procurement process, which subverted it.

Q49 **Bob Blackman:** Yes, I understand. My final question to you, Sir

Ken, is what you need to see that will give you the pointers to say, "Okay, our job is really done here"? Is it that the various statutory office positions are now permanent appointments? Is it that there is a robust overview and scrutiny process for everything in place, so that the Mayor's decisions are robustly challenged if people feel that they are not the right ones, and there is an open and transparent basis for that? Is it that the officer cadre has changed their culture? Those things seem to me to be signposts along the way to saying, "Actually, this authority is now back on the straight and narrow and can be trusted to go back to proper democratic control."

Sir Ken Knight: We are quite clear on each of those. There were discussions with the Mayor and chief executive. To take the first one you mentioned, the statutory officers have been appointed and they are all now permanent positions. We were involved in that process and they are in post. With the conditions around the appointment of the head of paid service, there were two additional areas, as part of the directions. One was to ensure that a performance management process was in place, because there was none under the previous regime. The Mayor has put that in place, so there is a process to ensure performance management for the chief executive. And the last one was to ensure that there were appropriate delegations in place so that the chief executive had appropriate delegations where there were none before. They are yet to be finalised, and we are still working through those procedures with the Mayor and the chief executive in order to sign that set of directions off in relation to the appointment of the statutory officers—it wasn't just the appointments; it was those other parts that went about it.

There are similar directions of travel in grants. Where we were solely chairing the public grants meetings—and I was chairing those as public decision-making meetings—we did not find that we had the interaction we wanted from the local councillors. We wanted a cross-party group to advise us, because they were much closer to the community than we were, and it has taken a very long time—seven or eight months—mainly because of where we started, until fairly recently. The Overview and scrutiny Committee has now got a grants committee that is represented in our decision making meetings and advises us on the council's view of the grants being made. Indeed, the Mayor and the Deputy Mayor sit alongside us at those decision-making meetings. The Mayor cannot make those decisions at the moment because the directions are specific on the commissioners and that was the Annexe B to A Direction that I was talking about.

The next move of that, of course, is to be satisfied with the existing processes and then the Mayor quite properly chairing those processes and their becoming embedded as a public and transparent process. We have clear milestones, in our best value Board that the Mayor chairs of what

needs to be achieved to get to each one completed, and we have an exchange of letters and correspondence so that we are clear about what the stages are. Then we can make those recommendations to the Secretary of State, and we are confident that we can do so, to give the Secretary of State the evidence that things have changed.

Q50 **Bob Blackman:** Mary, several of the responsibilities have already transferred back to the local authority, for the councillors. At what stage do you think the commissioners are going to be able to say to the Ministers, "Our job is done. We can now withdraw"?

Mary Ney: From the outset we have always said that our key aim is to restore and return power as speedily as possible, and we set four criteria for judging individual functions. We judged, last November, that the criteria were met in relation to a third of functions, and we proposed that to the Secretary of State. So that has been in place since the beginning of February. That particular style of restoration of functions just requires commissioners to provide advice, if they wish to, in relation to individual decisions. Because we have a public cabinet and commissioners' decision-making meeting now, we use that meeting if we wish to give any particular pieces of advice. We have recognised that there can be different modes of restoration. In that case it is just for advice; you could have the power to intervene if the decision making wasn't acceptable but we have not felt the need to use that. We are on a journey of testing functions against those criteria, and we will continue with that process and report on it to the Secretary of State with our evidence pack, to support the meeting of the criteria.

Q51 **Bob Blackman:** Chris, this Committee has sat through some pretty horrific hearings in relation to your local authority. Clearly, you were not around so you are not to blame for what happened, but how are you going to assure the public, and Ministers, that once the commissioners go—we all want to see that happen and to return to democratic control—there will be no lapse back into the past failings?

Councillor Chris Read: In a way, and with respect to the Mayor—although I am sure he does not want this title—I am the most scrutinised council leader in the country. I think that the space I would have for allowing Rotherham to slip back into some of the things that used to happen would be very small. I have been really clear from the beginning about being honest about the failings in the past, being clear about what we needed to do, and getting on with that, even when it has been uncomfortable for me or my party. The commitment going forward is that we will keep doing that, in an open and transparent way, and I would expect to be held to account if we fell short on that.

Q52 **Bob Blackman:** Finally to you, John: how are you going to reassure the citizens of your borough that there will be no lapse back once Sir Ken and his colleagues have left?

John Biggs: I will just have to stay alive forever, I suppose. More seriously, it is about being transparent. It is in the nature of Tower Hamlets, because it serves such a multi-faceted community, that one needs to reassure different bits of the community that you are treating everyone fairly and openly. So it is about transparency, open decision-making and a culture of fairness. It is probably also about moving away from this long culture of patronage politics, which a lot of people in this room are probably guilty of in different shapes and forms down the years, but it is not a healthy way. I think best value is a fantastic innovation in that it requires you to justify why you are doing what you are doing, as well as what you are doing in numerical terms.

In terms of justifying the assumption of absolute power for John Biggs—I say that tongue in cheek, of course—I would make the observation that the commissioners' departure seems to depend on a degree of self-certification. I mean that very respectfully; they are lovely people. So it may be that a degree of peer review or a third party observation on what they have done and whether we have reached a point where they could go would be a useful part of it.

If you go to the dispatch box part of the scenario, the Secretary of State would be able to say not only that the commissioners had told him that we were in a pretty good state, but that that lovely guy, the leader of Sheffield or someone, had come along and had a look and decided we were pretty good as well. It would create greater confidence and would give a further degree of certification. It would provide an alibi as well, if you were a nervous Secretary of State, that you had a third verification that the job was done. That is a serious point. I have a manner that perhaps sometimes appears flippant.

Sir Ken Knight: If I might add to that, I think there is a point at which of course commissioners will not stay beyond the point they need to; they must show the evidence and go. There is an ongoing point for us beyond the direction. We believe the external auditors have a part to play for the ongoing relationship with the council, not just for the fiscal responsibilities but for best value in the broader terms, so that on their annual audits they can ensure the same embedding of processes that we have left in place, and the council have adopted today, are still in place the year after next.

Q53 **Helen Hayes:** Mayor Biggs and Councillor Read, in the light of the failings that you have witnessed and that are now being addressed, what is your approach to whistleblowers coming forward within your respective authorities?

Councillor Chris Read: We have reviewed—led by commissioners, so with some external validation—our whistleblowing policy and the way that is being implemented. I suspect the problem in the past, as with so many other things, is that it wasn't really in the policy; it was in the fact that the policy was sitting on a shelf and nobody knew it was there. That

should not be the case any more. We were just checking today before we came in, in anticipation of that question, about cases coming through. We are aware of a case going through that at the moment, so that is being tested at this very moment. Again, the thing about having commissioners is that you get some external validation that that process is being followed appropriately.

John Biggs: We have reviewed our in-house whistleblowing policies and we have strengthened them. There is an intrinsic relationship here between whistleblowing and the culture of the council. A very important part of this is to get a senior management team in whom I have confidence and in whom the wider public can have confidence that it will act utterly professionally. It is also about, in the case of Tower Hamlets, what became quite a silo mentality in the way things happened. The fact that there was some corruption in the way the authority worked in some sections meant that the authority of managers was subverted. So it is not just about the whistleblowing procedure itself, but about changing the governance and building the confidence in our management team.

There is also a definitional issue here. Quite often the word “whistleblowing” is used without it necessarily meaning whistleblowing. In the case of Tower Hamlets, there has been a lot of public interest in what has happened. Is that whistleblowing? Strictly speaking, whistleblowing is about council officers. I am not trying to avoid the question, but we have a separate thing in Tower Hamlets that is about a review of some of the external complaints: the sorts of things that led to people going to the High Court and then having the Mayor turfed out; the sorts of complaints that led to BBC programmes and which helped to inform the PricewaterhouseCoopers review. So I think we also need to have in the borough a good complaints procedure which—it depends on your definition—sits alongside the whistleblowing processes.

Q54 Helen Hayes: In relation to Rotherham, some of the evidence that we have received as a Committee suggests that concerns being raised about adult social care and safeguarding are not being addressed. That might have been the case that you alluded to. Will you confirm whether that is the case? Are there still unresolved issues and practices?

Councillor Chris Read: I cannot say in relation to that particular piece of whistleblowing. I am aware that staff have come forward about adult social care issues and that those concerns have been dealt with to my satisfaction.

Q55 Helen Hayes: Thank you. What mechanisms do you have in place—in both authorities—to make sure the lessons of past failings are not only learned and documented, but also carried forward into a culture of continuous improvement in your councils?

John Biggs: I am disappointed that I come first, because that is quite a complicated question.

It is a circular process of improvement and, to use the Maoist term, self-criticism. We need to make sure that through our annual audit process we review the way we are internally checking that we are getting things right. We need to publish metrics on our complaints. A test, while the commissioners are still with us, will be the extent to which people go to the commissioners, rather than feeling they have confidence to come to officers within their council. I may think of another part of an answer, but that is as far as I have got on it so far.

Councillor Chris Read: I associate myself with that. There is also the process of professional reviews for staff—much more engaged management. One of the things in Rotherham that I used to say was that I felt that among a big part of the officer corps there was no responsibility or accountability; some officers were not putting their hands up to say, “I have got a good idea. I want to drive the service forward”, because they did not want to put their hand up, because it might get shot off; on the other hand, no one was accountable when things went wrong, because the systems were so poor. Actually, if we can break that within the management, then we can start to learn those lessons year on year.

The other thing, which relates a little bit back to the answer that I gave before, is about publishing that kind of performance data. Having an effective corporate plan, with tangible targets and measurements in the public domain, so that people can start to follow that process, or to pick up on it when it goes wrong, certainly has not happened in the five years that I have been in Rotherham. It is beginning to happen now.

I am conscious that may not be a perfect answer to your question, but it is trying to put steps in there, tangible measures under which you can start to move that process forward.

Q56 **Helen Hayes:** For example, on adult safeguarding, what is it that happens now that would not have happened in the past? How is the process different?

Councillor Chris Read: It is different senior management working in a different way with a different approach. I cannot judge whether people would not have brought things forward before, or would not have been confident that they would have been dealt with properly before, but I am aware that staff have come forward—on two occasions, I think—to say that they were aware of things that had gone wrong, or things they were not comfortable with, in the last few years; that they had not felt confident to be able to bring that forward previously, but had done now; and that those issues have been resolved to their satisfaction. Changing that senior leadership and then the culture down from there is an important part of that.

Mary Ney: There has also been a revitalisation of the adult safeguarding board, with a new chair and a new relationship established between it and the Safer Rotherham Partnership to ensure that issues are picked up and followed through in different ways.

Sir Ken Knight: We have had some challenges with the whistleblowing areas, because it is outwith the scope of the directions, yet we have found complaints made directly to us as commissioners about mistrusting the arrangement within the council—particularly in the old regime, I might say. That has left us slightly uncomfortable, because it has meant that in some cases we have met whistleblowers, at their request, off site, not declaring the name because they have asked us not to do so, as they feel that it would put them at risk, either from an employment point of view or for other reasons. Wherever possible we have raised those whistleblowers complaints into the procedures of the council, and had to ask different questions of the council where there is evidence, or suggestions of evidence, of malpractice. As a result, we have been talking to the council about having a process for whistleblowing—while not mistrusting the new regime, which is new—and a way to deal with those outstanding whistleblowers differently.

One of the issues that has arisen is that when a whistleblower makes those allegations to anyone other than the employer, or indeed an MP—whether or not for the constituency—or an external auditor, those whistleblowers are not protected as a prescribed person. It has struck us that there is some work to be done about ensuring that where information is received by commissioners, the employee can be deemed to be protected in their employment. If I may, that is an area that I might write to you about and pick up as a separate issue.

Chair: Yes.

Q57 **Helen Hayes:** The problems that have been uncovered in both of your authorities are not unique to your authorities, although they are extreme examples—perhaps more in the case of Rotherham than in Tower Hamlets, where you had a specific set of circumstances coming together and a very specific individual. Nevertheless, problems are not unique, so, in the first place, what do you think are the lessons that other local authorities should be taking from your experiences? Secondly, how are you sharing those lessons and making sure that other local authorities can take both the lessons and good practice going forward from the experiences that you had?

John Biggs: I would like to write back to you on that, but clearly the point that has been made several times about our lack of statutory officers in post in permanent positions reflects on the checks and balances in the organisation. Clearly, with the Executive Mayoral model, there are enough examples now: the checks and balances are fine when you have a well behaved one like myself—of course, you have to take my word for that—but when you have one who is not, the checks and balances may not be sufficient, so it may beg questions about reporting, the roles of auditors and statutory officers and defining the framework of decision making.

There are questions about the modus by which commissioners are appointed and the way in which their terms are ended, which we have spoken about already and which we could perhaps learn about. In the case of an individual Executive Mayor there is a difference between a Mayor making an executive decision on a policy matter and making a decision on something which may affect an individual. That is an area which can, in the extreme, be very vulnerable to accusations of patronage or even corruption, so we have been looking at that in terms of our transition. For example, on the awarding of grants, we are making sure that it is not just me in a room writing down the answers on a fag packet, but something which is reported and recorded.

In the case of Tower Hamlets also—this may be particular to Executive Mayors but it is probably more general as well—it is about record keeping of decisions, which helps to record the boundary between members and officers and when things are done. You cannot have me turning up and saying to an organisation, “You can have a year rent-free” without it ever being recorded that that was said, with the organisation thinking that they had been given an undertaking on the nod that maybe in the old days would have been carried out, but which has not actually been formally enacted. So it has been very useful—it is a bit like taking an old banger into a workshop and being told a lot of the things that are wrong with it and what you therefore need to do to make it work effectively in the future.

Councillor Chris Read: That is a huge question. I can remember Councillor David Simmonds from the LGA, who I think has been a witness before the Committee previously, speaking to a group of other members 18 months or maybe two years ago now. David is an expert in child protection in local government and we talked through a lot of the specifics: the paperwork, the details—a lot of things that we had never heard of, if I am honest. He said, “It comes down to, if something just doesn’t feel right, you’ve got to keep chasing after it. You’ve got to go with your gut. It doesn’t mean you’ll always be right, but at least you know you’ll have chased it down.” I remember talking to the leader of another council that had a child protection scandal, and they said, “We didn’t know there was a problem with our children’s services until that happened.” We knew that the council didn’t work very well; it just didn’t seem right. The behaviour of the leader wasn’t illegal or corrupt, or anything like that, but it didn’t seem right.

To some extent, what I would say to councillors elsewhere is that they just have to trust their instincts on these things. They have to try to explore what might be going on within their organisation. It took Jayne Senior’s whistleblowing in *The Times* to spur Rotherham into taking action, but the Jay report came out of action taken by councillors who were concerned and wanted to get to the bottom of it. That was a terrible and extreme way of doing it, but it shows to members out there in other authorities who are thinking that something doesn’t feel right that, even

in the depths of it in Rotherham, the beginnings of the answer came from within the organisation.

One way that I know the sharing of best practice is getting better is because survivors of CSE in Rotherham are starting to advocate some of the changes that we have made, such as some of the things that Commissioner Ney has led on taxi licensing. Survivors' groups have written to other local authorities around the country to say, "We think this is good practice. We think this would have made a difference to us. Will you take it on?" We are opening a new office for our child sexual exploitation team in a couple of weeks. The office will be opened by me, the DCS and a survivor of CSE in Rotherham. Such external validation, which we can then recommend to the outside world, gives me confidence about the progress that we are making.

Q58 **Chair:** This is a more general question for everyone. In our last inquiry on Rotherham, we suggested that all authorities should check what they are doing against Professor Jay's recommendations, and I think the Secretary of State wrote to all councils saying that that should happen. Did anyone from Government get in touch with you to say, "We know that you are at the sharp end of this, so presumably Professor Jay's report is your bible and you have been trying to follow her recommendations very closely. Can you give us helpful information about how other councils should be doing it, too?"? Did that conversation ever happen?

Councillor Chris Read: No one has written to me asking that question.

Mary Ney: Children's services and the commissioners have taken part in a number of conferences on child sexual exploitation as we start to get confident about our approach. We have recently had a lot of learning in Rotherham that is probably fairly unique on how you get successful prosecution outcomes from the work you do to support survivors and victims who become witnesses. That is starting to become recognised as a piece of work that we could share with other people as good learning.

Q59 **Chair:** Do you intend to write up how you approach this in some way so that it can be the basis for other work?

Mary Ney: Yes, and there will be a lot more work of that nature as the National Crime Agency undertakes further investigations. We will be looking to evaluate that process so that it can be used by others.

Q60 **Chair:** The commissioners were put into the council in Rotherham, but we know that police failings were also part of the problem of child sexual exploitation not being dealt with properly. You do not have responsibility for the police, so how does the dynamic work between commissioners, the council and the police?

Mary Ney: Well, at the start commissioners tried to ensure that the right mechanisms and the right decision-making architecture were in place

between the council and the police on vulnerable young people so that the police were held to account and we had a strong line of sight on what they were doing. The police have certainly resourced up in relation to the input into those teams. We—the council, council officers and the commissioners—are ensuring that the team that deals with child sexual exploitation is a multi-agency team. The MASH arrangements, which are the multi-agency arrangements for safeguarding generally, are working effectively. There is now quite a strong line of sight on police input into that process, and we strongly hold it to account in a way that didn't happen before. If we feel that concerns about exploitation are not getting the attention that they deserve, we can make representations about that.

Councillor Chris Read: It is also worth saying that we jointly fund with South Yorkshire Police a senior police officer who came in from elsewhere in the country, specifically on child sexual exploitation, and who gives the challenge both ways about the quality of that. I often say that he speaks police for us. We cannot control the police and we shouldn't, but we have that kind of robust interface where we can.

Q61 **Chair:** Finally—and this is probably to the two commissioners in particular—no doubt, one day some time ago, you got a phone call, saying, “Secretary of State here. We’ve got a slight problem in a council and we’d like you to go and sort it out. We’ve never done this before in living memory so we have no idea what to do or how to do it, but over to you. Get on with it.” Is that the sort of job description you had, and have you had an ongoing dialogue with CLG and other Government Departments since? Have you been exchanging information about how the job is done and getting advice about it? Or are you basically cut adrift and left to get on with it?

Mary Ney: There has been an ongoing dialogue with the DCLG intervention team about our progress. They have certainly come and had a look at that locally in Rotherham. They are aware of the approach we are taking and what seems to be working well, which will help inform future interventions, no doubt.

Sir Ken Knight: We are more local, of course, but we have very good connections with DCLG in regular conversations and updates. More than that, we have had joint meetings with the Rotherham commissioners and with the Birmingham intervention team, to look at where there is commonality. I would say that there is some commonality in a few directions, of course. The commonality—and this is something that you asked at the beginning—is probably culture change in all those directions, which is quite a common thread.

We have also helpfully had, through DCLG facilitation, cross-Government discussions with people like DWP, HMRC and the police, where there was potential fraud that could have taken place somewhere other than Tower Hamlets, where those lessons ought to have been learnt. Of course, we

also gave evidence to Sir Eric Pickle's review on electoral fraud, so that lessons can be learnt there as well. Those cross-cutting connections are important, not only for lessons learnt but to ensure that all the bases have been covered as a commissioner.

Q62 **Chair:** How often have you, individually, met with Ministers since the appointment of commissioners?

Sir Ken Knight: We have met probably three times with the Secretary of State during the period of direction. On those occasions, we have also had joint meetings with the Mayor and the chief executive of Tower Hamlets.

Mary Ney: The lead commissioner has met with the Secretary of State on one occasion and we have a team meeting with the Secretary of State coming up in July to take stock of where we are.

Q63 **Chair:** And will councillors be involved in that?

Mary Ney: That particular meeting is just commissioners at this stage.

Q64 **Chair:** Right. Have councillors had any meetings with Ministers during this process?

Councillor Chris Read: We had a recent visit from—I'm going to get the Minister's name wrong now—Karen Bradley from the Home Office to see some of the child sexual exploitation work. We had a sit down and a conversation about that. No, I have not had any other direct engagement with Ministers about the intervention.

Q65 **Chair:** Is there anything that you would like to say to us in conclusion? Are there any more lessons we ought to learn from this? We are interested not just in what is happening in your authorities, but in the wider possibilities and perspectives.

Sir Ken Knight: For me, Chair, no. I think you have covered the bases I wanted to cover. As I said, I will write to you on a couple of points; otherwise, there is nothing from me.

John Biggs: I am tempted to suggest—but I do not want to encourage additional work—that one could look, in cases like this, at whether there are generic lessons to be learned. There may be merit in that as part of a debrief.

Councillor Chris Read: The general points have been covered during the session. It is about having the right commissioners coming into the right place together in that team. It is about them coming in with the attitude that says, "We want to get this authority back on its feet and enable political leadership," and not, "We've come here to run a council." The rest of the responsibility sits with the local authority, which has to rise to the challenge. That is the test, ultimately, of whether an authority gets back on its feet.

Chair: Thank you all very much for coming to give evidence