Centre for Public Impact
A BCG FOUNDATION

Transforming regulation through collaboration:

Why we need to talk more about accountability in public services

GMCA — GREATER MANCHESTER COMBINED AUTHORITY

Department for Levelling Up, Housing & Communities

Care Quality Commission

Oldham Council

GREATER MANCHESTER — DOING THINGS DIFFERENTLY

HM Inspectorate of Probation

Ofsted

ROCHDALE BOROUGH COUNCIL

The King's Fund

About CPI Europe

At the Centre for Public Impact, we believe in the potential of government to bring about better outcomes for people. Yet, we have found that the systems, structures, and processes of government today are often not set up to respond to the complex challenges we face as a society. That's why we have an emerging vision to reimagine government so that it works for everyone.

A global not-for-profit organisation founded by Boston Consulting Group, we serve as a learning partner for governments, public servants and the diverse network of changemakers leading the charge to reimagine government. We work with them to hold space to collectively make sense of the complex challenges we face and drive meaningful change through learning and experimentation.

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Executive summary

Work to foster more productive relationships among regulators, inspectors, and practitioners began in 2021, with the aim of improving services for people experiencing multiple disadvantage. As a first step, the Centre for Public Impact (CPI) and The King's Fund initiated discussions, bringing together over 40 stakeholders to explore alternative regulatory approaches (see insight paper).

This report builds on that and is a product of an action enquiry that began in 2022 with partners in the Greater Manchester Combined Authority, Rochdale Borough Council, Oldham Council, Care Quality Commission (CQC), Ofsted, and HM Inspectorate of Probation, to identify entry points for change. To our knowledge, this work signifies the first attempt within the UK to bring together this range of actors to bridge the gap and foster collaborative regulatory practice through experimentation.

Insights from this work have highlighted four key barriers to more collaborative regulatory practice, each representing a missed opportunity for regulation to serve as a catalyst for learning across organisations and, ultimately, public service improvement:

1. **The predominant approach to evaluating service performance focuses primarily on the providers instead of the experience of the people using the services.** The lack of focus on the experience of people and their intersectional circumstances results in inadequate responses to complex needs, especially for those experiencing multiple disadvantage that require access to and movement between multiple services. There is a need to involve service users in the change processes to enable real public service improvement.

2. **The current accountability structure, both in provider organisations and from regulators and inspectors, does not incentivise responsibility or positive risk-taking.** There is a mismatch between where power, responsibility, and accountability sit, which limits frontline professionals' opportunities to shape and meaningfully engage in service improvement. Devolving more power at a place-based level will enable localities to respond better to local needs and take ownership of their improvement.

3. **A culture of fear and anxiety around inspection hinders productive relationships and collaboration.** This fear-based relationship inhibits conversations and learning. Inspection, often linked to criticism and anxiety, needs a collaborative shift to foster trust, learning, and productive working relationships between inspectors and practitioners, allowing regulation to truly enhance public service.

4. **Ambiguity about the remit of regulation creates myths and a culture of risk aversion among practitioners.** To dispel myths and empower practitioners to do the right things, inspectors and practitioners should seek to collaborate more with each other beyond formal inspections to build a collective learning environment.

These insights demonstrate the clear need for more person-centred, collaborative and place-based approaches. We plan to take things forward by setting up a Public Service Improvement Partnership, Local Operational Taskforce and Action Research Programme in Rochdale. These initiatives will explore what alternative approaches to more collaborative regulatory practices could look like when embedded in the local context, driven by practitioners and centring people experiencing multiple disadvantages.

This action enquiry began our journey towards more collaborative regulatory practice and unlocking the potential of regulation as a public service improvement tool. But we have barely scratched the surface. The complexity, urgency, and scale of the challenges require leaders at all levels to engage in national dialogues and support system-wide transformation.
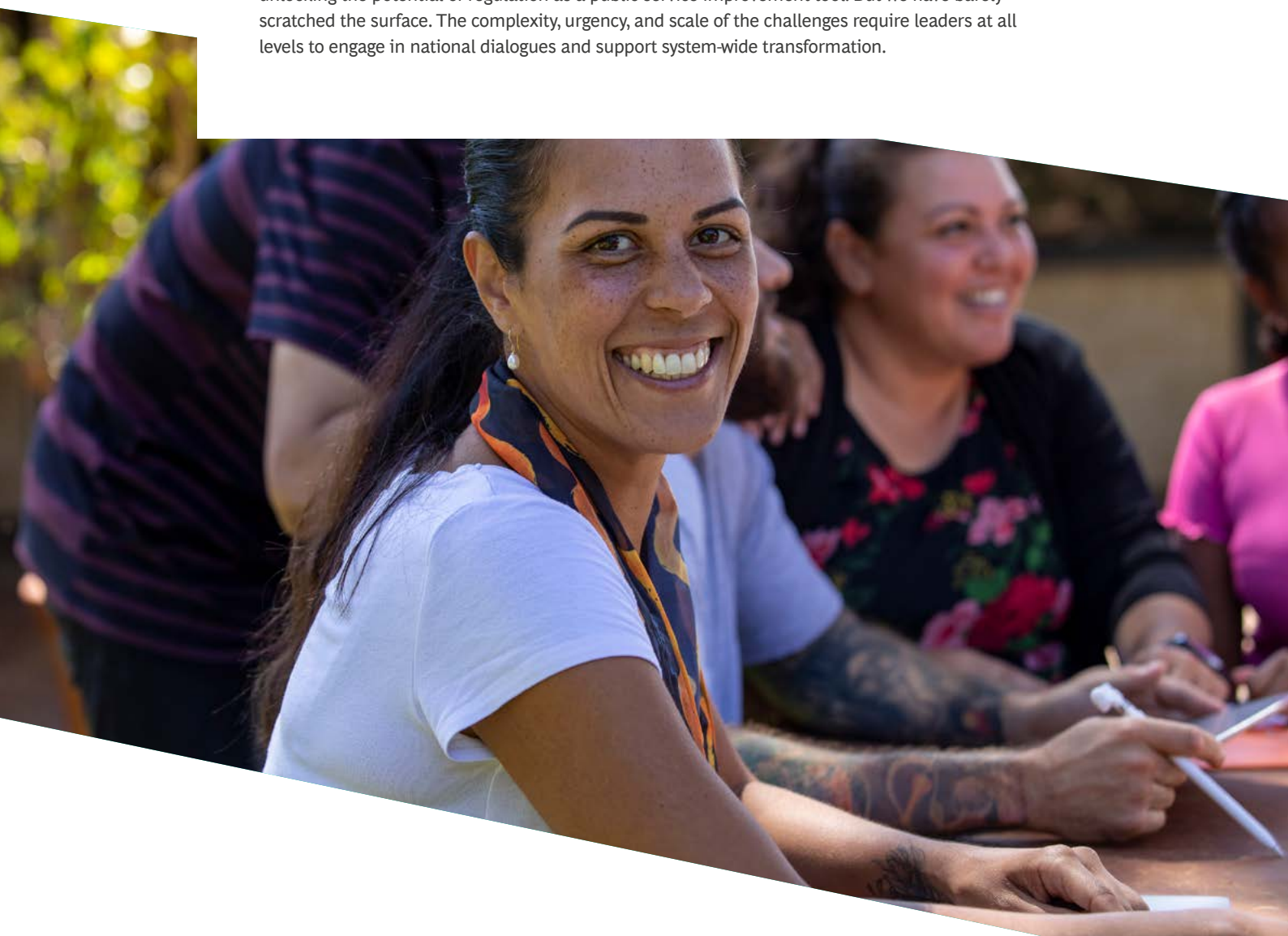
Understanding the challenge

People facing multiple disadvantage experience a combination of challenges such as homelessness, substance misuse, domestic violence, contact with the criminal justice system, and mental health issues. Since these experiences and needs are interconnected, people experiencing multiple disadvantage are often failed by and the most impacted when services and systems are siloed (Making Every Adult Matter, 2018). These disadvantages intensify during transitions between services, from 18 to adult life, and from care to independence.

Regulation has the potential to transform this. However, current approaches to regulatory practices do not truly harness regulation's potential as a collective tool for learning and public service improvement. The absence of collaboration among regulators, inspectors, and providers leads to the system's failure to adequately respond to people's complex needs, leading them to fall through the gaps between services.

Further, how we approach regulation and accountability in public services in an increasingly devolved political context is under-explored. Currently, councils are responsible for their performance and improvement (LGA, 2023). However, local public services and authorities are often subject to many fragmented regulations and accountability arrangements, which can cause confusion and wasted efforts. For instance, there is currently no framework which sets out the assurance of public services in a place and how they all fit together. This lack of clarity and transparency makes it difficult for people to collectively focus on public service improvement at a place level.

Insights

The below attempts to summarise the learnings generated during this action enquiry as regulators and inspectors from CQC and Ofsted, and practitioners from Rochdale Borough Council and Oldham Council shared and discussed the key barriers to more collaborative practice. Participants in this enquiry participated in workshops and design sprints focused on busting myths as well as real and perceived regulatory constraints, and explored service users' journeys to co-design experiments.

We acknowledge that some of the barriers currently experienced are not direct results of regulatory frameworks. Nonetheless, regulation and inspection could play a more critical role in driving improvement that enables services to get better. We invite you to think more expansively about the role of regulation to harness its powers truly – as both a guard to the safety and quality of services, and a learning tool that challenges the status quo and catalyses improvement.

The story of J

J is a middle-aged man who experiences multiple disadvantage: criminal history, substance misuse issues, and physical disabilities, in addition to poverty and a traumatic past. Many of these contribute to his difficult experiences in life: previous anti-social behaviour; lack of available disabled-accessible accommodation; substance misuse issues; arson charges, and repeated probation breaches.

As a result of such complex circumstances and history, he had been excluded from all emergency accommodation and lacked interim support due to his behaviour. Before his release, multiple agencies made significant efforts to find accommodation for him, but with no success. Either there was no disabled-accessible accommodation, or because of his previous exclusions and "risk factors".

Lack of coordination between services sets him up to fail

J arrived at 11 am at The Reaching Out Centre in Rochdale after his release without accommodation. Following his release, J faced a packed day of appointments with different services across the city–probation office, substance misuse service to restart methadone prescription, Jobcentre Plus; GP for medications, bank to resolve cancelled cards; and homelessness services to find accommodation. However, because of physical access challenges and travel time to cover the hills and terrains, attending them all without external support was practically impossible. When Tony, a MEAM worker, met J at 11 am, he had already given up and considered turning himself in for breaching his conditions.

1. The predominant approach to evaluating service performance focuses primarily on the providers instead of the experience of the people using the services

"We are not seeing the person outside of the 'to-do list' – we are not seeing the individual."

- **Centring people's experiences:** Inspections and internal performance management processes often neglect the experience of service users. Most evaluation approaches draw heavily on national benchmarks and outcome indicators in ways that detach from individuals' experiences. The lack of representation of people's experiences and voices results in services not effectively responding to complex needs.

- **Seeing people through an intersectional lens:** Services often fail to consider how multiple disadvantages are interconnected, which demands an integrated response. In J's case, he would have received more adequate support if all six services collaborated to respond to his multiple and interconnected challenges. J was effectively "set up by the system to fail" as the group described.

- **Eligibility criteria may create barriers:** Often, eligibility criteria and thresholds meant to target the right people can counterproductively exclude them due to failure to see their multiple disadvantage. In J's case, he was denied emergency accommodation because he "didn't tick the box" due to previous exclusions and the "risk factors" tied to anti-social behaviour. Seeing J beyond being a "risk factor" and acknowledging his history and circumstances might shift how services understand eligibility. As a practitioner said: "If you take all the rules away, and see him as a person, then maybe J could have gotten the housing support he needed".

How can better collaboration around regulation and inspection help drive improvement?

- **Incorporating service users' experiences into inspection:** Inspectors and regulators need to feel empowered and supported to expand beyond the narrow focus on providers and incorporate service users' experiences as an integral part of understanding risks, effectiveness, and quality of care.

- **Closing the gap between inspectors and people:** Inspectors need to feel more connected to people and communities in their daily work. Interactions with service users and frontline workers will enable them to build relationships and trust, hopefully breaking down the current fear and disconnection.

- **Involving service users in public service improvement:** Collaboration will not be meaningful or effective if people using the services are not involved in this change process, as their knowledge and experiences are pivotal for the success of service improvement. As a practitioner expressed: "those that are not in the room need to be part of it–frontline workers and the people".

2. The current accountability structure, both in provider organisations and from regulators and inspectors, does not incentivise responsibility or positive risk-taking

"The way accountability is set up isn't working–it doesn't incentivise responsibility."

- **Mismatch between where power, accountability and responsibilities sit:** Practitioners aiming to meet service users' needs might lack the support to take necessary actions due to a potential discrepancy between where power, accountability, and responsibility sit. This creates a culture of fear that prevents practitioners from taking positive risks. A lack of clarity around the legal power of practitioners further exacerbates this. For instance, many said that guidance around information sharing with other service providers is unclear, which hinders the progress towards integrated care. With time, this feeling of powerlessness and lack of agency creates an atmosphere of pessimism and inertia. As a practitioner mentioned during the design sprint, "the structure doesn't incentivise people to look at the bigger picture".

How can better collaboration around regulation and inspection help drive improvement?

- **Aligning power with responsibility:** Devolving more power to local authorities, voluntary sectors, and grassroots organisations to develop their own agenda and practices will enable local leaders to take effective ownership and accountability over local public service improvement. This will help align power with responsibility.

- **Taking a place-based approach:** A place-based approach is more likely to succeed, since trust and the quality of relationships–that only exist locally–are key elements to effective collaboration. It also enables us to best use local resources, knowledge, and existing networks and relationships to jointly design and deliver services most appropriate to their context.

3. A culture of fear and anxiety around inspection hinders productive relationships and collaboration

*"We should celebrate progress together, not just being chased and told off."*

- **A culture of fear around inspection impedes service improvement:** Inspection is often associated with "criticism" and "fear", creating unintended anxiety. This fear-based culture prohibits generative relationships and learning. Despite attempts from some inspectors to reverse this rigid and uncollaborative relationship, this is still a common experience. There is a desire from both sides to make inspection visits worthwhile, promoting positivity, celebrating progress and sharing good work. One practitioner framed the challenge by asking: "Is there a safe place where regulators can genuinely ask frontline workers: 'What do you feel most helpless about?'" This is the kind of conversation and level of trust practitioners hope to co-create with inspectors.

- **Adapting the interpretation of regulations to local context:** One inspector shared that their approach to inspection is to ask practitioners: "Why are you doing this, and what do you want to achieve in doing so?" This approach better aligns inspection with practitioners' objectives. Such flexibility and collaboration would drive localised improvement and change. However, at the moment, this is far from being a common approach. As a practitioner raised, "a lot depends on the individual inspector–once that person leaves, the whole thing collapses as the system is not there to support such an approach".

How can better collaboration around regulation and inspection help drive improvement?

- **Fostering a culture of collective learning and trust:** Both inspectors and practitioners express a desire to shift from a fear-based and top-down relationship to one that cultivates trust, collaboration, and learning. Creating spaces explicitly for learning and relationship-building could support this. For instance, during inspection processes, creating more room for informal conversations to be had where practitioners could share both their visions and concerns.

- **Workforce development to empower regulators and inspectors:** Part of transforming the culture around inspection would require workforce development for inspectors and regulators, where the focus of inspection should not only be on the "how" (process) of inspection, but also the "why" (purpose). This would give inspectors the confidence and agency to move away from a largely standardised approach to more flexibly adapt their practices to support individual providers and service users.
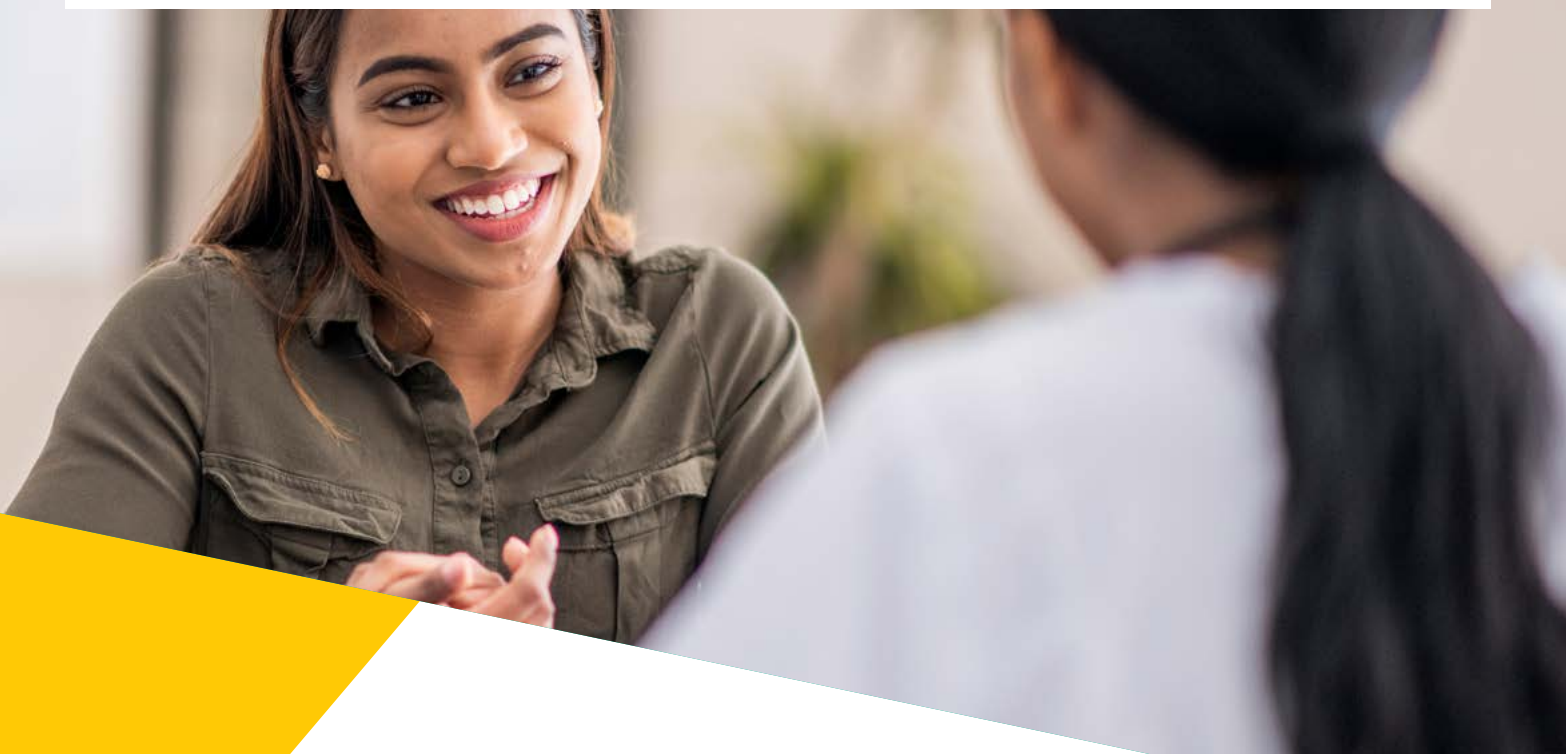
4. Ambiguity about the remit of regulation creates myths and a culture of risk aversion among practitioners

"If you don't explicitly say 'yes you can' then you are at the mercy of culture. Ambiguity creates myths."

- **Providers and regulators acknowledge that there are both real and perceived constraints around regulation that frustrate all partners in the system and inhibits change:** Practitioners often find themselves unclear about what is within their legal power without having to face regulatory consequences. Often myths are caused by a lack of clarity around regulations or the legal basis of practitioners to make their own judgement. This uncertainty often leads to a culture of "better safe than sorry" and does not incentivise positive risk-taking. For instance, the ambiguity around data sharing between services often discourages practitioners from sharing timely and crucial data with other services. This ambiguity can create a culture of risk-aversion amongst practitioners and thus impede service improvement.

How can better collaboration around regulation and inspection help drive improvement?

- **Creating space for informal conversations:** Inspectors would also like to have more opportunities to engage with practitioners outside of formal inspection. This would enable them to better understand the barriers they face and clarify any doubts they may have about regulatory constraints and their rights as practitioners and service providers, thus creating opportunities to dispel myths and learn together.

- **Collaboration to drive learning:** Collaborative learning across boundaries would go some way to supporting practitioners to have further clarity around what's within their "locus of control" and thus prevent myths. With a renewed sense of clarity and agency, frontline workers will be able to respond to people's needs more effectively, for instance, by sharing critical information with other service providers to support service users.

Committing to action

"We have a broken relationship and communication between inspectors, regulators, and providers–we don't have a joint and partnership approach."

Looking at these barriers, the lack of collaboration between inspectors, regulators, and practitioners is the underlying issue that prevents regulation and inspection from realising their potential as levers for improvement. An improved relationship and communication between the actors will prevent myths from forming, thus empowering frontline workers to embrace their power to create change and reverse a culture of risk aversion.

Enhanced collaboration based on principles of trust, learning, and honesty will also further shift the regulatory culture, moving from fear-based and top-down to instead encourage diversity and improvement. Further, better coordination will also enable providers to more adequately respond to the needs of those facing multiple disadvantage.

Local solutions are necessary since each place has its particular challenges, strengths, and knowledge of what and how to improve. Devolving more power to local authorities, voluntary sectors, and grassroots organisations would enable public services to better respond to the particular needs of local communities. In this way, local leaders will have the effective power to take ownership and accountability for local public service improvement.

What follows is a proposal of how we can foster more collaborative relationships, to move from a fear-based, top-down regulatory and inspection culture, to one that drives diversity, innovation, and improvement.

Setting up a Public Service Improvement Partnership and a Local Operational Taskforce to explore more collaborative regulatory practices

To continue collaborating to explore the barriers and opportunities to more collaborative regulatory practice, we propose to set up a Public Service Improvement Partnership, Local Operational Taskforce and an Action Research Programme.

The **Public Service Improvement Partnership** will focus on improvement for people experiencing multiple disadvantage in Rochdale by exploring alternative approaches to regulatory practices. It brings together all relevant actors and perspectives, including CQC, Ofsted, Rochdale Borough Council, HMIP, HMICFRS and others, to foster collaboration and address the siloed nature of the system. This partnership would be committed to continuing to experiment and learn together, starting in Rochdale, but with the vision of scaling this in the future.

The partnership also hopes to set up a **Local Operational Taskforce** where frontline workers and service users share their experiences and co-design experiments to inform and influence the partnership, ensuring the people using the services are meaningfully engaged. As part of this work, we would also like to explore with participatory groups what effect power and privilege have on how inspection works, and how it impacts people using services.

An **Action Research Programme** will be set up to create the evidence base for change and disseminate its learning to influence the behaviours and mindsets of other regulators, inspectors, and practitioners. In particular, this programme is interested in exploring the myths that sit within relationships between providers, practitioners, and inspectors. It aims to understand the evidence for better relationships and how to prevent myths around regulatory constraints.

Taking this forward

Improving services so they can respond to people experiencing multiple disadvantage is not an easy task. Using regulation as a tool to improve the situation is not only necessary but also ambitious.

Crucially, systems won't change if there is no accompanying cultural shift. Moving towards a culture that fosters collective learning over blaming, values trust and genuine conversations instead of rigid scrutiny, and encourages personal responsibility and accountability rather than excessive control will be vital in changing the tide. However, for this transformation to take hold, active participation is essential from all system stakeholders, from individuals to national leaders.

In this pivotal moment, there is a renewed determination and momentum to revamp collaboration around regulation and inspection to improve services. Initiating a Public Service Improvement Partnership and a Local Operational Task Force that brings together all relevant actors in the system to experiment with alternative approaches to regulatory practice collectively represents a useful first step to tackling the identified barriers. This entails breaking siloed working, fostering a collaborative learning culture, and centring people's full experiences and perspectives.

Whilst immediate regulatory change isn't feasible nor desirable, transforming the relationships between regulators, inspectors, providers, and service users is vital. This place-based collaboration and learning will ensure regulatory practices cater to the needs of those experiencing multiple disadvantage.

We invite both local and national leaders to engage in a dialogue with us about the demand and opportunities to move towards more collaborative and person-centred approaches to regulatory practice. It is only by doing so, that we will be able to successfully unlock the potential of regulation as an instrument of innovation, learning and improvement.
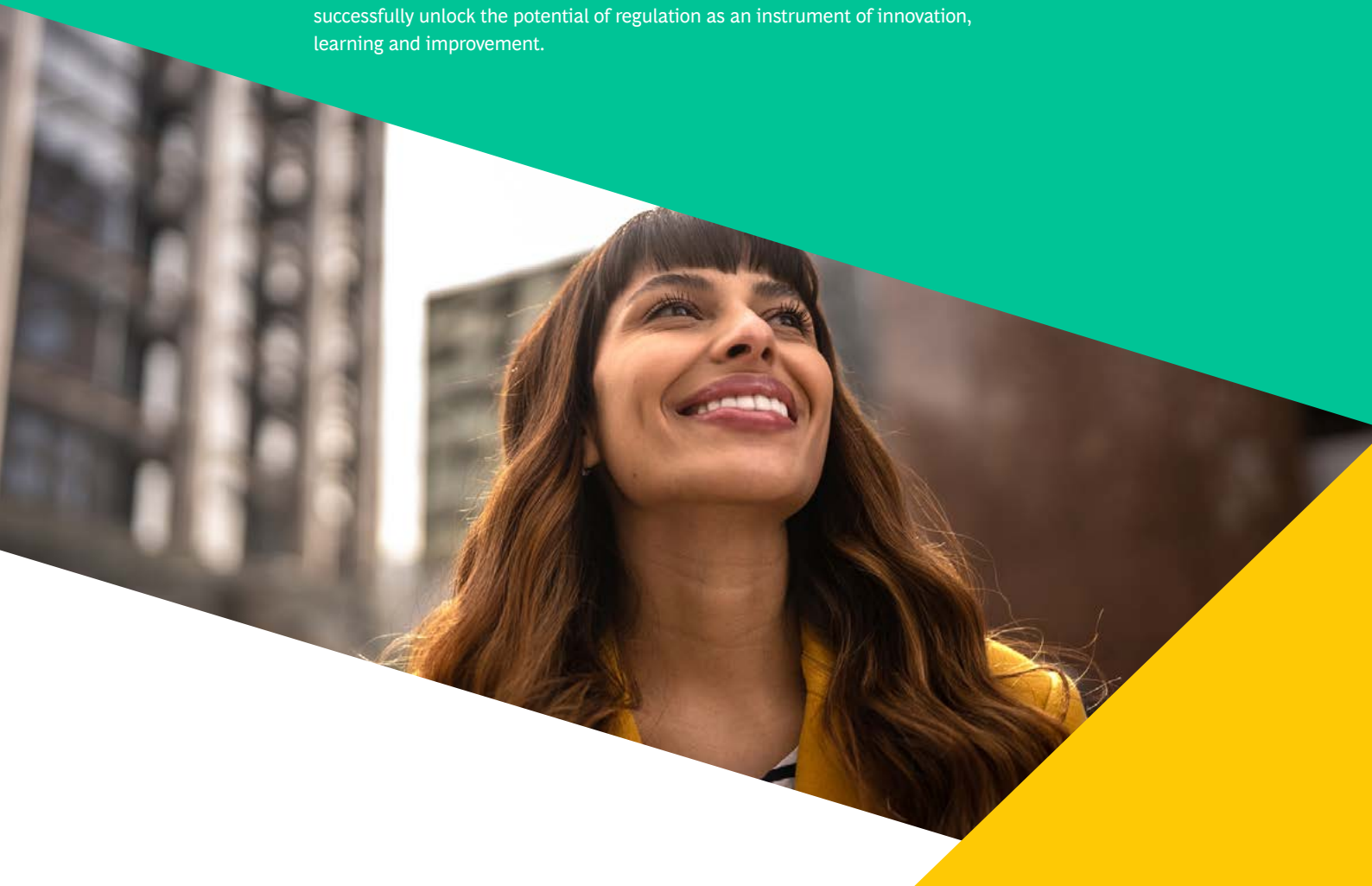
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