

# Discussion Note

## TRUST AND TRANSPARENCY IN LOCAL GOVERNMENT

### Summary

This Discussion Note follows the 'Trust and Transparency in Local Government' roundtable event hosted by Localis in conjunction with the Royal Borough of Kensington & Chelsea (RBKC) on 30th September 2010. The conversation focused on establishing the opportunities and benefits (and potential drawbacks) of transparency in local government, the key obstacles and threats to greater levels of transparency, and how to maximise the utility to residents of data released into the public domain.

The discussion was led by Baroness Hanham, Parliamentary Under-Secretary of State at the Department for Communities and Local Government and the Minister responsible for Transparency. The participants were:

Baroness Hanham	Minister responsible for Transparency
Sir Merrick Cockell	Leader, RBKC
Hayley Wienszczak	Spikes Cavell
Clive Betts MP	Chair of CLG Select Committee
Mike Freer MP	Member of CLG Select Committee
Thom Thomson	IZWE Project
Hamish Dibley	Ernst & Young
Elizabeth Osgood	DCLG Decentralisation team
Hulya Mustafa	DCLG Decentralisation team
Tim Gillings	Centre for Public Scrutiny
Derek Myers	Chief Executive, RBKC
Bobby Duffy	Ipsos Mori
Tom Simpson	Intern, Localis
Nicholas Holgate	Executive Director for Finance, Information Systems and Property, RBKC
Tony Redpath	Director of Strategy and Service Improvement, RBKC
Luke Spikes	Chief Executive, Spikes Cavell
Alex Thomson	Chief Executive, Localis

### Opening Remarks

Alex Thomson, Chief Executive of Localis, introduced Baroness Hanham, and suggested that "transparency is fundamental to the coalition government's philosophy."

Baroness Hanham said in her opening remarks that there is currently a "huge imperative from the government to push everything down to the local level." She contended that for such devolution to be effective, there is a corresponding need for local communities to have access to information. She also raised a couple of potential pitfalls associated with transparency; specifically, the lack of ability of individuals and untrained communities to usefully compare and contrast often complex information relating to their local public services, and uncertainty about where accountability lies if power is passed to the local level.

### The relationship between transparency and trust

Handing these issues over to the participants for open discussion, Baroness Hanham remarked on how few councils are currently publishing all £500-plus individual spends, as recommended by DCLG, which highlights the difficulty of encouraging and ensuring transparency.

The first respondent to the considerations raised by Baroness Hanham suggested that transparency must be viewed as one aspect of the more fundamental problem of a lack of public trust. The participants should therefore begin by analysing what creates and what undermines public trust.

The roundtable largely agreed that trust is a key current issue for councils, and that transparency must be viewed in relation to its impact on trust. However, a number of participants highlighted how transparency and trust might diverge – an increase in public access to local government information might not always lead to greater confidence in local government.

## Potential problems with the release of raw data

Central to this potential conflict between transparency and trust is what many participants perceived to be a widespread lack of ability among members of the public to analyse raw data accurately and usefully. While it was suggested that the availability of information in the public sphere reduced the likelihood of scandals which erode trust in local government, many warned that raw data could be easily misinterpreted and thereby generate unnecessary scandals.

One representative from RBKC gave an example of this: if a resident or a journalist were to access raw data for the council's spend on champagne, they would find it was significant and might assume

“Transparency should be viewed as forming part of a broader cultural change - away from the ‘fear of failure’ which drives public sector secrecy and towards ‘embracing openness’.”

that this was an example of the council's extravagant use of taxpayers' money. In fact, the champagne forms part of a wedding package that the council offers, enabling couples to be married in the town hall, and which generates significant surplus income to be spent on services for residents. There is, therefore, potential for wholesale data transparency which releases data in its raw format to erode trust in local government, as well as to build it.

Participants largely agreed that the unguided use of data, added to the propensity of some members of the public and journalists to actively seek to discover scandals, had the potential to be costly to councils both in terms of damaging trust and the expenditure of resources required to respond to inaccurate criticisms.

## Putting data in a useable form

It was suggested that part of the problem with transparency was the inadequacy of the current forms in which data is made available to the public. There is a lack of accurate markers by which the public can usefully compare local government costs. Even comparing councils with other councils can be misleading on certain issues due to locally specific factors.

Other participants agreed that this was an issue

with transparency which must be addressed. It was suggested that a key condition for increased transparency was identifying the needs of discrete data audiences in the public sphere and tailoring the forms in which data is published to meet their needs. Currently specific audiences are not targeted effectively – for example, there is often a lack of guidance to small businesses seeking to tender for council contracts.

Certainly more needs to be done to engage people, estimated by Ipsos Mori to constitute around 5% of the adult population, who profess to be interested in accessing local authorities' data but have not yet done so.

## Who should drive the transparency agenda?

A number of participants warned that the current transparency agenda being pursued by the DCLG risked reinvigorating the much-criticised “standards regime” of the previous government through imposing a national template of transparency.

A centrally-imposed transparency regime, it was suggested, could lead to another bureaucratic behemoth with the potential to recreate the costs and red tape recently removed by the abolition of the Audit Commission. Many at the roundtable felt that for transparency to be truly relevant and useful, local authorities must be encouraged to construct their own transparency models in response to the demand generated by the communities and individuals they serve.

## Local authorities' role in the transparency agenda

RBKC representatives provided an example of how such customer-driven data interfaces between local authorities and the public might begin to be formulated. The council has undertaken a study to evaluate how interesting and relevant resident groups found two summaries of previously unreleased data relating to the cost of two different public services (Libraries and Information service, and Community Safety and Drugs Intervention), and through which media (council website, council newspaper, or other media) they felt this data would best be distributed. Those that responded indicated that there is a public appetite for such data, with over 75% of respondents finding each data summary ‘very interesting’ or ‘quite interesting’.

Other participants in the roundtable agreed that better presentation and, where appropriate, explanation of data was key to ensuring that enough residents engaged with the information published to justify local authorities devoting time and money to increase transparency. Participants sounded a note of caution towards Eric Pickles' claim that "There are hundreds of computer whizzes who'll find creative new ways to make that raw data [released by local authorities] relevant to local life."<sup>1</sup>

It was generally felt that local authorities should retain a role in facilitating the publication of data in formats which are decided upon by residents. This customer-driven transparency ethos represents a significant change from the current centrally-led formats in which data is released into the public sphere.

## The '£500 rule'

Following on from their broad agreement that transparency agendas should be locally influenced, some participants were sceptical of the utility of the DCLG's guideline to local authorities to publish all individual spends exceeding £500. They felt that this not only contradicted the imperative to ensure that councils responded to local residents' data demands, but that it also miscast the popular demand for transparency as being based on the ability to examine very particular council spends. It was put forward that transparency was more about influencing spending priorities and achieving what residents see as value for money in service provision rather than a close focus on the cost of specific council activities.

This contention was not universally agreed. It was also put forward that members of the public were interested in the cost of specific council activities as well as the overall value for money they felt council services provided. At the other extreme, some participants contended that trust in governmental bodies came from interactions that members of the public had with these bodies and their employees, rather than any particular interest in the specific ways councils spend taxpayers' money. It was clear from the discussion that more work is required investigating the main drivers of public trust in local government and the areas of public demand for information relating to local authorities' work.

<sup>1</sup> <http://www.communities.gov.uk/news/localgovernment/1730471>, accessed 13/10/2010

## Transparency divide?

Some significant obstacles to transparency had already featured in the discussion. These included:

- Uncertainty about the quantity and specific nature of public demand for increased transparency.
- The degree to which the specifics of transparency agenda should be left to the discretion of local authorities in consultation with their residents rather than dictated by centrally-imposed guidelines.

Following Baroness Hanham's question about the practical obstacles to the implementation of transparency agendas, participants raised the danger of a "transparency divide" emerging between those people with the capability to process data and those lacking the required skills. This could lead to increase the feeling of disempowerment and detachment from local authorities among those unable to engage with the newly released information.

A suggested solution was to employ various methods of communicating data, such as film, which may appeal to a broader range of residents and be accessible to those without high-level data processing skills. The presentation of data in engaging formats might be accompanied by novel ways of reporting it. Private media and innovations such as trained 'community journalists' might have a role here, with their impartiality adding credibility and popularity to the transparency agenda

This idea accords with, and even exceeds, advice recently issued by the Local Public Data Panel which highlights the desirability of publishing data in widely useable formats:

"Publishing raw data quickly is an immediate priority, but there are significant benefits to be gained by councils publishing structured, regularly updated data using open standards."<sup>2</sup>

## Conclusion: "Embracing Openness"

Much of the roundtable discussion focused on the preliminary stages of transparency, and the need to establish a solid transparency agenda (or to provide local authorities with the necessary power and support to work in conjunction with residents to set locally specific agendas).

<sup>2</sup> <http://data.gov.uk/blog/local-spending-data-guidance>, accessed 13/10/2010

It is clear from the debate that more robust data is required on the demand for access to public sector data in order to adjudicate between differing versions of what transparency should actually entail. That transparency is not an end in itself was widely agreed upon; but whether transparency was backed up by a public desire for specific information on local authorities' spending or consisted in residents having the power to influence more general service priorities remained a point of contention among participants.

However, there was a widespread sense at the roundtable that, if implemented effectively, the type of locally flexible transparency favoured by many participants would represent a major shift in public sector organisations and employees towards genuinely responding to the needs of local residents and thereby engendering increased trust and participation in local decision-making. One participant suggested that this way of thinking should be viewed as forming part of a broader cultural change – away from the “fear of failure” which drives public sector secrecy and towards “embracing openness”.

Polls show that the public's trust of politicians and government, which had remained almost unmoved since recording began, underwent an unprecedented sharp downturn during the recent Parliamentary expenses scandal. It was widely agreed at the roundtable that a well thought out transparency drive in which local and central government followed public demand could help to repair some of this damage to trust. Providing the public with the data they want in accessible and useful formats could be a significant symbolic gesture showing that government bodies are responding positively to address the failings exposed in the recent scandals.

In her concluding remarks, Baroness Hanham thanked the participants for their contribution to an “incredibly helpful” discussion which highlighted a number of obstacles and opportunities within the vital issue of transparency.

## About Localis

Localis is an independent think tank dedicated to issues relating to local government and localism. We carry out innovative research, hold a calendar of events and facilitate an ever growing network of members to stimulate and challenge current orthodoxy of the governance of the UK.

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