



Evaluation of the long-term impact of the Best Value regime: Baseline report

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Executive Summary

1.0 Objectives

The Best Value regime requires local authorities to ‘make arrangements to secure continuous improvement in the way functions are exercised, having regard to a combination of economy, efficiency and effectiveness’. To this end councils have to develop a corporate strategy, undertake a programme of reviews to examine the purpose of every function and the most effective means of procuring services, consult with local stakeholders, produce performance plans and subject plans to audit and services to external inspection.

This report summarises the results of the baseline phase of the long-term evaluation of the impact of Best Value commissioned by the Office of the Deputy Prime Minister. The study, which is being undertaken by a research team led by the Centre for Local and Regional Government Research at Cardiff University, is intended to give an objective, rigorous and robust evaluation of the:

- approaches by which local authorities implement the Best Value regime; and
- impact the regime has upon authorities’ capacity to deliver continuous improvement in service delivery.

2.0 Methodology

The research is informed by a simplified model of the operation of the Best Value regime that focuses upon:

- Best Value processes – the ways in which local authorities in England implement the regime;
- Process outcomes – the impacts that the regime has upon the internal processes and structures of authorities;
- Performance change - the impacts that the regime has on the economy, efficiency and effectiveness of local authority services.

Process outcomes include changes in organisational structure, culture, strategy formulation and strategy content (the ways in which council services are procured and delivered). Performance is being measured in terms of statutory Best Value performance indicators (BVPIs), residents' perceptions of their authorities and the views of a large sample of local authorities officers and elected members.

This baseline report provides a benchmark against which future changes can be assessed. It draws on four main data sources:

- A survey of 2,836 local authority officers and elected members from 314 councils (conducted in July 2001);
- Case study interviews in a sample of twelve authorities (undertaken in the summer 2002);
- A survey of the views of more than 2,500 residents living in the areas served by a representative sample of 100 local authorities (conducted during autumn 2001); and
- BVPI data for 2000/2001.

3.0 Best Value processes

The main conclusions to be drawn from this study are that:

- Implementing Best Value is seen as having been a major challenge for most authorities though many respondents saw Best Value processes as having had a positive impact, for example by enhancing inter-departmental working;
- Most authorities developed a corporate framework for implementing Best Value before or during the first year of the regime and those that did not develop these frameworks made slower progress with the regime; and
- Many local authority officers and members have high expectations from the regime, believing that it will deliver on ambitious targets.

These positive views were not, however, unanimous.

First, there were differences between the different groups of respondents. For example corporate officers were less inclined than other respondents to report that their authorities had implemented Best Value processes whilst elected members were the most positive about their authorities' achievements. By way of contrast service officers were most optimistic about the prospects for improvement.

Second, different types of authority displayed very different characteristics and had adopted different approaches to implementing the regime. District councils, and in particular those with below mean budgets, were less likely to have comprehensive processes for implementing Best Value in place than other types of authority, suggesting that the regime has been more of a challenge for them. Evidence from the case studies suggested that this may have occurred because smaller authorities have fewer corporate staff and resources and had focused their energies on what they see as 'more pressing business'.

3.1 Review processes and outcomes

In the first year of the Best Value regime many local authorities undertook large numbers of narrow focused, service specific reviews. Some were attempting to develop more cross-cutting reviews in the second year of the regime but had found that these were often difficult to implement.

Many reviews had taken longer than expected. Service managers in several of the case study authorities reported that they had struggled to fit reviews in around their 'day jobs' whilst corporate policy and Best Value officers reported that their time and attention had often been diverted onto other new initiatives. During 2002 some authorities had concluded that Best Value reviews were of less importance given the arrival of the Comprehensive Performance Assessment (CPA) and officers in some authorities felt that preparations for CPA had taken up time that might otherwise have been given to Best Value reviews.

Though performance reviews pre-date the Best Value regime they were not common in many authorities. Best Value has therefore been successful in instigating a

programme of systematic reviews and increased the level and breadth of consultation and comparisons between providers. Most local authority officers and members believed that their authorities' early reviews had taken account of the need to consult with relevant interest groups stakeholders and to compare the performance of alternative providers. But a significant proportion did not believe they had involved rigorous challenge or competition, and there was widespread confusion about what these terms meant in practice. Nonetheless, examples of challenging practices and 'thinking outside the box' were identified in the case studies. The composition of review teams and the existence of high level support for challenging existing approaches were widely seen as important determinants of the rigour of reviews.

Most officers and members believed the recommendations from year 1 reviews had been ambitious but were achievable. Evidence from the case studies suggests however that the kinds of changes were often incremental and rarely involved wholly new approaches to procuring and delivering services.

3.2 Performance management

Performance management systems are perceived to have improved in most authorities since the introduction of the Best Value regime and many officers and members believe that this will lead to improvement in services. These achievements were reflected in the many respondents who reported that their authorities' Best Value performance plans (BVPPs) contained new local performance indicators alongside ambitious targets. However, there was though some scepticism about the usefulness of BVPPs as tools for internal management and the summary plans that authorities were required to produce in the first year of the regime as mechanisms by which the public could hold the authority to account.

3.3 External inspection

Our baseline survey of authorities showed that there had been major reservations about the operation of Best Value inspection in its first year. Many respondents believed inspection to have been a major driver of improvement in their organisations. However, a large proportion felt that the added costs involved had outweighed the

benefits. These findings were confirmed in the case studies, though there were clear examples where external inspection had served to assist service improvement. These concerns with external inspection reflect the findings of other research published during 2001 (Davis, Downe and Martin, 2001).

4.0 Process outcomes

There was clear evidence that in its first year the Best Value regime had a number of important ‘process outcomes’ key findings from the survey and case studies were that:

- Many officers and elected members believed that their authorities already possessed some of the internal characteristics that the Best Value regime is intended to encourage. The case study interviews, conducted after the survey, though not providing systematic evidence, suggest that Best Value is encouraging the types of process outcomes anticipated; and
- Whilst Best Value is a drive for change it is imposing substantial additional burdens and costs on authorities, notably through the new inspection requirements.

The extent to which authorities display the characteristics that the Best Value regime is intended to encourage will only really be clear over the medium term. In particular our on-going research will examine different actors’ and different authorities’ perceptions of its impacts. At the baseline stage though corporate officers were, on the whole, less likely to report that their authority’s displayed the types of organisational characteristics envisaged to emerge from the regime whereas service officers saw many of the attributes associated with internal culture, process and strategies as being in place one year after the regime commenced. Districts were less likely to be seen as displaying the organisational attributes the regime seeks to encourage.

4.1 Structure

Best Value is likely to change authorities structures in relation to bureaucracy, centralisation and integration. The baseline data suggest that levels of integration are relatively high, for example joint working, linkages between the objectives of services

and the authority as a whole. For levels of bureaucracy and centralisation the picture is mixed. In some authorities reviews have led to increased centralisation, in others they have resulted in decentralisation. On the whole, the regime is seen as having led to an increase in the amount of bureaucracy.

4.2 Culture

The survey results suggest that most respondents believe their authorities to have had many of the cultural characteristics that management theory suggests are necessary to achieve performance improvement even before the introduction of the Best Value regime. Characteristics associated with continuous improvement, innovation and customer-orientation were all highlighted as being present in their authorities by most survey respondents. A willingness to take risks and trust (between managers and staff and between officers and members), together with high levels of productivity, were though seen as lacking in some authorities. The case studies highlighted resistance to the kinds of changes that the Best Value regime seeks to encourage in some councils.

4.3 Strategy formulation

The baseline survey and case study interviews suggest that most authorities employ a number of different approaches to strategy formulation. The case study interviews indicated that the Best Value regime is seen by many officers as encouraging a 'rational' approach.

4.4 Strategy content

Many survey respondents and interviewees in the case study authorities believed that their authorities' were already open to partnership working but relatively few saw working with the private sector, through externalisation or contracting, as a major part of their authority's approach to service delivery. The Best Value regime does not appear to have influenced perceptions of their authorities' approaches. Interviewees in some case study authorities reported that it had encouraged a greater openness to partnership working but there were few instances of externalisation resulting from Best Value reviews.

4.5 Drivers of performance improvement

Local managers and central government policies were cited most frequently by baseline survey respondents as the key drivers of performance improvement in their authorities. The Best Value regime was seen as having been the most potent central government policy in driving improvement during 2000/2001. The demands of citizens and users, new technologies and external audit and inspection were also regarded as having been important.

5.0 Performance

The baseline data show that residents, survey respondents and interviewees in case study authorities perceive their councils' performance to be relatively strong in some areas (e.g. value for money, efficiency and quality) and relatively weak in terms of effectiveness, equity and staff satisfaction.

Interviewees in most of the case studies believed that their authorities' performance was improving and some were able to cite changes resulting from reviews that they believed would lead to performance improvement. Many of the improvements anticipated by case study authorities though appeared to be incremental, rather than step changes, and interviewees were divided on whether they could be attributed to the implementation of Best Value processes. We will be able to test the validity of these perceptions once we have longitudinal data that enable us to track performance, internal changes in authorities and the implementation of the Best Value regime over time.

There is evidence of a positive and statistically significant relationship between different consumer satisfaction performance measures (for example, between the BVPI measuring overall satisfaction with the local authority and a number of BVPIs measuring consumer satisfaction at the service level). The data also suggest a strong link between consumer satisfaction BVPIs and staff perceptions of consumer satisfaction at service level. There is not however any strong evidence, at this stage, of a relationship between consumer satisfaction measures and alternative measures of

performance (including survey respondents' perceptions of their authorities' performance in terms of value for money, efficiency, equity and success in promoting well-being).

6.0 Conclusions

The findings of this study broadly mirror the experiences of the Best Value pilots in England (see Martin *et al.*, 2001) and the findings of external auditors and inspectors as reported in the Audit Commission (2001) report *Changing Gear*. However, the overall picture emerging from the survey is more positive. Respondents, and in particular the 1,800 service officers, were more optimistic that the Best Value regime was leading to positive change than is suggested by *Changing Gear*. But they were more sceptical about the value of Best Value inspection processes than was suggested by research undertaken during 2001 for the Audit Commission (Audit Commission, 2001)).

The differences in the findings reflect the fact that our study involves a much larger sample than the research undertaken by the Audit Commission and included a much wider range of officers and members. However, they could also reflect differences in view between our survey respondents and inspectors about what constitutes significant improvement. Moreover, they may indicate that some authorities believe they will deliver improvements through incremental changes to their existing approaches to service delivery, whilst inspectors set much greater store by new approaches to service delivery.

Overall the baseline evidence from the survey and interviews in case study authorities suggests that senior officers and members believed that:

- Many authorities had effective corporate priorities, processes and performance management systems prior to the introduction of the Best Value regime;
- The regime had, though, provided an added impetus for increased corporate working and councils that are able to operate in a 'corporate'

fashion are most likely to have used reviews as a driver for improvement;

- Many reviews were, initially at least, too narrowly focused and took longer than expected to complete;
- Implementation of the four Cs was uneven;
- Recommendations from reviews were seen as ambitious and achievable but rarely included the adoption of wholly new approaches;
- The regime has led to the development of improved performance management at corporate and/or service level;
- There was widespread scepticism about the net value added by Best Value inspection;
- A high proportion of senior officers and members believed that their organisations already possess the internal characteristics that the Best Value regime is intended to encourage;
- Many believed that the Best Value regime was encouraging the kinds of changes in internal culture, structures and processes that it is intended to achieve;
- The Best Value regime was seen as having been a driver for change but had imposed substantial additional costs on authorities;
- Authorities' performance was generally seen as strong in terms of providing value for money, being efficient and offering high quality services;
- Performance was seen as weaker in areas such as effectiveness and equity;
- There was some evidence of tangible improvements in performance and many officers and members expected future improvements – usually involving incremental, rather than step, changes;
- Smaller district councils seem, on the whole, to have found it more difficult to implement Best Value processes; and
- Corporate officers were less optimistic about achievements to date and likely changes in process outcomes and improvement than service officers and elected members.

The next stages of this research will build upon the ‘baseline picture’ provided by this report by examining, over time, the relationship between Best Value processes, process outcomes and local authority performance.

CHAPTER 1

Introduction

1.1 Research objectives

In December 2000 the (then) Department of the Environment, Transport and the Regions (DETR) commissioned a research team based in the Centre for Local and Regional Government Research at Cardiff University to evaluate the long-term impact of Best Value on English local government¹.

Best Value became a statutory responsibility for English local government in April 2000. Under the regime authorities are required to ‘make arrangements to secure continuous improvement in the way functions are exercised, having regard to a combination of economy, efficiency and effectiveness’. To this end authorities must implement a Best Value performance management framework that requires them to:

- Develop a corporate strategy that defines their corporate objectives, how these are being pursued and the criteria against which success can be measured;
- Construct a programme of fundamental performance reviews covering all of their functions over a five-year period;
- Undertake performance reviews to examine the purpose of every function and the most effective means of procuring services. Reviews must consult with local taxpayers, service users and others and compare the cost effectiveness of alternative approaches to service delivery;
- Publish annual performance plans setting out strategies and targets for improvement and criteria for monitoring progress;
- Subject plans to audit and services to review by external inspectors whilst the Secretary of State has powers to intervene directly in authorities or services deemed to be at risk of persistent or serious failure.

The evaluation started twelve months later and the ‘baselines’ presented in this report were therefore established in 2001 and 2002 and relate to the situation one to two years after the inception of the regime. In December 2001 the government published a Local Government White Paper proposing some changes to the existing regime (DTLR 2001). The main proposed changes included:

- Streamlining of the Best Value review process through a loosening of the requirement for authorities to review all their functions over a five-year period;
- Changes to the timing of the Best Value Performance Plans and the regulations governing the content of summaries issued to the public;
- A reduction in the number of statutory plans authorities were required to produce by government departments;
- A more risk-based approach to audit, inspection and regulation through the introduction of a Comprehensive Performance Assessment (CPA).

These changes took effect over the following nine months and therefore overlapped with the collection of some of the baseline data (see chapter 2).

The research covers the period from 2001 until 2005. The research specification (DETR 2000) stated that the study should provide ‘an objective, rigorous and robust evaluation of:

- the success of approaches adopted by local authorities to implement Best Value; and
- the impact of Best Value both in relation to its aims and objectives and as a key component of the Local Government Modernisation Agenda’.

To this end it must evaluate:

- ‘the extent to which processes by which local authorities seek to deliver Best Value are having an effect upon the outputs and outcomes of service delivery,

¹ The DETR was superseded by the Office of the Deputy Prime Minister (ODPM) in 2002. The research specification remains unchanged.

and extent to which this is through organisational and cultural changes aimed at bringing about continuous improvement’; and

- the impact of the Best Value regime ‘on the achievement of economy, efficiency and effectiveness in service delivery’.

1.2 Approach

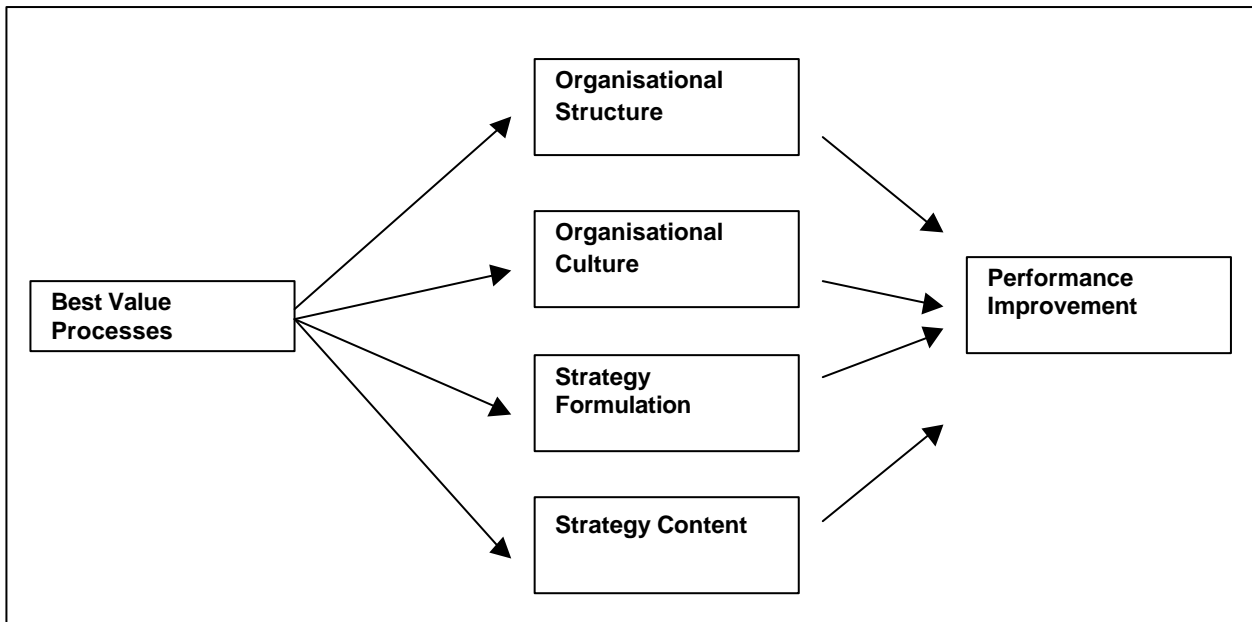
1.2.1 Introduction

Our approach to the evaluation has been to focus upon three main features of the Best Value regime:

- (i) Best Value processes – the ways in which local authorities in England implement the regime;
- (ii) Process outcomes – the impacts that the regime has upon the internal processes and structures of authorities;
- (iii) Performance change - the impacts that the regime has on the economy, efficiency and effectiveness of local authority services.

This approach is informed by a simplified model of the possible impact of the regime that was developed in the early stages of the study in consultation with the Office (Boyne *et al.*, 2001) – see Figure 1.1. In practice the impacts of the regime are unlikely to be linear or unidirectional (as is implied by the model). The regime will interact with other policies and may have important impacts that are not included in the model. However, this framework does provide a useful starting point, enabling us to identify some of the key variables that we should measure over the lifetime of the study.

Figure 1.1 Simplified model of the impact of Best Value



1.2.2 Best Value processes

For the purposes of the evaluation we define ‘Best Value processes’ as the key activities set out in the original Best Value legislation and statutory guidance (Stationery Office 1999; DETR 1999). These were:

- **Developing an authority wide strategy** that establishes corporate priorities and assesses how well the authority performs against key indicators and community aspirations;
- **Undertaking fundamental performance reviews** covering all of an authority’s functions over a four to five year period;
- **Publishing plans for improvements and performance targets** in the light of reviews;
- **Independent audit and inspection of reviews**, and referral to the Secretary of State, with a view to intervention, of services or authorities that inspectors/auditors believe to be at risk of serious or persistent failure.

Subsequent revisions to the Best Value guidance have led to some changes in the regime including the removal of the requirement for authorities to review all of their functions every five years and changes in the Best Value inspection regime since 2000 associated with the introduction of CPA. The key drivers for change within the Best Value regime have though remained largely in tact.

1.2.3 Process outcomes

The ways in which these Best Value processes may impact upon an authority can be conceptualised in terms of four kinds of changes recognised in management theory:

- **Structure** - defined as the set of rules and roles that shape the relationship between the parts of an organisation (for example whether an authority's strategy and operations are centralised or decentralised, whether functions are organised on a departmental or 'crosscutting' basis, whether management procedures are flexible and fluid);
- **Culture** - defined as the core values and beliefs that are shared by the members of an organisation (for example, whether an authority is risk averse, whether it has an outward focus, whether it is receptive to change);
- **Strategy formulation processes** - the way in which organisations procure and deliver services (for example, whether an authority uses 'rational' planning to determine strategy or whether processes of strategy making are informal); and
- **Strategy content** - the way in which an authority procures and delivers the services it is responsible for (for example from in-house teams, by externalisation or through service delivery partnerships).

1.2.4 Performance improvement

Public service improvement can be defined in a variety of different ways and may include for example increases in:

- Efficiency;
- Cost-effectiveness;
- Quality; and
- Responsiveness to users' and citizens' needs and demands.

The Best Value regime stipulates two overall targets – that authorities should achieve service improvements consistent with a 2% per annum rise in cost effectiveness and that by 2005 they should all be performing as a minimum at the level that was achieved by those in the top quartile in 2000. The main measures of these improvements are national Best Value performance indicators (BVPIs) covering the organisational health of authorities, the performance of key services and resident and user satisfaction (DETR 1999). Our evaluation will therefore analyse changes in BVPI scores over time. In addition we are tracking performance in terms of two additional perspectives:

- Residents' satisfaction with authorities' overall performance and a range of key services; and
- The perceptions of local authority officers and elected members about their authorities' performance.

The arrival of CPA provides a further set of potential measures. However, since these were not in existence at the start of the study we do not focus upon them in this baseline report.

1.3 Report structure

The remainder of this report is structured as follows:

Chapter 2: Methodology - an outline of the methodology used in the study.

Chapter 3: Best Value Processes—an analysis of the evidence of the ways in which authorities implemented the Best Value regime in 2000/2001 and the challenges they encountered, including analysis of differences in perceptions between corporate officers, service managers and elected members, and between different types of authority.

Chapter 4: Process outcomes – analysis of evidence that the Best Value regime was leading to the kind of organisational characteristics believed likely to enhance the prospects for performance improvement.

Chapter 5: Assessments of local authority performance in 2001 – analysis of authorities’ starting points in terms of performance at the outset of the study.

Chapter 6: Conclusions – describing the findings of the baseline phase of the research and the next steps in the evaluation.

CHAPTER 2

Methodology

2.1 Introduction

The ‘Long-term Evaluation of Best Value and its Impact’ is based on a multi-method approach. The final report will draw upon a range of research data sources including:

- A baseline survey of all local authorities undertaken in 2001 and 2004;
- An annual survey of a sample of 100 local authorities undertaken in 2002 and 2003;
- In-depth case studies of 12 local authorities undertaken each year between 2002 and 2005;
- One-off case studies to explore particular issues and developments undertaken at a number of key points in the study;
- Longitudinal analysis of the Best Value Performance Indicators;
- A survey of frontline staff in 2003; and
- Surveys of residents’ satisfaction undertaken in 2001 and 2004.

This report gives details of the results of the initial stage of this research programme involving the analysis of baseline data collected through:

- The 2001 baseline survey of authorities, undertaken in July 2001;
- The first round of case study interviews, undertaken in the summer of 2002;
- Analysis of audited BVPI data for 2000/2001; and
- A survey of 2,500 residents conducted in 2001.

The baseline report provides a ‘snapshot’ of the perceived impacts of the Best Value regime. It does not enable testing, at this stage, of the extent of causal links between Best Value, organisational changes and service improvement. But it does establish a

benchmark against which subsequent changes (in approaches to Best Value, organisational and cultural changes and local authority performance) can be assessed.

2.2 Baseline survey

The baseline survey of authorities provides detailed insights into the perceptions of almost 3,000 officers and elected members in the 314 authorities that were willing to participate. It was undertaken in the summer of 2001 and gathered data about the financial year 2000/2001. As such it provides one of the most comprehensive pictures of the perceptions of senior officers, service managers and elected members of the first year of the Best Value regime about:

- Authorities' performance and organisational characteristics in the early stages of the regime;
- Approaches to implementing Best Value;
- Whether the regime was acting as a spur to performance improvement;
- The perceived impacts of audit and inspection;
- The extent to which organisational changes that the Best Value regime seeks to encourage were seen as evident in local government.

This 'snapshot' is complementary to other studies (for example the Audit Commission's annual statement on Best Value) but has some advantages. In particular it was independent and drew upon a much larger evidence base. The nearly 3,000 respondents to our survey included not just chief executives and senior members but also corporate 'Best Value officers' and a large number of service managers (who made up two-thirds of our sample).

2.2.1 Sampling

All English local authorities were invited to take part in the survey. A total of 314 (81%) agreed to do so and were divided into two groups the:

- ‘Cardiff 100’: a representative sample of authorities that have been selected for, and agreed to participate in, annual surveys to be conducted throughout the lifetime of the research and in which larger numbers of officers and members were surveyed ²; and
- ‘Census group’: remaining authorities that will be included in the first survey of local authorities conducted in 2001 and the final survey conducted in 2004.

Questionnaires were sent to:

- Elected members - including the leader, the member with lead responsibility for Best Value, and members with lead responsibility for the key service areas;
- Corporate officers - the chief executive, the most senior officer with overall responsibility for Best Value and the corporate Best Value officer; and
- Service officers – including the heads of service, assistant directors and senior managers in seven service areas:
 - Revenues and Benefits;
 - Leisure and Culture;
 - Education;
 - Housing Management;
 - Planning;
 - Social Services; and
 - Waste Management ³.

These three groups received questionnaires containing a set of ‘core’ questions that were common to all respondents plus additional questions of particular relevance to

² These authorities provide a broadly representative sample of English authorities as a whole selected on a range of criteria including current performance, deprivation, geographical location and authority type.

³ These services were chosen because they:

- cover a range of services that were subject to CCT and some that were not;
- include services in which the Best Value pilot programme suggested Best Value may have major impacts (e.g. Housing Management, Leisure and Culture) and others where the impact of Best Value may be less marked (e.g. Planning and Education);
- span services dealing with people, physical resources and support/administrative functions;
- are services for which there is a relatively well developed set of Best Value Performance Indicators; and
- are services that are known from customer surveys to be important to the public.

each group⁴. Questions sought respondents' perceptions of their authority or service at April 2001. The majority of the questions required respondents to rate phenomena on a 7-point Likert scale (e.g. agree – disagree).

2.2.2 Questionnaire design

The structure and wording of the questionnaires was informed by the model of Best Value (see 1.2 above). Like the model it focused on:

- Implementation of Best Value processes – reviews, inspection and performance plans;
- Internal changes in structures and processes and the extent to which Best Value was seen as a driver of changes; and
- Respondents' perceptions of their authorities' current performance.

2.2.3 Response rates

The questionnaires were sent to between 10–32 officers and up to 9 cabinet or lead members for service groupings within participating authorities. The number sent to each authority was dependent on authority type and therefore the services it provided, the allocation of managerial roles (in some authorities the same officer was responsible for two or more 'key services'), and whether they were in a census or 'Cardiff 100' group. Officers were asked to complete and return an email-based questionnaire (see Enticott *et al.* 2002 for further details). Elected members were provided with a hardcopy and a stamped reply envelope. Respondents had 6 weeks to reply.

A total of 4,184 officers and 1,085 elected members were sent questionnaires. Responses were received from 2,355 officers and 481 elected members, representing response rates of 56% and 44% respectively (Table 2.1). The response rate can be

⁴ 74 questions were common to all respondents. A further 39 questions were common to those questionnaires sent to all officers (but were not asked of elected members). Corporate Best Value officers and service officers responsible for reviews were asked 45 additional questions about their authority's approach to Best Value.

further broken down according to which group (Cardiff 100 or census) respondents belonged to. For officers, the response rate was slightly higher for the 100 group (58.4%) when compared to the census group (54.8%). For members, the census group achieved the highest response rate (47.4%) when compared to the 100 group (41.4%). Corporate directors and service based officers were most likely to respond to the survey (70% and 77% respectively) whilst response rate from elected members (44%) and chief executives (45%) was lowest (Table 2.1).

Responses were received from 314 authorities - a response rate of 81%. Response rates were high and remarkably consistent across different kinds of authority, though slightly higher for metropolitan authorities than other types of council (Table 2.2).

Table 2.1: Response rates by type of respondent

	Chief Executives	Corporate Directors	Lead Best Value Officers	Service based officers	Elected members
Number of Responses	130	160	244	1821	481
Response Rate	45%	70%	77%	54%	44%
Proportion of total response	4%	6%	9%	64%	17%

Table 2.2: Participation rates by type of local authority

	Counties	Unitary Authorities	London Boroughs	Mets	Districts
Total no. of authorities	34	47	32	36	238
Participating authorities	27	36	26	32	193
Participation rate	79%	77%	81%	89%	81%
Authority type as % of total no. of participating authorities	9%	12%	8%	10%	61%
Authority type as % of total respondents	10%	15%	12%	16%	47%

2.2.4 Analysis

The data were analysed at respondent level using SPSS. Statistical analyses employed two tailed t-tests, chi squared, ANOVA and post-hoc Scheffe tests to identify

significant differences at the 0.01% confidence level. The results presented in the report, therefore, focus on statistically significant variations in the data.

In this report differences are reported across and within different types of respondents and types of authorities. We have made comparisons between:

- Respondents (members, corporate officers and service officers) to explore whether groups of respondents hold different views;
- Authority type (county councils (CC), unitary authorities (UA), London boroughs, (LB) metropolitan councils (Mets) and district councils) to identify variation in experience amongst different types authorities; and
- We have also conducted sensitivity analysis to examine whether approaches to Best Value varied between shire district councils with different sized budgets (Table A2.1).

The views of different respondents have been highlighted because it might be expected that perceptions of the Best Value regime will also vary between corporate officers, service officers and elected members. The views of service officers are not so well documented as those of corporate officers, yet they are often tasked with the implementation of Best Value reviews and experience inspection most closely. The large proportion of service officers in this census therefore allows an analysis of their views as well as a comparison with corporate officers and elected members and helps to explain some of the differences between our research findings and that of others. Notably, '*Changing Gear*', the Audit Commission's (2001) annual statement on Best Value conducted in the summer of 2001 to assess progress with the statutory regime 18 months after its commencement reports satisfaction with inspection, whereas our findings suggest a more critical view. The Audit Commission (2001) also highlight the ways in which councils are not successfully coping with Best Value, whilst our respondents were more optimistic. Our analysis of elected members, corporate officers and service officers' perceptions reveals some statistically significant differences in relation to the Best Value processes and process outcomes.

Different types of authority and sizes of district councils have been examined for two reasons. First, it seems that the resources that they can bring to implementing new

ways of working could affect the speed of improvement. Second, the Audit Commission (2001) has suggested that some smaller district councils have experienced particular difficulties in implementing Best Value processes. Our longitudinal analysis, based on future surveys and in-depth case studies, will test for differences in rates of implementation and any links to relative levels of performance improvement – in different types of authority and between larger and smaller authorities.

Unless otherwise stated the results in this report relate to all respondents. Where differences are drawn between groups of respondents a post-hoc Scheffe test has been used to identify statistically significant differences. This test has been undertaken where the results of the ANOVA test were significant at 99% (0.01). Where Scheffe tests have revealed significant differences, authority and respondent categories have been numbered in tables and used to indicate which categories are statistically different.

Where percentage data derived from Likert scales were analysed, we have used the aggregate score of either the top or bottom 3 points on the scale. In instances where views at either end of this continuum (either point 1 or 7 on the scale) attracted a large response, this is also specified.

2.2.5 Variations in the sample

EARLY AND LATE RESPONSES

Responses from the first 5% of respondents to return their questionnaire were compared with the last 5% of respondents to test for consistency and response bias using a two-tailed significance test. In only three questions were there statistically significant differences, and therefore we concluded that there has been no late response bias.

'CARDIFF 100' AND REMAINING AUTHORITIES

The sample of 100 authorities to be surveyed in years 2 and 3 of the study was selected to be representative of English local government as a whole in terms of:

- Performance – as measured by audited ACPIs for 1999/2000;
- Deprivation; and
- Population size.

However, the eventual sample is not in fact an entirely representative one for three reasons:

- To avoid 'swamping' the sample with district councils it was agreed to select twenty authorities from each of the main types of council (County Councils, Shire District Councils, Metropolitan Districts, London Boroughs and Unitaries);
- The Department asked us to exclude some authorities from the sample;
- Some authorities originally selected for inclusion declined to participate in the study.

The result is that the sample is broadly but not entirely representative of English local government. The census of authorities in years 1 and 4 of the study allows us to test the degree of variation between the 'Cardiff 100' and all census authorities at the outset and the conclusion of the study.

Responses between the 'Cardiff 100' authorities and the remaining 214 census authorities was undertaken at the all respondent level (using the 74 core questions) to test for consistency and response bias using a two-tailed significance test. This test indicated that there were significant variations between the two groups of respondents on 23 occasions, or in 31% of the core 74 questions asked (Table A2.2). In 20 of the 23 cases the Cardiff 100 group's responses were more consistent with the anticipated attributes that the Best Value regime seeks to promote, and these authorities therefore appear to be starting from a higher base as a group.

The performance of 'Cardiff 100' and census authorities as judged by the BVPIs for 2000/2001 was also used to test for response bias using a two-tailed significance test (Table A2.3). The test revealed 21 BVPIs where there were significant differences at the 99% level. Of these, only 3 indicated that the 'Cardiff 100' group were performing better than the census group.

VARIATIONS BETWEEN PARTICIPATING AUTHORITIES AND NON-PARTICIPATING AUTHORITIES

Differences in performance as judged by the BVPIs were analysed using a two tailed significance test to check for consistency and response bias between all authorities taking part in the research ('Cardiff 100' and census groups) and non-participating authorities (Table A2.4). Only two significant differences were recorded at the 99% level. We can therefore conclude that there is no bias between participating and non-participating authorities.

2.3 Case studies

The case studies enabled us to explore in more detail, and in a range of different types of authorities, the conclusions emerging from the baseline census and to identify issues that merited further examination in the following year's (2002) survey of authorities. This element of the study is therefore designed to complement the quantitative data from the census.

A long list of potential case studies was selected on the basis of an analysis of population size, levels of deprivation, performance as indicated by ACPIs, political control, type of authority, responses to our census and the need to ensure a geographical spread. The ODPM then vetted the list, asking for a small number of authorities to be removed because they were considered to be exceptional cases.

Initial approaches were made to the long-listed authorities by telephone, followed by letter outlining the implications of agreeing to participate as a case study. Formal agreement to participate was sought from each council, a process that usually took several weeks. Several authorities declined to participate. It proved particularly difficult to find a large city willing to be studied – they (and other authorities that

declined to be involved) typically cited pressure of work, participation in other research projects, and recent staff changes (often to chief executives and best value officers) as obstacles. Several small district councils felt that committing to involvement in such a long term and potentially demanding project was not feasible given the available resources.

Interviewees included:

- Chief Executive;
- Other senior managers involved in implementing Best Value across the authority as a whole (e.g. heads of strategy or corporate performance);
- Corporate Best Value officer(s);
- The Leader of the Council;
- Other members with an involvement in Best Value (e.g. portfolio holder);
- The leader of the review teams for three reviews which were tracked in detail in each authority;
- Review team members;
- External partners;
- Commissioning inspector; and
- External auditor.

Most case studies involved a combination of one on one, face-to-face, semi-structured interviews and focus groups with larger numbers of interviews. The numbers of participants varied between authorities, but ranged from fifteen to thirty, and provided a good mix of individuals and groups able to comment in detail on corporate structures and objectives, authority-wide Best Value processes, individual service reviews, and performance at all levels within the authorities.

A topic guide developed by the whole team and used by all the case study researchers ensured a rigorous and consistent approach to the case studies. The guide focused around the three key issues identified by the theory of change, namely Best Value processes, process outcomes and performance change. The data from the interviews was used to complete a workbook for each authority. As the research continues, a series of these will be available for year-on-year comparison.

The case study authorities include: three counties (Derbyshire, Devon and Oxfordshire county councils), three shire district councils (Bolsover, Huntingdonshire and Vale Royal), two metropolitan districts (Knowsley Metropolitan Borough Council and Manchester City Council), two London boroughs (Redbridge and Westminster) and two unitary authorities (Bristol and Derby City Councils). They span a range of population sizes, types of political control and levels of deprivation (Table A2.5).

2.4 Performance measures

2.4.1 Best Value performance indicators

There are 69 BVPIs from 2000/2001 that provide the basis for the statistical analysis on correlates of performance contained in Chapter 5. The section includes correlations between different stakeholders' perceptions of performance and contains three stages of analysis:

- A key consumer satisfaction indicator for each authority, BVPI 3 'Percentage satisfied with the local authority', is tested against twenty-three consumer satisfaction BVPIs for individual services.
- The twenty-four consumer satisfaction BVPIs are tested against forty-five remaining BVPIs for each service (as Culture and Leisure BVPIs are based entirely on consumer satisfaction measures of performance this service was excluded from the second stage of analysis).
- Seven consumer satisfaction BVPIs are tested against staff perceptions of local authority performance taken from the census. Survey respondents were asked about their perceptions of equity, staff satisfaction and their authorities' attempts to promote the well being of local people, in addition to consumer satisfaction, effectiveness, efficiency, quality and value for money.

2.4.2 Survey of residents

The survey of residents focused on the areas served by the 100 authorities that will be the focus of the survey undertaken in years 2 and 3 of the research (in 2002 and 2003).

2,568 interviewees were interviewed face-to-face in 192 sampling points across the 100 authorities. Interviews were conducted in home between 4 October and 16 December 2001. Interviewees were asked a wide range of questions about their use, experiences and views of council services and their perceptions of their authority's overall performance.

Data were weighted by age within gender, work status and local authority area to match the profile of the 100 authorities.

The survey will be repeated in 2004/2005 and provide another source of evidence of perceptions of improvement by authorities over time alongside the analysis of BVPIs and of the perceptions of local authority officers and members about their authorities' performance.

CHAPTER 3

Best Value processes

3.1 Introduction

As explained in section 1.2 above, the long-term evaluation of the impact of the Best Value regime is dependent upon longitudinal analysis. The baselines described in this report are the first in a set of time series data that will be gathered and analysed over the period 2001/2002 to 2004/2005. In themselves they do not provide a reliable guide to the impact of the Best Value regime and which variables merit more detailed examination will only become clear over the next 2-3 years. Rather than present a comprehensive analysis of all of the data collected thus far in this report we therefore highlight emerging issues that have most relevance to the simplified model of Best Value, presented in section 1.2.1 above, and to current policy debates that are of particular concern to policy makers.

We focus in particular on evidence of:

- Corporate Best Value processes – because much of the current guidance and inspection regime assumes a link between good corporate systems and the capacity to improve performance;
- Approaches to Best Value reviews – review programmes, the composition of review teams, the ‘four Cs’ and the nature of the recommendations emerging from early reviews;
- Performance management – because of its pivotal role in the regime and the recent changes in the guidance governing the timing of performance plans and publication and distribution of summaries; and
- External inspection – because of its increasing importance in the Best Value regime and the highly publicised concerns about it in the first two years.
- Difficulties between the approaches of different types of authority - in particular small district councils (which some previous analyses have

claimed have found it more difficult to respond to the regime) and other types of authorities.

3.2 Corporate processes

The Best Value regime requires authorities to develop a corporate strategy that defines their overall aims and priorities. Auditors, inspectors, ministers and the Improvement and Development Agency (IDeA) have all emphasised the pivotal role that they believe corporate systems play in delivering service improvement (c.f. DTLR 2001; Audit Commission, 2001) and judgements about an authority's leadership and corporate capacity feature prominently in CPA assessments.

If corporate capacity is as important as has been indicated by recent policy statements, it should be a key determinant of the way in which authorities implement Best Value and their effectiveness in achieving improvement. The experiences of the authorities that piloted Best Value in advance of the introduction of the statutory regime provided some support for this view (Martin *et al*, 2001). The current study will be tracking this over time and this section analyses the 'baseline position' with respect to authorities' approaches to Best Value.

The results of the census of local authorities suggest that some authorities already had what respondents regard as effective corporate systems prior to the introduction of the Best Value regime in April 2000. Others reported that there had been significant changes in corporate systems during the first year of the Best Value regime.

A majority of authorities were apparently already in the process of clarifying their corporate goals by April 2000 (Table 3.1/Table A3.1). According to the corporate Best Value officers we surveyed, just over three quarters (78%) had a documented statement of corporate aims and objectives prior to the formal introduction of the Best Value regime. In many cases these had not been shared with internal or external stakeholders. Only just over a third (37%) of authorities had a corporate performance plan that had been disseminated internally by April 2000 and only 26% had a performance plan that was available to the public/external stakeholders prior to the

requirement to publish their first Best Value performance plan at the end of March 2000.

Table 3.1: Corporate systems prior to the introduction of the statutory Best Value regime

	Type of Authority (%)					All (%)	Phi Sig.	Phi Value
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Before Best Value: % of Authorities who had a:								
Documented statement of corporate aims	75	81	89	68	79	78	.116	.604
Corporate performance plan for internal use	38	35	44	32	38	37	.060	.947
Corporate performance plan available externally	21	20	24	32	26	26	.070	.913

Source: Census of Local Authorities, 2001.
 Respondents: Best Value Officers (N = 244).

A majority of respondents claimed that their authorities had a corporate strategy for implementing Best Value by April 2000. Almost two-thirds (62%) reported that they had a written strategy, 79% had designated Best Value officers and 65% had a corporate tool kit for conducting Best Value reviews at the start of the regime (Table 3.2). But only 11% of authorities had a corporate procurement strategy and only just over a third (36%) had a corporate consultation strategy (Table 3.2).

Table 3.2: Corporate approaches to Best Value April 2003

	Type of Authority (%)					All (%)	Phi Sig.	Phi Value
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Corporate approaches to Best Value: % LAs with (by April 2000):								
Designated Best Value officers	94	77	83	91	75	79	.165	.223
Written Best Value implementation strategy	63	64	78	77	56	62	.169	.203
Corporate toolkit for Best Value reviews	69	64	77	64	64	65	.076	.879
Best Value policy unit	69	60	69	64	52	57	.132	.468
Corporate Best Value budget	63	55	50	50	57	56	.066	.922
Corporate procurement strategy	0	9	22	9	11	11	.149	.335
Corporate consultation strategy	40	27	39	41	36	36	.074	.890

Source: Census of Local Authorities, 2001.
 Respondents: Best Value Officers (N = 244).

Many authorities made significant progress in developing systems to implement the regime during its first year but by July 2001, almost a fifth (19%) of authorities apparently still did not have a corporate strategy for implementing Best Value in

place, 16% did not have a corporate 'Best Value' budget and 35% of authorities had yet to develop a procurement strategy. Though there were no statistical differences between different types of authority (Table 3.2) districts with total budgets that were below the mean (46%) were less likely than those with larger budgets (73%) to report having had a written Best Value implementation strategy by April 2000 (Table A3.2). According to corporate Best Value officers most authorities (94%) have found implementing Best Value to be a major challenge. But many respondents saw Best Value processes as having been beneficial. Almost half (47%) believed that they had enhanced inter-departmental working and 44% reported that they had become a core part of everyday management procedures by the end of the first year of the regime (Table 3.3). Districts with total budgets below the mean size for all districts were less likely (33%) than those with budgets in excess of the mean (58%) to report that they had been able to achieve effective joint working between departments on cross-cutting reviews (Table A3.3).

A large majority of respondents (81%) reported that officers had taken the lead in implementing Best Value in 2000/2001 (Table 3.3). Most saw the key players as corporate policy officers, corporate Best Value officers and chief executives (Table 3.3 and A3.4).

Table 3.3: Corporate approaches to Best Value (April 2001)

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
We have a very precise model for Best Value reviews which each service must adopt	56	62	50	48	47	50	.473	
We have a broad common approach to Best Value which each review must apply but review teams decide the details themselves	81	71	78	83	78	78	.491	
Each service is able to develop its own approach to Best Value so long as the corporate centre is satisfied that it meets Best Value criteria	25	14	28	13	30	26	.289	
Managing Best Value has been a major challenge for this authority	100	91	100	91	93	94	.986	
We have been able to achieve effective working between departments on cross-cutting reviews	63	52	61	43	43	47	.317	
Best Value is officer-led at this authority	88	86	61	70	84	81	.046	
Best Value is member-led at this authority	13	33	33	17	16	19	.258	
Best Value is now part of our every day management processes	56	43	39	43	43	44	.573	

Source: Census of Local Authorities, 2001. Respondents: Best Value Officers (N = 244). Scale: 7 point, Likert scale: 1 – disagree, 7 – agree.

The census provided some indications that some district councils may initially at least have found it more difficult to implement Best Value processes than other kinds of authority. However, the case studies in particular highlighted a number of reasons why some shire district councils' experience of the regime may have been different to that of other councils. Some smaller authorities highlighted their relative lack of corporate staff as a constraint. They argued that they could not afford to recruit dedicated corporate teams to oversee the implementation of Best Value. This was overcome in part by the fact that initially Best Value had had a high profile in most of the case study authorities. More recently though (as discussed above) the perceived importance of the regime has receded in at least some authorities. New initiatives have been introduced by central government and there has been a perception that Best Value has been downgraded or even abandoned in favour of the CPA.

Table 3.4: Who determines Best Value policy?

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Leading/executive elected members	38	36	61	61	42	45	.018	
Backbench/non-executive members	25	24	11	9	21	19	.901	
Joint officers/members Best Value group	19	24	50	29	42	38	.090	
Corporate policy staff	100	95	100	95	93	95	.509	
Chief Executive	69	73	72	78	66	69	.423	
Senior Management Team	50	70	61	65	69	66	.312	
Senior managers from services under review	40	52	61	82	68	65	.036	
Best Value Officers group/team	80	90	94	87	74	80	.280	
Senior managers from other services	31	43	33	43	32	35	.898	
Front-line staff	25	36	17	39	34	32	.154	
Trades union representatives	31	43	6	43	24	27	.026	
Service users	25	58	22	52	37	39	.280	
Other local agencies	25	26	28	30	21	23	.864	

Source: Census of Local Authorities, 2001.
Respondents: Best Value Officers (N = 244).
Scale: 7 point Likert scale: 1 – not at all, 7 – extensively.

Districts have, on the whole, been less under the spotlight of external inspections in 2002 than upper tier and unitary councils. They do not attract the attention of OfSTED or SSI and have not been subject to the first round of the CPA. Interviewees reported that there has therefore been less overt external pressure upon them and, in some cases, it seems that multi-function corporate staff have redirected their energies from Best Value to what is seen as ‘more pressing business’.

3.3 Review programmes

Our interviews in the case study authorities confirm the findings of the census that most councils have adopted corporate approaches to the overall implementation of Best Value. In accordance with central government guidance they had all initially drawn up fairly comprehensive review programmes for the following four to five years. However, the case studies demonstrate that whilst the centre often establishes

the overall framework, individual reviews cannot and have not, by and large, been driven by corporate officers. Moreover, most reviews have reflected existing service boundaries rather than 'corporate' priorities or 'cross-cutting' issues.

Reflecting the national picture widely reported by their external auditors and the Audit Commission Inspection Service, most of the case study authorities initially developed annual programmes consisting of large numbers of narrowly focused reviews. These were, for the most part, concerned with specific services or functions. Bristol City Council for example scheduled 35 reviews for the first year of the Best Value regime ranging from scientific services to educational advisory services.

The large number and narrow focus of these reviews was largely a function of the ways in which most local authorities have traditionally operated. Thus whilst, as noted from the census, in most authorities it was corporate policy officers or Best Value officers who had overall responsibility for the implementation of Best Value, they usually relied heavily upon recommendations from services about the order in which functions should be scrutinised. As a result the scale, scope and timing of most review programmes reflected the existing service 'silos' and very few case study authorities undertook 'cross-cutting' reviews.

One of the consequences of the huge numbers of relatively small reviews attempted in 2000/2001 was that in most of the case study authorities the officers and members responsible for overseeing review programmes as a whole lacked the time and other resources needed to manage, monitor and progress change effectively. These difficulties were often compounded by their lack of (formal and informal) authority over colleagues. Some relatively junior Best Value officers reported finding themselves in the untenable position of having to pester far more senior colleagues in service departments to try to ensure compliance with the council's Best Value procedures and to keep to agreed timetables for reviews.

The inevitable consequence has been significant slippage in many authorities' 2000/2001 reviews. The corporate governance inspection of Bristol City Council claimed for example that there had been 70% slippage in the first year's review programme. And an elected member overseeing Best Value told us:

‘when we started off doing it we had too many discrete services and we were going into them in enormous depth, there wasn’t very much of a cross cutting agenda there, we needed a cross cutting agenda, but we also learnt we couldn’t run that many bloody best value reviews’.

Slippage was not though simply a function of lack of corporate capacity in relation to the total programme of reviews. In some cases it was also clearly a function of the multiple demands placed on the service managers who were leading individual reviews. Although corporate officers prepared toolkits and monitoring systems, the day-to-day management of reviews was almost always a matter for review team leaders. The enthusiasm and capacity of these individuals – typically assistant director level – was the key determinant of the conduct of the review. In a few instances (for example in some reviews at Derbyshire County Council) staff were seconded to work on the review, but most leaders reported problems combining their role with the need to continue to fulfil what some referred to as the ‘day job’. The rate of progress, management and quality of reviews was therefore seen as varying considerably between departments within the same authorities.

In the second year of the statutory regime, and with the encouragement from the Best Value Inspection Service, all of our case study authorities had fine-tuned their review programmes in an attempt to address these problems. Most reduced the number of services or functions scheduled for review in year two considerably, usually by combining two related reviews under a common heading. Devon County Council for example reduced the number of reviews scheduled for 2001/2002 from fifteen to nine. Some of these reviews were more cross-cutting in character than those in 2000/2001. Others brought together reviews of functions in the same services that had originally been scheduled as separate smaller reviews.

These moves have not though resolved all the problems. As one elected member explained:

'we've condensed them but that, to be honest, creates problems as well. That is about getting people to work together and to get some discipline into the review.'

Although the slimmed down schedules of review appeared more manageable at first, many case study authorities have found cross-cutting reviews to be far more complex than those focused on single service or functions. For different reasons then, review programmes in 2001/2002 have also slipped in many case studies. Huntingdonshire District Council for example reported that only one of seven reviews originally scheduled for year two of its programme had been completed in time for the publication of its 2002 Best Value Performance Plan (BVPP).

Difficulties with the scheduling and completion of reviews have therefore continued into the third year of the statutory regime and in some cases these problems have been compounded by uncertainties about the future of the Best Value regime. The streamlining of elements of the regime, in particular the relaxation of the requirement to review all functions over a five-year period, and the unveiling of CPA have been seen by some authorities as spelling the *de facto* end of Best Value. Many officers and members we have interviewed in the case studies believed that the CPA would replace the Best Value regime - a view, which they said, was widespread on the conference 'circuit' and in the local government trade press. Internally this has led to some reviews losing momentum. Corporate Best Value officers in some authorities have found themselves drawn into managing preparations for Best Value inspections and, in upper tier authorities, preparations for the CPA (trying to understand the proposals, explaining them to colleagues, responding to consultations by the Audit Commission, undertaking self-assessments and so forth). Some service managers believe that there is now no need to pursue reviews or at least not as rigorously as they might otherwise have done. Best Value was talked about in the past tense, with some of our interviewees wondering why we were still seeking the impact of an initiative that they believed had been superseded.

In other cases, for example Derbyshire County Council and to an extent at Oxfordshire County Council, corporate policies have led to a perception that Best Value is a tool to be integrated into a broader performance management framework.

Here Best Value processes have broad acceptance although the current regime is seen as being overly bureaucratic. Over time interviewees expected reviews to continue, but to become lower key. As one explained:

‘How you use Best Value depends on how you approach it.....you need to be positive and have the right culture.....’

Some case study authorities have adopted a ‘wait and see’ policy. At least two (Devon County Council and Knowsley MBC) put their reviews ‘on hold’ pending the revised Best Value guidance and the outcome of the CPA. And, although some others are continuing to go through the motions of scheduling reviews, it seems clear that the third year of Best Value will prove as challenging for most, though for different reasons, as have the first two.

3.4 Review teams

Research on the pilot programme suggested that the composition of review teams had varied considerably between authorities. The case studies confirm that this has continued under the statutory regime. At one extreme, teams have been dominated by officers responsible for the services being reviewed, whilst at the other were teams comprised entirely of elected members, partner organisations, service users and officers from other departments. Some of the case study authorities have stipulated that all review teams be made up of particular combinations. Bristol City Council’s Best Value toolkit, for example, emphasises the benefits of independent review chairs who are not responsible for services being reviewed as well as of active staff and trade union involvement and the inclusion of external representatives, service users and contractors. Many of the case study authorities operating in two tier situations also include representatives from other districts or the county council.

All the case study authorities have encountered difficulties gaining elected member involvement in reviews. Many of the members we interviewed were either actively antagonistic towards the regime or else remarkably unaware of it. Some Labour members complained that the fine principles of Best Value (issued by the government

in 1997) have been undermined by the excessively bureaucratic approach to audit and inspection. Conservative members to whom we spoke were more likely to object to central imposition of the regime, claiming that their authorities had been delivering 'best value' for some years. One (Labour controlled) case study authority had though been very successful in securing a very high level of active member involvement seeing this as a key to performance improvement. In this case the enthusiasm of senior members seemed to have spread to officers. In other cases though interviewees reported that they had struggled to generate widespread member interest in reviews. Many members saw reviews as focussed on detail and demanding a great deal of time. As one elected member in Devon explained:

'it's fine to sit there all day if you're an officer and you're being paid for it'.

Conversely officers in some case studies reported problems resulting from too great a level of member involvement. In one case they complained that a group of members had, in their view, 'hi-jacked' a Best Value review of the education service to argue for increased resources. An officer in another council reported that while members had signed up to all the stages of the review process they had then refused to endorse the conclusions that the review led to. As the chief executive put it:

'there has been some fancy footwork by some members who were at least technically on the reviews and have decided that they did not share the conclusions'

In most cases, either by design or because of time pressure on members of executives, 'backbench' members in the case study authorities have been far more involved than their senior colleagues in the detail of reviews. The conclusions of reviews have of course gone to cabinets but the processes of reviewing are largely left to non-executive members. Interviewees argued that there are some virtues in this arrangement - 'backbenchers' may have the time and desire to delve more deeply into the problems of delivering a particular service for example. But there are also significant risks. In the absence of a clear steer from executive members, there is a risk of a disjuncture between review processes and policy decisions and debates.

Review teams may be unaware of what is and is not ‘unthinkable’ or find it more difficult to secure political support for review findings whilst recommendations may come as an unpleasant surprise to cabinet members who have not kept in touch with reviews. Lack of senior member involvement may therefore reduce the likelihood of radical changes (such as the introduction of wholly new services, the investment of significant new resources to raise the quality of a service, externalising provision or entering into a major public-private partnership), condemning reviews to a diet of unambitious proposals for incremental improvements. In some cases ‘backbench members’ have attempted to use reviews to block or undermine the executive’s programme.

3.5 Best Value Review Processes

3.5.1 Introduction

At the heart of the Best Value performance management framework is the requirement for authorities to undertake fundamental reviews of their services and other functions. In conducting reviews authorities are required to use ‘4Cs’ namely to:

- **Challenge** whether a particular service is needed, and if it is how best to provide/procure it;
- **Compare** the performance of alternative providers;
- **Consult** with local taxpayers, service users and the wider business community in setting new performance targets; and
- Use fair **Competition** as a means of establishing the cost-effectiveness of potential service providers.

Research on the Best Value pilot programme and audit and inspection of Best Value processes have highlighted three key areas as determinants of the robustness of reviews and the likelihood that they will lead to improvements, the:

- Composition of review teams;
- Approach to implementing and interpreting the ‘four Cs’; and

- Recommendations reached by reviews.

In this section we analyse the evidence from the census and case studies about the ways in which authorities addressed these issues prior to and in the first year of the statutory regime.

3.5.2 Review processes prior to Best Value

The concept of performance review pre-dated the Best Value regime. However, the census of authorities suggests that such reviews were not commonplace prior to the introduction of Best Value. Where they were undertaken, they rarely involved challenge or tests of competitiveness. Just 17% of authorities reported regularly undertaking service reviews of most/all services (4% all services) prior to April 2000 and only 11% regularly challenged the need for most/all of the services they provided (3% apparently challenged the need for all services while 26% never challenged the need for any of the services they provided).

Less than a third of authorities reported that most/all services regularly consulted with service users (29%), the public (27%) and other local agencies (27%) and consultation with the private sector (8%) was far less common (Table 3.5).

Tests of competitiveness were apparently rarely used to review services prior to the introduction of the statutory Best Value regime. The survey results indicate that only 7% of authorities regularly analysed the market for their services prior to 1st April 2000 (24% did not apparently conduct market analyses for any of their services). Similarly, 7% regularly tested the competitiveness of all/most services against other providers and 11% regularly comparing their services with those of other providers (Table 3.5 and A3.5).

Table 3.5: Proportion of services undergoing performance review before April 2000

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Undertaken regular service reviews	25	14	17	18	16	17	.127	
Regularly reviewed the need for service(s) provided	19	5	17	14	10	11	.701	
Compared performance with other authorities	19	32	22	18	20	21	.710	
Compared performance with other potential service providers	19	18	22	5	8	11	.279	
Regularly consulted with service users	44	59	22	18	26	29	.086	
Regularly consulted members of the public	31	55	22	18	24	27	.093	
Regularly consulted with other local agencies	56	45	28	41	46	27	.005	
Regularly consulted with the private sector	6	9	11	9	8	8	.807	
Regularly undertook analysis of the market for their services	13	0	17	5	6	7	.689	
Regularly tested the competitiveness of services against other providers	13	5	17	9	6	7	.538	
Regularly used local performance indicators to assess the effectiveness of services	13	23	22	18	24	22	.877	

Source: Census of Local Authorities, 2001.
 Respondents: Best Value Officers (N = 244).
 Scale: 7 point Likert scale: 1 – no services, 7 – all services

3.5.3 The four Cs

Research on the Best Value pilot programme and subsequent inspection and audit reports have suggested that some reviews do not employ all of these ‘four Cs’ in a rigorous fashion. The census of authorities confirms that this was the case in the first year of the statutory regime.

Corporate officers and elected members indicated that consultation has been the most widely used of the four Cs in 2000/2001 and the requirement for fair competition the least well developed (Table 3.6). There were no statistically significant variations by the type of size of an authority (Tables 3.6 and A3.6) but elected members were more likely than corporate officers to believe that reviews in their authorities had included

rigorous challenge, comparisons and tests of competitiveness in this first year of the statutory regime (Table 3.7).

Table 3.6: Use of the 4Cs in 2000/2001 Best Value Reviews

	Type of Authority (%)						Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)	All (%)		
Reviews provided a rigorous...								
Challenge	66	60	62	61	64	63	.959	
Comparison	65	68	71	70	66	67	.880	
Consultation	74	86	85	75	79	79	.370	
Competition	56	50	54	54	53	53	.529	

Source: Census of Local Authorities, 2001.
 Respondents: Corporate officers (Chief execs, Directors and BVOs) and Members (N = 1015).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree

Table 3.7 Use of the 4Cs in 2000/2001 reviews by type of respondent

	Type of Respondent			
	Members (%)	Corporate (%)	2 Tailed T-Test sig.	All (%)
Reviews provided a rigorous...				
Challenge	70	57	.000	63
Comparison	71	63	.006	67
Consultation	77	82	.291	79
Competition	65	42	.000	53

Source: Census of Local Authorities, 2001.
 Respondents: Corporate officers (Chief execs, Directors and BVOs) and Members (N = 544).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree

As the statutory and non-statutory guidance make clear the four Cs can involve a wide range of activities. We therefore asked service managers, who had been most closely involved in the detail of reviews what approaches had been used in 2000/2001 by their authorities. A large majority (89%) reported that most or all the reviews undertaken by their authority had involved what they considered to be a robust ‘challenge’. Usually this had involved examining whether existing approaches to service delivery were the best (89%) (Table 3.8). Many though reported that reviews had also examined the need for existing services and/or the introduction of new services (69% and 67% of respondents respectively).

Service managers reported that the commonly used comparisons had been with services operated by other local authorities (85%). But comparisons with other sectors were also widespread - 58% of respondents reported that reviews with which they had been involved had drawn comparisons with the voluntary and private sector and 49% that reviews had used comparisons with other public sector providers (Table 3.8). The basis of comparisons was though often limited to cost inputs and statutory performance indicators. Process based comparisons were less common (Table 3.8) despite evidence from the pilot programme that these were often the most effective means of identifying ways of improving services (Martin *et al.*, 2001). There was only one statistically significant variation by type of authority (Table 3.8).

Service officers reported that consultation was a feature of most reviews undertaken in the first year of the regime. Most authorities had focused in particular on consultation with service users and front-line staff. Almost a quarter (23%) of respondents indicated that none of the reviews in their authority had consulted with local businesses and nearly a fifth reported that none of their authority's reviews had involved trades union representatives (Table 3.8). There were only a number of small statistically significant variations in use of consultation in reviews between different types of authority and none in relation to the size of an authority (Table 3.8).

The requirement to test the competitiveness of services has been the least widely implemented (Table 3.8). Almost two thirds (63%) of service officers reported that their authorities had analysed supply markets in most/all reviews undertaken in the first year of the regime and 43% that most/all reviews had explored the scope for partnerships. But more than a third (39%) reported that none of the reviews undertaken by their authorities had subjected services to market testing, although this suggests an increase in the use of tests of competitiveness since the introduction of the Best Value regime (see Table 3.5). On the whole London Boroughs had made much more use of market testing, externalisation and sought to encourage alternative suppliers than had district councils (Table 3.8 and A3.7).

Table 3.8: Approaches to 2000/2001 Best Value Reviews

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Challenge:								
Whether existing services should be provided at all	70	72	62	72	70	69	.334	
Whether existing approaches to the provision of services was best	91	86	91	88	89	89	.381	
Whether new services were required	68	69	67	65	67	67	.980	
Compare:								
Private and voluntary sector services	56	54	63	60	57	58	.097	
Other local authorities	81	84	88	87	86	85	.115	
Other public sector providers	49	51	48	55	46	49	.309	
Basis of Comparisons								
Generic management	60	54	62	52	54	55	.581	
Costs	86	87	90	87	86	87	.077	
Outcomes	86	80	86	78	78	80	.016	
Performance	88	83	94	87	86	87	.004	3-5
Consult:								
The public as a whole	33	51	48	51	57	52	.000	1-5
Service users or their representatives	84	90	92	91	92	91	.171	
Other local agencies	73	73	64	70	68	69	.815	
Local businesses	30	34	34	39	42	38	.006	
Front line staff	87	89	89	88	87	88	.748	
Trade unions	56	68	62	76	50	60	.000	1-4, 2-5, 4-5
Competition:								
Analyse the market	60	60	69	68	62	63	.027	
Market test through open competition	34	32	44	31	25	31	.000	3-5
Test opportunities for strategic alliances and partnerships	46	43	40	45	42	43	.553	
Test for the externalisation of the service (no in-house bid)	28	30	36	25	24	27	.001	3-5
Develop the market in order to encourage alternative suppliers	31	26	25	20	14	20	.000	3-5

Source: Census of Local Authorities, 2001.
 Respondents: Service officers (N = 1821).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.

The evidence from the case studies suggests that the composition of review teams goes some way towards determining the ways in which the four Cs are interpreted and implemented - in particular the degree to which prevailing assumptions and existing

approaches are examined. Some authorities advocate the use of independent people from outside the authority who they believe will challenge the taken-for-granted assumptions of officers involved in the day-to-day delivery of services. Oxfordshire County Council for example maintains that ‘critical friends’ had ensured a robust element of challenge to reviews even if some of the ideas generated had been considered to be ‘too extreme’ to pursue.

Sometimes, though, middle-ranking service managers in the case studies have grasped the opportunity offered by Best Value to take a serious look at their service. Some have pressed for more far-reaching changes but encountered opposition from service users, councillors and/or frontline staff. It is clear then that there is a tension between the requirement to ‘consult’ (users, staff and other stakeholders) and the ‘challenge’ and ‘compete’ elements of the regime. The guidance emphasises the need to involve a wide range of stakeholders and the findings of the census and case studies indicate that many authorities have devoted a lot of effort to this. Equally though it seems that radical (but possibly unpopular) options for changes are most likely to emerge from smaller, less ‘representative’ review teams.

The case study authorities had approached the four Cs in a variety of ways. Some authorities demonstrated a clear understanding of the purpose of the four Cs, striking a reasonable balance between the different activities. Others had acted upon some elements of the regime – usually consultation and comparison – but downplayed others – as suggested by the census usually competition and challenge. One authority had not, initially at least, understood what the four Cs required of them at all.

The range of approaches among authorities reflects the considerable scope for local interpretation within the broad parameters laid out in the guidance from central government guidance. There is a wide range of groups that might potentially be consulted, and organisations with which authorities might compare their performance (there are of course numerous other councils against which an authority can benchmark its performance as well, in many cases, as private and voluntary sector providers of similar services). Both consultation and comparison need therefore to be scoped carefully to match the needs of a review and the time available and, crucially, to test the cost-effectiveness of current and alternative approaches to service delivery.

In some of the case studies they seem instead to have been part of an unfocused ‘trawl for data’ designed to satisfy inspectors than something had been done rather than to produce plans for improvements.

Notwithstanding these concerns, there is clear evidence from both the census and case studies that Best Value has led to a significant increase in the level and breadth of consultation and comparisons in many services (some of which did not previously undertake any such activities). Even where it has not so far led to proposals for radical changes this is likely to help authorities to become more user-focused and outward looking and, perhaps to enable them ‘to think outside the box’. Moreover, it is clear that in some cases consultation and comparisons have led to major re-thinking of approaches to service delivery. Managers of Bristol City Council’s benefits service for example traditionally compared their service with other members of the ‘Core Cities group.’ But when they looked outside the group – to places like Camden and the New Forest (both upper quartile authorities) – they gained a range of new ideas (in spite of initial resistance to comparing themselves to authorities than were apparently very different to themselves).

The case studies suggest that many authorities are confused about the interpretation of ‘challenge’ and ‘competition’. Many of the officers and members we interviewed were still unclear about what constituted evidence of competitiveness. Although familiar with CCT-style tendering competitions, there was a lower awareness of options appraisal as a way of testing competitiveness and, for the most part, a reluctance to talk to private sector operators as part of this process. In most cases ‘tests of competitiveness’ therefore consisted of desk studies of other providers. This relatively unsophisticated view of procurement options may reflect a lack of corporate expertise and/or the fact that the conduct of reviews in all of the case study authorities was largely under the control of service managers who were ill equipped and/or reluctant to externalise their service or to develop partnerships with other agencies.

Senior officers in nearly all of the case study authorities questioned the link between externalisation and service improvement. Some authorities were explicitly committed to supporting internal services (often with the caveat that services that failed to improve within a reasonable time frame might eventually be outsourced).

Members at Bristol City Council for example maintained that a vigorous use of competition could be at odds with the user and staff involvement that they considered to be vital to securing service improvement. Bolsover District Council emphasised the potential clash between community planning and any requirement for externalisation. Other authorities maintain that they have an open mind on the issue, effectively delegating decisions to individual review teams (which as noted above, given the composition of review teams, is unlikely to be a prescription for externalisation). Significant changes in procurement strategy therefore appear to require enthusiastic backing at the most senior levels within the authority with third tier officers unlikely to push for such radical measures unless it has been clearly indicated that they can and should do so. In this sense in most of the authorities we have visited Best Value is 'underpowered', with reviews led by relatively junior officers no match for the professional-bureaucratic structures established over preceding decades.

3.6 Review recommendations

The Audit Commission's overview of the first 18 months of the Best Value regime (Audit Commission, 2001) suggested that for the most part early reviews had resulted in proposals for incremental rather than transformational change. The case studies tend to confirm this view. The census though suggested that many officers and in particular elected members believed that reviews had led to ambitious targets for improvement which would lead to significant improvements.

More than three quarters (77%) of service officers believed the recommendations emerging from 2000/2001 reviews in their authority to be ambitious. Not surprisingly, in most cases recommendations had only been partially implemented by the time of the census (July-September 2001) but three quarters (75%) of service officers (75%) believed they would be implemented in full within two years (Table 3.9). A large majority (87%) believed they would lead to significant improvements and 82% expected them to lead to the adoption of new approaches to service delivery, particularly an increase in partnership working, though few envisaged reviews leading

to the externalisation of services (Table 3.9). There were a small number of statistically significant differences between types of authority and no differences in relation to size (Tables 3.9 and A3.8).

Table 3.9: Recommendations of 2000/2001 Best Value Reviews

Review	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Recommendations have been implemented in full	23	30	34	34	27	29	.163	
Recommendations have been implemented in part	59	78	71	70	75	72	.004	1-5
Recommendations will be implemented in full	91	90	86	93	86	88	.225	
Recommendations will be implemented in 2 years	83	78	78	76	71	75	.029	
The recommendations are ambitious	75	76	79	81	75	77	.304	
The recommendations are widely agreed and owned within the authority	69	78	81	74	72	75	.097	
Recommendations will lead to significant service improvement	83	88	87	93	85	87	.012	
Recommendations will lead to new approaches to service delivery	85	84	83	90	78	82	.005	4-5
Recommendations will lead to more partnership working	76	76	70	80	69	73	.004	4-5
Recommendations will lead to more externalisation	28	35	39	45	32	35	.009	

Source: Census of Local Authorities, 2001.
 Respondents: Service officers (N = 1821).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.

A large majority (83%) of corporate officers and members believed that reviews would lead to significant improvements (Table 3.10). There were no statistically significant differences between type and size of authority (Tables A3.9 and A3.10) but elected members were even more upbeat about the prospects for improvement than corporate officers (Table 3.10).

Table 3.10: Recommendations of 2000/2001 Best Value Reviews by type of respondent

	Type of Respondent			
	Members (%)	Corporate (%)	2 Tailed T-Test sig.	All (%)
Reviews led to:				
Specific recommendations to improve performance	85	81	.443	83
Specific recommendations that will result in step change	49	69	.000	58
Specific recommendations that will lead to new approaches to service delivery	65	74	.000	69

Source: Census of Local Authorities, 2001.
 Respondents: Corporate officers (Chief execs, Directors and BVOs) and Members (N = 1015).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.

The case studies suggest some potentially important differences between the perceptions of external inspectors and local authority officers/members about the likely scale of improvement. It is clear that most officers and elected members believe that the recommendations (for incremental change) emerging from reviews will produce significant improvement. Best Value inspectors however believe that in many cases it will require a more radical overhaul of existing approaches, often involving externalisation of services, to produce significant improvement. Because many authorities do not plan to externalise services following reviews, they do not believe prospects for improvement to be good. With the exception of the London Borough of Westminster all of the case study authorities demonstrated, to varying degrees, an unease about externalisation that was also suggested by respondents to the census of authorities. Westminster is in many senses an exception, having a long history of using external providers and having won praise from the Best Value Inspection Service for its approach to contracting. Its culture is seen as being open to learning from the private sector. As one officer put it:

‘people think they can learn more from the private sector than other authorities.’

although another acknowledged that there were lessons to be learnt from the private sector in terms of responsiveness, but argued that it was also important to recognise the basic aims of a local authority. The emphasis on value for money alone ‘made

people forget about democracy and community’ and would be ‘counter to other objectives of the modernising agenda’.

It is though notable that even in the other case study authorities, the vast majority of elected members whom we interviewed seemed comfortable with the notion of testing whether a function is best performed internally or externally – with some talking openly about what they saw as the importance of a more mixed economy of provision. The Best Value regime, and related developments, do therefore appear to have shifted the terms of the debate to a much greater degree than would have been imagined in the days of CCT. As the external auditor of one of the case study authorities commented on a proposal to outsource a service:

‘Two years ago this would have been a no no. Now their eyes are opening’.

3.7 Performance Management

3.7.1 Introduction

Accurate performance data is essential for almost all of the key stages of the Best Value process including the selection and scoping of performance reviews, reviewing performance, setting targets for improvement and monitoring progress. In the last two years central government has reduced significantly the number of statutory performance indicators (BVPs) about which authorities have to submit data.

However, the Best Value regime includes a requirement to report performance in terms of a range of indicators of an authority’s ‘organisational health’, its key services and user satisfaction and also encourages authorities to develop additional indicators for local use – focused for example on specific community priorities and ‘cross-cutting’ and ‘quality of life’ issues.

Evidence from the external auditors’ reports that had suggested that, in their view, many authorities did not have sufficiently comprehensive performance management systems to fulfil these challenges at the time when the statutory Best Value regime

came into effect. The census and case studies therefore explored the progress made in the first year and the state of performance managements systems by 2001/2002.

3.7.2 Performance indicators

Attitudes towards local authorities management information systems indicate that well over half of all respondents believed that they allowed both operational and senior managers to judge the progress of the organisation. This does, however, suggest that four out of ten authorities have poorly developed management information systems (Table 3.11).

Though there were no statistically significant differences between different types of authorities (Table A3.11) there were differences between districts with above and below mean budgets (Table 3.11). Smaller authorities believed that they had poorer information systems for operational managers than larger districts but better ones for senior staff. Most striking are the views of different groups of respondents. Corporate officers were much more pessimistic about their management information systems that were either members or service officers (Table 3.12).

Table 3.11: Perceptions of Management Information Systems by size of budget - district councils

	Type of Authority (%)			All (%)
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	
Management information systems allow operational managers to judge progress	54	63	.000	58
Management information systems allow senior managers to judge progress	58	56	.000	61

Source: Census of Local Authorities, 2001.
 Respondents: Corporate officers (Chief execs, Directors and BVOs) and Members (N = 1015).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table 3.12: Perceptions of Management Information Systems by type of respondent

	Type of Respondent (%)			Anova sig.	Scheffe sig.	All (%)
	Corporate (1)	Service (2)	Members (3)			
Management information systems allow operational managers to judge progress	47	60	58	.000	1-2, 1-3	58
Management information systems allow senior managers to judge progress	51	63	67	.000	1-2, 1-3	61

Source: Census of Local Authorities, 2001.
 Respondents: All respondents (N = 2836).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree

Most of the case study authorities saw performance management systems as having become increasingly important since the introduction of the Best Value regime. Many interviewees believed that their authority’s performance management systems were improving and that this would in turn encourage service improvement. However, the nature of their performance management arrangements varied considerably.

Some authorities had reservations about BVPIs but had found ways to make use of them. The London Borough of Westminster for example makes fairly extensive use of BVPIs to set targets for their contractors. Bristol City Council also has a long history of using statutory performance measures as a way of providing both day-to-day and strategic control, although the inspectors have not been completely satisfied with its approach.

On the whole though officers (and in some instances members) doubted that BVPIs were a reliable basis on which to assess performance or measure change. This has led some to begin to develop local PIs, although most case studies admitted that they were some way off a set of local measures that they felt were adequate. As one corporate performance officer noted:

‘We complete the Audit Commission’s BVPIs, but these do not necessarily feed into the performance management information we need here. One problem in the past has been the lack of local PIs. Departments would say they could not

measure improvement as the BVPIs were not useful, but they didn't make any progress with local measures they could have used. Now they are doing this. This is important if we are to understand the needs of local people, and to assess whether we are meeting them.'

The development of local PIs seemed less advanced in the district council case studies. However, Knowsley MBC has developed a fairly extensive 'pyramid of PIs', derived from the objectives set out in the community plan. It keeps all PI data on its intranet so that it is accessible to all staff and is increasingly attempting to link resource allocation decisions to what is called 'priority PIs' that are derived from a combination of local PIs, BVPIs and other statutory PIs which relate to national targets. This has raised the profile of performance management and measurement in the council - as one officer explained:

'all staff would be able to tell you what a PI is. They wouldn't have been able to do that 12 months ago.'

In spite of the broad acceptance of the need for BVPIs there was considerable criticism of some measures. Examples of indicators singled out for criticism included:

- BV82b composting (It was suggested that this indicator only counts municipal as opposed to domestic composting and therefore encourages authorities to set up kerb side collection for green waste. Interviewees questioned whether kerbside collection and municipal composting really was preferable to domestic composting);
- BV88 missed collections (This measure was derided by officers working in waste management who claimed that individual collections are not missed. Collections are, they argued, sometimes disrupted because of breakdowns in machinery or industrial action but when these occur they do not apply to single houses but whole streets or rounds. Individually reported missed collections therefore indicate how many people contact the council (and 'it's the same people week in week out') and the effectiveness of the council's efforts to educate these people but do not

provide an accurate measure of the efficiency of the collection system);
and

- BV105 damage to roads and pavements (Managers were critical of this PI which requires an authority to give a figure for proportion of road and pavement repairs completed within 24 hours because, they argued, it encourages ‘cow patting’ i.e. rapid but superficial repairs. This is, according to one interviewee, ‘bad for the road and doesn’t make economic sense’. Better to do the job properly, he thought even if it takes more than 24 hours).

In some authorities managers reported that they collected and reported these data but that because they were seen as irrelevant to real performance they played no part in informing the management of the service. In other authorities, managers and members took the view that the ‘high profile’ nature of these indicators meant that they needed to ensure that their council’s figures were good and they sought to improve their collection rates and response times.

There were differences between authorities in the ways in which the performance management function itself was staffed and operated. Some case study authorities, for example Oxfordshire County Council and Derby City Council, have central units which are responsible for performance improvement, or performance may be one of the roles of the policy unit, as at Derbyshire. In districts, the situation may be more complex - at Bolsover District Council one officer is responsible for Best Value, quality, policy and consultation. However, organisation per se does not appear to make a great difference to the adoption of performance measures. Rather it seems that the corporate support for performance management - both by senior staff and through corporate strategies - is a key factor. Derbyshire County Council also has systems for corporate review or checking of Best Value reviews before they are passed to inspectors. Whilst this is primarily intended to ensure an appropriate outcome at inspection, it may also be the case that this again supports a view of performance management as a key aspect of corporate strategy.

A few officers mentioned the need for broader approaches to evaluation, to produce a more balanced approach and minimise the risk of bureaucratic ‘box ticking’. The need to maintain an emphasis on measuring improvement post review was also highlighted by several interviewees. One explained:

‘the focus is often on the review and inspection itself, when it should be on what happens next’.

In some cases officers were unsure who was responsible for checking that implementation plans were acted on. This was especially so in councils where there was no great corporate attachment to Best Value or to performance management in general. Some local authorities such as Oxfordshire and Derbyshire have systems in place (either through internal audit or through the Best Value committee) to check on ongoing progress.

3.7.3 Best Value Performance Plans

Annual BVPPs are central to the Best Value regime. They provide the principal means by which authorities report current performance and future targets to their internal and external stakeholders. Under the original (1999) guidance authorities were also required to produce summaries to be distributed to residents.

The evaluation of the pilot programme found that many authorities produced some form of corporate plan giving some of the information required in BVPPs prior to the introduction of the statutory regime and a small number produced ‘dummy’ plans in 1999/2000. But almost all authorities found producing their first statutory BVPPs in March 2000 a very onerous task, and some auditors reported significant gaps and/or inaccuracies in plans. Some authorities told us that they found it impossible to obtain some of the data required and therefore simply made estimates of current performance. Most plans were written by corporate officers and were not read widely within the organisation. The primary audience for plans, said a majority of Best Value officers in the pilot authorities, had been the external auditor. Managers did not use them in running their services and the public had been largely uninterested in the summaries (Martin *et al.*, 2001).

The census revealed similar views among English local authorities as a whole. Just 31% of respondents believed that the summary performance plans their authority had produced had enabled the public to hold the authority to account. More than half (57%) saw the full BVPPs as a useful means of measuring progress but only 40% said that they used them to inform their actions on a regular basis and only 43% believed they reflected their authority’s political priorities. Two-thirds saw the targets contained in BVPPs as ambitious and 64% believed that they would be achieved (Table 3.13).

Table 3.13: Perceptions of BVPPs by type of respondent

	Type of Respondent (%)				Anova sig.	Scheffe 99% sig.
	Corporate officers (1)	Service officers (2)	Members (3)	All (%)		
The summary worked well in enabling the public to hold the authority to account	32	28	40	31	.000	1-3, 2-3
Was useful in measuring annual progress	57	54	67	57	.000	1-3, 2-3
Was used to inform actions on a regular basis	53	37	38	40	.000	1-2, 1-3
Targets were agreed by those responsible for meeting them	76	63	70	67	.000	1-2, 2-3
The plan contained new local performance indicators to measure performance	57	62	70	63	.000	1-3, 2-3
Targets were based on political priorities	46	42	45	43	.557	
Targets were ambitious	61	66	69	66	.003	1-3
Targets will be achieved	66	63	67	64	.033	

Source: Census of Local Authorities, 2001.
 Respondents: All respondents (N = 2836).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.

There were a number of differences between different groups of respondents (Table 3.13). In particular:

- Corporate and service officers were less likely than members to feel that the summary worked well in enabling the public to hold the authority to account, was useful in measuring annual progress and that the plan contained new local performance indicators;

- Corporate officers and elected members were more likely than service officers to report that targets were agreed by those responsible for meeting them; and
- Service officers and members were less likely than corporate officers to report that the plan was to inform actions on a regular basis.

There were a number of statistically significant differences between authorities.

District councils (37%) were less likely to have targets based on political priorities than counties (52%), London Boroughs (55%) and Mets (45%). Districts (62%) were also less likely than London boroughs (73%) to have ambitious targets (Table A3.12). Districts with total budgets below the mean (34%) were less likely than those with total budgets above the mean (42%) to have their targets based on political priorities (Table A3.13).

The case studies confirmed that the BVPPs are not widely owned within authorities. Most staff had little knowledge of plans - frontline staff in one authority laughed when asked questions about their authority's plan. Almost all of the officers and members we interviewed complained the bureaucracy involved in producing plans which they saw as tailored primarily to the need to satisfy auditor requirements.

We found only limited evidence of BVPPs being used as a source of strategic guidance or as genuine instrument of communication between residents and the council. Bristol City Council had tried to use the BVPP in this way and until 2002 used it as the council's principal statement of corporate strategy. But, following criticism by the Best Value Inspection Service of the council's performance management system for being 'largely based on national performance indicators' and lacking 'a clear focus on service outcomes' (ACIS 2002, p.8), the authority decided to develop a separate corporate plan.

The perception that the production of the BVPP was largely an exercise in bureaucratic compliance seems to have been reinforced by the way in which the plans have been audited. All of the case study authorities complained of what they saw as 'tick box' approach to auditing plans that betrayed a lack of awareness of their local context and priorities.

As suggested by previous research on the pilot programme, BVPP summaries are not seen as having been an effective vehicle for communicating with the public and there were concerns among the case studies about the timing laid down in the original guidance for the publication of plans (March each year). The revised guidance responds to both of these concerns and in future rounds of surveys and case studies we will be monitoring whether these new arrangements are seen as improvements.

In the first year of the statutory regime Devon County Council used the resources required for house-to-house delivery of the BVPP summary to pay for a media advertising campaign to raise awareness of the plan. The auditors welcomed the council's innovative approach while explaining that it would still have to deliver a summary to every household. A senior officer criticised the inflexibility of the regulations and their interpretation by auditors as being '... stupid, just ridiculous.'

Huntingdonshire complained that its first BVPP had received a qualified opinion because there was no summary of the council's 'approach to efficiency improvements'. This too was seen as being unduly inflexible.

The increase in procurement strategies (revealed by the census results and reflected in all of the case study authorities) is seen by many officers and members as another example of a 'tick box' approach. All of the case study councils had prepared, or were in the process of preparing, procurement strategies but saw these plans as having been written, in the first instance at least, to comply with audit requirements. It was felt that there was a risk that such symbolic activities will squeeze out the more important business of the council changing procurement approaches. Recent reductions of the numbers of statutory plans required of authorities by Whitehall departments are designed to respond to these problems and we will be monitoring this in the next stages of the research.

3.8 External inspection

Inspection proved to be the most controversial element of the Best Value regime in its first year. The local government community has repeatedly stated its acceptance of the principle of external inspection but in the first two years of the regime authorities voiced concerns about what they saw as the additional bureaucratic burden associated with inspection, the time taken for inspections to be published, the basis of inspectors' judgements and the impact of unfavourable assessments on staff morale and future capacity to improve. These concerns have been reflected in a number of independent reports and reviews (c.f. Davis *et al.* 2001; Byatt and Lyons, 2001) and been acknowledged by the Audit Commission (2001) which has sought to respond to them through the introduction of a more differentiated and 'risk based' approach to regulation of which the CPA is the centrepiece.

The census findings indicate that authorities see external inspection as an important driver for performance improvement (see section 4.6) but also reflect widespread reservations about the credibility of inspectors and the costs of inspection processes. Only just over a third (37%) of respondents believed that Best Value inspections would lead directly to significant service improvements and only 40% felt that they even ensured that minimum standards of service delivery were achieved (Table 3.14). Only just over a quarter (26%) felt that inspectors were sufficiently qualified. Two thirds (66%) believed that inspection focused unduly on processes at the expense of service delivery. Perhaps most worryingly, only 25% believed that the benefits of inspection outweighed the costs (Table 3.14).

There were statistically significant differences between types of authority, size of district and categories of respondents. Respondents from districts were less likely to report that the benefits of inspection outweighed the costs than were respondents from unitaries, London Boroughs or Mets and more likely than their counterparts in unitaries or Mets to believe that Best Value inspections had led to a focus on processes rather than improvements (Table 3.14). Districts with total budgets below the mean were less likely to state that compliance were low in comparison to those with budgets that were above the mean (Table A3.14). Corporate officers were less

likely to state that compliance costs were low and that the benefits of inspection outweighed the costs than either members or service officers, whereas members were more likely to see inspection leading to service improvements compared to corporate and service officers (Table A3.15).

Table 3.14: Perceptions of Best Value inspection

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Ensures minimum service delivery standards	41	44	38	42	39	40	.262	
Compliance costs are low	8	12	11	12	9	10	.000	4-5
Benefits outweigh costs	24	27	30	32	21	25	.000	2-5, 3-5, 4-5
Leads us to unduly focus on the concerns of Best Value inspectors to the exclusion of service delivery	62	62	65	62	70	66	.000	2-5, 4-5
Inspectors have appropriate expertise	17	33	24	29	25	26	.004	
Will lead to significant service improvements	30	41	34	47	34	37	.000	1-4, 2-5, 3-4, 4-5

Source: Census of Local Authorities, 2001.
 Respondents: All respondents (N = 2836).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.

Perceptions of inspection among the case study authorities varied quite widely. Some officers reported positive experiences, in which they had been able to develop a constructive dialogue with the inspectors, and in some instances seek advice from them. Others argued that they had sought advice, but that it had not been forthcoming.

Where an authority was seeking to ‘turn itself around’ constructive criticism was seen as being important. But some authorities believed inspectors’ had lacked an understanding of the context and their comments had undermined efforts to change and demoralised staff.

The case studies underlined some of the concerns that emerged from the census. While some members were opposed to the principle of inspection, most officers believed that without external scrutiny, the review process would lack rigour.

There was some evidence that the outcomes of inspections affected authorities' view of the process itself. Thus Westminster, which has received a series of favourable verdicts from inspectors (including the Best Value Inspection Service and Social Service Inspectorate) believed that external validation created a virtuous circle helping to attract and retain good staff. In contrast, Bolsover District took issue with early inspections and believed they had led to a cynical attitude on the part of some officers.

The credibility of individual inspection teams was seen as being very important in determining the response to their findings. Where they were seen as having engaged with what authorities saw as the 'real issues' behind the service then criticisms and recommendations were generally accepted. If however, a report is perceived as failing to understand the context within which a service operates or local priorities then the process is often seen as lacking in credibility and recommendations are less likely to be acted upon.

Knowsley MBC complained of between 150 and 200 errors in an initial inspection report and had eventually been able to 'negotiate' with the inspectors to achieve a judgement that the service in question was 'likely to improve'. The cabinet member responsible for the service complained that his interview with the inspectors had been 'a nonsense', lasting for an hour and being devoted entirely to a discussion of the Private Finance Initiative.

Bolsover District Council, too, reported that inspectors had misunderstood services and in one case has placed the inspection report on its website in order to highlight what it perceives to be the lack of understanding on the part of the inspection service.

Huntingdonshire District Council complains of an 'unlikely to improve' judgement of its refuse service, justified according to the inspectors, by the fact that 'some of the actions in the improvement plan were subject to additional bids to the medium term planning process and are not therefore guaranteed', that only 'one of the two improvement plans had been approved by the cabinet at the time of the inspection' and that there are 'signs that political priorities and direction may change, so we have

no way of knowing what will change as a result and how that will impact on service delivery and outcomes to local people' (BVIS 2001, para 11).

Interviewees across our case study authorities took the view that these kinds of judgements reflected a failure on the part of the inspection service to engage with the realities of political organisations. Many officers believed that the prospects of improvement judgement often turns on whether the authority is prepared to 'say the right things', promising in extreme cases to search for private partners after Christmas and seek upper quartile performance by Easter.

Case studies also reported what they saw as confused messages about the basis of different kinds of inspection undertaken by different inspectorates. Some argued that there appeared to be at least three different facets of a council's 'performance' that they alleged were apparently weighted differently by different inspection regimes and by different Best Value inspection teams:

- The conduct of a best value review and BV processes – the 4Cs, approval of plans budgets etc.;
- Professional judgements about the quality of the service and its profile relative to other councils and central government targets; and
- The degree of fit between the service and the council's corporate systems and strategy.

Our case study authorities seemed most receptive to criticisms of the second type – professional judgements about the service – and often resistant to the other two types. The inspectors were therefore generally seen as being on safe ground when they appealed to the professional judgements about service quality. Inspections of Bristol's benefits and taxation services for example both prompted fundamental changes in the service with their recommendations adopted in the service improvement plans. Judgements about the adequacy of a review or the local authority's corporate strategy though seem less likely to gain ready acceptance. Particularly when they come from inspectors who are seen by officers as lacking experience of managing the service in question.

As noted above many of the concerns reflected in both the census and case studies echo the findings of other recent studies (including LGA, 2001; Davis *et al* 2001 and the Treasury's Public Services Productivity Panel's review of the role of external review in driving improvement (Byatt and Lyons, 2001). The 2001 Local Government White Paper outlined a number of measures designed to overcome these problems, including the introduction of the CPA and more 'risk-based' approach to the external regulation of local government. We will be able to track the impact of these changes over the next three years through future surveys of authorities and the in-depth case studies that we will be undertaking as part of the research.

3.9 Summary

This chapter has provided baseline evidence on the Best Value processes in English local authorities. The reported survey results provide a snap-shot in April 2001, one year after the statutory regime commenced and case study evidence from the summer of 2002. The analysis confirms the differences between different types of authorities and various respondent groups:

- The evidence suggests that District councils, and in particular those with below mean budgets, were less likely to have as comprehensive a Best Value baseline in place than other types of authority suggesting that Best Value has been more of a challenge. The data suggest that this may have occurred because smaller Districts have fewer corporate staff and resources and focus their energies on 'more pressing business'; and
- Broadly, corporate officers were more sceptical about the Best Value baseline than were service officers who delivered the service or elected members. Overall, our respondents, including those in the case studies conducted during 2002, were more positive about the likelihood of improvement than were inspectors, perhaps reflecting expectations from the regime.

The data reveal mixed perceptions of the impact of the Best Value regime in its first year. However, several key messages emerge from the respondents:

- Implementing Best Value is seen as having been a major challenge for most authorities though many respondents saw Best Value processes as having been beneficial;
- Many local authorities attempted to undertake a large number of reviews during the first year of the regime. Authorities were planning to move towards larger and more achieve programmes of review in subsequent years. However, reviews took longer than was expected. Policy changes, notably the advent of CPA distracted some authorities attention away from Best Value whilst service managers reported that they had to struggle to fit reviews around their ‘day jobs’;
- More systematic reviews of services have been undertaken since the start of the regime. However the treatment of review mechanisms has been uneven. Most reviews include consultation and comparisons but many do not involve rigorous ‘challenges’ to existing approaches or adequate tests of competitiveness. This reflects respondents concerns about the interpretation of challenge and compete. Nonetheless, examples of challenging practices and thinking outside the box were identified in the case studies.
- Service officers believed that reviews were producing ambitious targets for improvement, many of which are expected to be achieved within the next two years resulting in new approaches to service delivery and improvement. However, evidence from the case studies suggests that the kinds of changes were often incremental and rarely involved wholly new approaches to procuring and delivering services;
- The regime has led to growing recognition of the importance of performance management frameworks in many councils. BVPPs were seen to contain new local performance indicators with ambitious but achievable targets. However, they were not used by the public to hold the authority to account, inform actions with authorities’ on a regular basis or reflected political priorities; and
- Respondents expressed a range of concerns about current inspection procedures. There is particular concern about what are seen as the additional

bureaucratic burdens and costs of inspection during the first year of the regime.

The baseline Best Value process findings highlight a number of areas that clearly merit further investigation as the study develops - both through future surveys of authorities and in-depth case studies. These include:

- **Performance improvement:** There are a number of encouraging signs that respondents expect the Best Value regime to result in significant performance improvement in the over the next few years. The research will need to assess whether these tangible improvements are in fact achieved and in what circumstances;
- **Best Value Reviews:** It will be important to examine the relationship between Best Value and CPA as the two regimes develop;
- **The 4Cs:** Best Value reviews are perceived to be leading to service improvement. However, the findings suggest variations in the degree to which the 4Cs are being deployed. It will be important to discover more about the barriers to the use of some of the Cs and to analyse which combinations of the 4Cs are effective in driving improvements in different circumstances;
- **Inspection:** The current regime is widely regarded as being overly bureaucratic. It will be important to track the effects of the ‘streamlining’ of the regime and introduce more ‘proportionate’ external regulation; and
- **Types of authority and respondent:** On-going research will examine changes to establish if there is convergence or divergence between different types of authority and different groups of respondents

CHAPTER 4

Process outcomes

4.1 Introduction

As explained in section 1.2, the evaluation of the long-term impact of Best Value is based on a longitudinal analysis of the impact of implementing Best Value processes upon local authorities' structure, organisational cultures, strategy formulation and strategy content, and the impact that these changes have (or do not have) upon the performance of local authorities.

Over time the results of successive annual surveys and case studies of local authorities will enable us to evaluate this by tracking the ways in which the internal characteristics of authorities have changed since the introduction of the Best Value regime. The purpose of the first survey and first round of case study interviews is to establish a baseline for this analysis. In this chapter we therefore describe the 'baseline' characteristics of the authorities included in the census and those selected as case studies.

As described in section 1.2.3, we have analysed these characteristics in terms of the four key attributes derived from research on business management:

- Internal structures;
- Organisational culture;
- Processes of strategy formulation; and
- Strategy content.

This chapter reports on the evidence we have gathered on the internal characteristics of local authorities during the first stage of the evaluation. This provides a baseline against which future changes can be measured and enables analysis over time of:

- Whether the Best Value regime encourages the kinds of internal characteristics that it is intended to promote; and
- Whether developing these characteristics enables councils to achieve improvements in performance.

In this chapter we therefore analyse the overall picture with regard to each of the four key internal characteristics, differences between different types of authority and different kinds of respondent. We then analyse data on perceptions of the main drivers of improvement within authorities during 2000/2001.

4.2 Organisational structure

4.2.1 Introduction

One of the principal aims of the Best Value regime is to encourage changes in authorities' internal structures - the rules and roles that shape the relationships between parts of a council. Research on the private sector has highlighted the importance of three elements of structure which the Best Value regime might be expected to have an impact upon:

- Bureaucracy –the regime appears to encourage a shift from more traditional, 'rigid' structures to more flexible arrangements that, for example, enable more effective working on 'cross-cutting' issues. This may lead to less formal bureaucratic procedures. On the other hand though, the requirement for corporate and service strategies combined with a greater degree of external audit and inspection may have the opposite effect – increasing levels of bureaucracy within authorities;
- Centralisation– similarly it appears that the implementation of Best Value could lead authorities both to centralise and to decentralise. The aim of increasing customer focus for example may imply a dispersal of decision-making powers to frontline services. Conversely, the requirement to produce corporate plans and strategies may have the effect of increasing central steering of services.

- Integration – it seems that the Best Value regime is designed to lead to greater ‘integration’, i.e. closer links between corporate priorities and service/business plans.

4.2.2 Bureaucracy

We measured census respondents’ views of levels of bureaucracy within their authorities against a range of criteria which will enable us to analyse levels of change in this element of organisational structure over time. Their perceptions of the conditions that prevailed in their authorities in 2001 offer a mixed picture of levels of bureaucracy.

A large majority (72%) of respondents believed that written procedures were important in guiding the actions of staff in 2001, however, there was also extensive use of what would normally be seen as flexible structures such as project groups (66%) (Table 4.1). There was evidence of statistically significant variations between different types of authority. Officers from unitary authorities were more likely than those in London Boroughs to report that delayering was a key feature of current structural changes in their authorities (Table 4.1). Respondents from district councils with budgets below the mean size were less likely to perceive their authorities’ structures as flexible (58%) or formalised (66%) than those from districts with larger budgets (66% and 72%) (Table A4.1). Members and service officers were more likely than corporate Best Value officers to report that written policies and procedures were important in guiding the actions of employees (Table A4.2).

Officers in most of the case study authorities confirmed that whilst the Best Value regime may be intended to increase flexibility it was often seen in practice as having increased bureaucracy because of what some interviewees described as a ‘box-ticking’ approach. This view came through most clearly from county councils but there was a general view that the regime had increased the ‘bureaucratic burden’ on authorities.

Table 4.1: Perceptions of bureaucracy by all type of authority

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Formalisation ^{i a 1}	77	74	71	75	69	72	.033	
Flexibility ^{ii a 1}	73	72	69	66	61	66	.000	2-5
Delaying ^{iii b 2}	31	42	25	37	37	36	.000	2-3
Relayering ^{iv b 2}	7	9	13	13	22	9	.000	4-5

Source: Census of Local Authorities, 2001.
 Respondents: 1 – all respondents (n= 2836). 2 – service and corporate officers (n= 2355).
 Scales: a: 7 point Likert scale: 1 – disagree, 7 – agree. b: 8 point Likert scale: 1 – not part of our approach, 8 – major
ⁱ "Written policies and procedures are important in guiding the action of employees in the service"
ⁱⁱ "There is extensive use of staff task and project groups in the management of our service"
ⁱⁱⁱ "Delaying was a major part of the management approach adopted"
^{iv} "Relayering was a major part of the management approach adopted"

Views of the impact of Best Value on bureaucracy often depended on an authority’s starting point, and the extent and speed of changes varied considerably between councils and were often related to existing levels of corporate control and performance management. Where corporate systems and processes to support performance management were lacking it was more likely that the mechanics of the regime distracted attention from service improvement and Best Value processes were seen as an external imposition rather than being integrated into day to day management. This possibility appeared to be increased in smaller councils where budgetary constraints limited corporate support for Best Value.

4.2.3 Centralisation

As with bureaucracy, we employed a range of different measures of levels of centralisation/decentralisation, and again the census results indicate a mixed picture. Just under half (44%) of respondents reported that when results deviate from plans, decisions to take corrective action come from top management or politicians. Almost three quarters (71%) believed that control was devolved to service managers. A fifth (20%) of officers indicated that their authorities were becoming increasingly centralised whilst a quarter (25%) believed that decentralisation was an important element of their authority's approach (Table 4.2).

There are statistically significant differences between members, corporate officers and service officers in relation to perceptions of the degree of centralisation within their authorities. In particular, members (77%) were much more likely to see corrective action coming from the top of the organisation than service officers (34%). Service officers (75%) were more likely to report that their authority had devolved a large measure of control to services than were corporate officers (64%) and elected members (65%) (Table 4.2). These results suggest that service managers believe control is devolved to them, whilst members, and to a lesser degree corporate officers are of the opinion that they resolve problems when they occur. There were also some indications that districts were less likely to have adopted decentralised structures and processes than other types of authorities (Tables A4.3 and A4.4).

Table 4.2: Perceptions of centralisation and decentralisation by type of respondent

	Type of Respondent (%)			Anova sig.	Scheffe sig.	2 Tailed T-Test sig.	All (%)
	Corporate (1)	Service (2)	Members (3)				
Centralisation ^{i a 1}	46	34	77	.000	1-2, 1-3, 2-3		44
Decentralising ^{ii b 2}	20	27	Not asked			.096	25
Centralising ^{iii b 2}	19	20	Not asked			.518	20
Dispersal of power ^{iv a 1}	64	75	65	.000	1-2, 2-3		71

Source: Census of Local Authorities, 2001.
 Respondents: 1 – all respondents (n= 2836). 2 – service and corporate officers (n= 2355).
 Scales: a: 7 point Likert scale: 1 – disagree, 7 – agree. b: 8 point Likert scale: 1 – not part of our approach, 8 – major.
ⁱ “When our results deviate from our plans, the decisions to take appropriate corrective action usually comes from top management or politicians”
ⁱⁱ “Decentralisation was a major part of the approach to organisation”
ⁱⁱⁱ “Centralisation was a major part of the approach to organisation”
^{iv} “Control is devolved to service managers”

The case studies highlighted only a small number of examples of restructuring as a result of Best Value processes. An example was Bristol City Council’s taxation and benefits functions which had been re-structured following a Best Value review. The council originally provided housing benefits through its neighbourhood offices – an approach that won praise from the Audit Commission in the 1980s. But after criticism from the Benefits Fraud Inspectorate a Best Value review led to proposals to centralise the service. To that end the neighbourhood benefit operations have been brought together under one roof with a concomitant delayering of management. Officers anticipate that once they have dealt with the back-log from the old

neighbourhood offices, centralisation will allow them to improve performance (as defined by PIs) and deliver a more equitable service. There were marked differences between the old offices which amounted according to one of the officers to a postcode lottery in service quality.

4.2.4 Integration

The census results indicate that on the whole respondents believe that links between different parts of their authorities are already fairly strong. More than three quarters (77%) of respondents believed joint working to be an important part of their authorities' approach to service delivery, 74% said there were clear linkages between the objectives of services and the whole authority, and 73% reported that their council had a well developed framework of clear performance measurement and targets that drives the organisation as a whole (Table 4.3).

Table 4.3: Perceptions of levels of integration by authority type

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Targets ^{a 1}	72	77	82	71	71	73	.000	1-3, 3-4, 3-5
Linkages ^{a 1}	74	77	79	78	71	74	.000	3-5
Changes to internal communications ^{b 2}	81	79	76	81	64	72	.000	1-5, 2-5, 3-5, 4-5
Changes to external communications ^{b 2}	74	76	68	77	70	72	.051	
Enhance joint working ^{b 2}	79	82	81	86	72	77	.000	2-5, 3-5, 4-5

Source: Census of Local Authorities, 2001.
 Respondents: 1 – all respondents (n= 2836). 2 – service and corporate officers (n= 2355).
 Scales: a: 7 point Likert scale: 1 – disagree, 7 – agree; b: 8 point Likert scale: 1 – not part of our approach, 8 – major.

There were again, differences between different types of respondent. In particular, service officers (76%) and members (71%) were more likely to see actions as driven by agreed performance measurement frameworks and targets which have been developed at the corporate centre than corporate officers (66%) (Table A4.5). Corporate officers (68%) were also less likely than service officers (76%) to believe there were clear links between the objectives and priorities of their service and those of the authority as a whole.

There were also differences between different types of authorities. Respondents from London boroughs were more likely to report that their authority had well developed performance measurement frameworks than those from any other type of authority (Table 4.3). Respondents from districts with below mean budgets were less likely to report this to be true in their authority than their counterparts in districts with larger overall budgets (table A4.6).

The case studies tended to reinforce these findings. Service officers believed they worked well with other departments and, where corporate documentation existed, the majority of front line officers accepted this uncritically. Only a minority of more senior service officers sought closer linkages between their objectives and those of other services or of the authority as a whole. However, corporate officers tended to be aware of the need to break down departmental barriers and encourage cross-service working to achieve overarching objectives. They cited the need for joint working (both internally within the authority and externally with other partners) as a driver for change.

Several officers at Bolsover District Council, for example, pointed out that there was less need for policies specifically to encourage integration in a small authority, as officers tended to know each other anyway. Conversely, awareness of the work of colleagues in larger authorities requires support through corporate policies, structures and cultures as the staff are more likely to be spread across a large geographical area.

Several that historically had maintained only small corporate centres (often in order to keep down costs) were in the process of strengthening and enlarging them in order to support corporate strategies, frameworks and performance management systems (examples include Knowsley MBC, Derby City Council, and Oxfordshire County Council). Those with pre-existing stronger corporate centres supporting performance management (such as Derbyshire County Council) absorbed Best Value as a mechanism to support ongoing service improvement.

4.3 Organisational culture

Along with some of the other key elements of the local government modernisation agenda, the Best Value regime seeks explicitly to promote fundamental change in the organisational culture of English local government. Central government has emphasised in particular the importance it attaches to authorities becoming more customer-focused and more prepared to innovate and take risks. Levels of trust within organizations may also be important determinants of success in achieving performance improvement and we therefore included questions about this in the census.

The results of the census suggest that, as with internal structures, many respondents believed that by April 2001 their authorities already possessed a number of the key cultural attributes that Best Value seeks to encourage. Overall, for example, respondents reported a strong focus on continuous improvement (82%) and believed that their services were customer-oriented (80%), whilst two-thirds believed their authorities or services were at the forefront of innovative approaches.

There were, however, significant areas of perceived weakness. Only just over half (56%) of respondents believed their authority or the service in which they worked was prepared to take risks where appropriate. Fewer than two-thirds (61%) reported that there was a high level of trust between officers and politicians. Only 58% believed there to be a high level of trust between top-management and staff. Just four in ten reported that there were strong incentives for managers to achieve step-changes in performance (Table 4.4).

Corporate officers were less likely than elected members or service officers to report that their organisation's culture displayed the kinds of features that the Best Value regime seeks to encourage (Table 4.4). In particular, they were less likely to report positive approaches to risk taking, increasing productivity or creating trust between top-management and staff. By contrast, most elected members believed there to be

high levels of trust between officers and politicians and reported that their authorities cared about staff welfare. Service officers were more likely than corporate officers or members to report that authorities/services were willing to take risks and were customer-focused (Table 4.4).

Table 4.4: Perceptions of organisational culture

	Type of Respondent (%)				Anova sig.	Scheffe sig.
	Corporate (1)	Service (2)	Members (3)	All (%)		
Risk ⁱ	49	61	48	56	.000	1-2, 2-3
Innovation ⁱⁱ	58	68	64	66	.000	1-2, 1-3
Customers ⁱⁱⁱ	73	85	69	80	.000	1-2, 2-3
Continuous improvement ^{iv}	68	86	81	82	.000	1-2, 1-3
Productivity ^v	29	39	51	39	.000	1-2, 1-3, 2-3
Welfare ^{vi}	55	71	84	71	.000	1-2, 1-3, 2-3
Trust - managers and staff ^{vii}	47	60	62	58	.000	1-2, 1-3
Trust - officers and members ^{viii}	59	59	68	61	.000	1-2, 1-3

Source: Census of Local Authorities, 2001.
 Respondents: All Respondents (N = 2836).
 Scales: 7 point Likert scale: 1 – disagree, 7 – agree.
ⁱ "The service is prepared to take risks where appropriate"
ⁱⁱ "The service is at the forefront of innovative approaches"
ⁱⁱⁱ "Most managers place the needs of users first and foremost when planning and delivering services"
^{iv} "There is a strong focus on continuous improvement in our service"
^v "There are strong incentives for managers to achieve step change in performance in this service"
^{vi} "This service cares about its staff"
^{vii} "There is a high level of trust between top-management and staff"
^{viii} "There is a high level of trust between officers and politicians"

There were statistically significant differences between the views of respondents from different types of authority. Respondents from district councils tended to regard their authority as less innovative, less likely to take risks and offering fewer incentives for managers to achieve step changes in performance than did respondents from other types of council (Table A4.7). This was particularly true of districts whose overall budgets were smaller than the mean (Table A4.8).

Many officers and members in the case study authorities acknowledged the importance of Best Value in promoting changes in organisational culture. In particular it encouraged a wider understanding and ownership of corporate priorities and objectives throughout their councils.

Corporate objectives appeared to be more widely understood and accepted in some case study authorities than others. In Derbyshire County Council, for example, many officers alluded to their council plan during interviews regarding Best Value reviews. In some other authorities it was clear that officers were unaware of their council's strategic objectives, or did not grasp how their role fitted within the broader local authority picture.

Many middle ranking officers reported that the Best Value regime had led to a change in organisational culture that was enabling them to have an opportunity to make a difference. Some officers welcomed the opportunity provided by the review process to take a fundamental look at services rather than the 'incremental tinkering' that they saw as having been the norm. This was especially so where an officer was seconded from his/her job to spend time on the review:

'We always knew there were some issues we could address, but we never had the mechanism to do it before – we were too busy doing the job'

The review of the Libraries Service in Oxfordshire found that the service, which was operating over a wide area, had developed very different cultures in different parts of the county. Staff had become isolated within small parts of the service, they tended to focus on operational details rather than strategic aims, and there was a lack of consistency between areas. The review led to the creation of a smaller, more strategic management team and clearer policy. Although the process is seen as having been painful, it is generally agreed to have been very beneficial in the long term.

A member at Derbyshire County Council commented of Best Value in general:

One of the results of Best Value is that now members and officers have started to say 'Let's not wait for a review – let's see what we can do now to improve things now'. That's very heartening because it's cultural change - and we don't have anyone saying 'but our review is not for three years, so what are

you doing this for?’ It’s a significant move – the change in culture is tremendous.

However, many officers (regardless of type of authority) also highlighted significant cultural obstacles to the acceptance of the Best Value regime. It was widely seen as just the latest in a long line of short-lived management tools imposed on them by central government. The perception that even though it could offer benefits the regime was overly bureaucratic and expensive was evident in some case study authorities. This was especially pronounced in smaller authorities where staff numbers and small budgets meant there was comparatively little support for those carrying out the review. One district council officer commented that

‘It would have been better value if we could have spent the money on funding the service improvement instead of the review...’.

Some case studies reported that there had been a steep learning curve both in terms of understanding of the Best Value process and the development of guidance from external sources and central units. Some officers felt that earlier reviews had not been as successful as they could have been because of this, but reported that they had learned from earlier mistakes and had now revised their procedures for undertaking and managing reviews.

4.4 Strategy formulation

The management literature suggests that different approaches to strategy are often associated with different levels of performance. In order to explore what impact (if any) the Best Value regime has upon strategy in local authorities and whether changes in strategy lead to performance improvement, we will be tracking these variables throughout the course of the evaluation. Traditionally public organisations are associated with incremental forms of strategy formulation whereby strategy is negotiated and bargained over. However, many of the principles that underpin the Best Value regime emphasise the benefits of ‘rational planning’ as an approach to

strategy formulation –examples include the central role of Best Value Performance Indicators (BVPIs), the duty to publish targets and plans, the requirement to consult with external stakeholders, the need to scan the market for external service providers and processes of external audit and inspection to check whether the required planning procedures have been followed and targets achieved.

The census of authorities suggests that most authorities are characterised by a co-existence of what have normally been seen as rather different approaches to strategy formulation (Table 4.5). There were clearly elements of the detailed forward planning (67%) and option appraisals (73%) normally associated with ‘rational planning’. Most respondents also reported that the level of political support for policies was an important determinant of strategy formulation (68%) - something which is usually associated with incremental approaches and many saw strategies as consisting of a set

Table 4.5: Perceptions of strategy formulation

	Type of Respondent (%)				Scheffe sig.	Anova sig.
	Corporate (1)	Service (2)	Members (3)	All (%)		
Rational planning:						
When the service formulates strategy it is planned in detail	53	69	73	67	1-2, 1-3, 2-3	.000
When the service formulates strategy, options are identified and evaluated before the best option is selected	62	74	78	73	1-2, 1-3, 2-3	.000
Incrementalism:						
The strategy with the greatest political support is usually adopted as our policy	78	61	82	68	1-2, 1-3, 2-3	.000
Strategy develops through a process of bargaining and negotiation between groups or individuals	42	41	48	42		.385
Logical incrementalism:						
When we make strategy we produce policy options which are very similar to those we already have	27	23	41	27	1-3, 2-3	.000
Strategy develops through an ongoing process of adjustment	57	66	68	65	1-2, 1-3	.000
When we make strategy we produce broad goals and objectives	79	80	80	80		.589

Source: Census of Local Authorities, 2001.
 Respondents: All Respondents (N = 2836).
 Scales: a: 7 point Likert scale: 1 – disagree, 7 – agree.

of broad goals and objectives that were subject to a process of on-going adjustment (80%) - an approach which would normally be described as a logical incremental strategy making.

Different types of respondents reported different perceptions of the strategy process. Corporate officers were least likely to view processes of strategy formulation that match normal definitions of a 'rational approach'. Members were more likely than officers to highlight forms of strategy making that would equate with an incrementalist approach (Table 4.5). There were a variety of views about approaches to strategy formulation amongst different types of authorities (Tables A4.9 and A4.10) but no clear pattern. We will monitor changes closely in the next stages of the evaluation to examine whether noticeable shifts or distinctive new approaches to strategy formulation do emerge.

Although the variety of views of strategy making highlighted in the census findings was also present within the case studies, there was clear evidence of a move towards more 'rational' approaches to processes of strategy formulation. Case study authorities were, however, at very different stages in the development process. In some instances corporate plans and strategic planning processes are already well-established (for example Derbyshire County Council). But in others their development has marked a change in both direction and approach. Devon has a corporate plan linked with service level plans that seek to operationalise the authority's overarching objectives. It is presently addressing what was perceived to be a weak link between its strategic plan and service plans. Other authorities are still in much earlier developmental stages. Oxfordshire County Council has recently produced a corporate plan as a result of the need to support modernisation and improve performance, but it is recognised that it needs further development and closer linkages to service plans.

Oxfordshire County Council was until recently an authority in which power was devolved to operational activities. Not surprisingly, given this high level of decentralisation, strategy formulation at a corporate level was problematic. The first BVPP was, for example, reported to have been a 'fudge' – it brought together what

were essentially departmental priorities but did not spell out genuinely corporate practices. A new Chief Executive and a new political administration (there had been no overall control for many years) has sought to develop a new, more corporate approach to strategy making which ensures that departmental targets reflect overarching Council goals. The first stage has been the production of a corporate strategy on which departmental plans are now based (rather than vice versa). This has required the development of new performance management structures and a system of local PIs is being developed.

‘Some departments said they couldn’t give us the information we asked for, so we said ‘We’ll just report that then’. That kind of discipline is new..... There is a changing view of Best Value and its usefulness now’.

Derby City Council is also developing a corporate plan and extending its corporate centre to support a more extensive performance management framework and linked strategic planning function. Here the key driver was a critical peer review report. Bolsover District Council too is establishing a new performance management structure driven by Best Value.

Most of the case studies had developed or were developing processes of strategy formulation which involved the ‘cascading’ down of departmental or service plans from a corporate plan. In some instances, specific workplans then spun off from the department plan. Sometimes, as at Derby, this process was also linked to business planning. There Development and Cultural Services have a business plan, and the Economic Development and Tourism action plan fits within this, operationalising service aims in line with broader objectives.

The intention (explicitly or implicitly) in the case study authorities was that individual officers would be aware not only of their targets, but of how their role fitted into that of the local authority as a whole because there was a clear relationship between service and corporate objectives. The strategies and corporate plans that case study authorities had developed usually included a set of overarching strategic priorities but these were often vague, perhaps even bordering on the anodyne. The ways in which

these overarching priorities were reached also varied tremendously. In a few instances there were explicit links with public consultation or with community strategies.

However, they were more likely to be refinements of earlier strategic documents, or to have emerged from working groups involving with key partners (which might, in some respects, be seen as embryonic local strategic partnerships).

4.5 Strategy content

As outlined in section 1.2, the Best Value regime is intended to lead to significant changes in the ways in which authorities deliver the services for which they are responsible (what has been described in the business management literature as changes in ‘strategy content’). Central government has emphasised in particular the importance of developing innovative approaches and increased partnership working, especially with the private sector.

The census findings show that a large majority of respondents believed that partnership working (72% of respondents) and local strategic partnerships (70%) were already an important part of their councils’ approach to service delivery (Table 4.6). However, far fewer (just 41%) saw externalisation and contracting out to be important, and a lower proportion of service officers than corporate officers believed external partnerships to be important (Table A4.11).

Respondents from districts consistently rated all forms of partnership working as being of less importance to their council’s approach than respondents from other types of authority (Table 4.6) but there was no significant difference between the perceptions of respondents from district councils with overall budgets below and above the mean size (table A4.12).

More than two thirds (67%) of respondents reported that their authority was seeking to make minor modifications to existing services. However, just over half also indicated that they were in the process of providing new services to existing users and/or expanding existing services to reach new users (Table 4.7). But only just over

a third (37%) reported that they in the process of providing new services to new users. Very few reported that their authority/service was considering doing away with services altogether (12%) (Table 4.7).

Table 4.6: Perceptions of importance of approaches service delivery by type of authority

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Externalisation	40	46	42	41	36	41	.000	2-5, 4-5
Contracting out or outsourcing	49	48	48	45	33	41	.000	1-5, 2-5, 3-5, 4-5
Local strategic partnerships	73	74	70	78	65	70	.000	4-5
Statutory partnerships	68	74	70	73	71	72	.474	

Source: Census of Local Authorities, 2001.
 Respondents: All Officers (N = 2355).
 Scales: 8 point Likert scale: 1 – not part of my authority's/service's approach to service delivery, 8 – a major part of my authority's/service's approach.

Service officers were more likely to believe that they had innovative approaches to service delivery than were corporate officers (Table A4.13). There were no significant differences in reported levels of innovation between types of authority (Tables 4.7 and A4.14).

Table 4.7: Perceptions of innovation by type of authority

	Type of Authority (%)					All (%)	Anova sig.	Scheffe 99 % sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Providing new services to new users	38	38	36	41	35	37	.202	
Providing new services to existing users	55	52	55	59	50	53	.014	
Providing existing services to new users	52	52	49	53	51	51	.516	
Making minor modifications to existing services to existing users	69	65	59	67	69	67	.057	
Doing away with services altogether	9	14	11	16	11	12	.067	

Source: Census of Local Authorities, 2001.
 Respondents: All Officers (N = 2355).
 Scales: 8 point Likert scale: 1 – not part of my authority's/service's approach to service delivery, 8 – a major part of my authority's/service's approach.

Officers in a number of case studies (for example, Derbyshire and Oxfordshire) believed that changes in their council's structure and culture had supported increased joint working between internal services – leading to greater integration within the organisation. In some cases it was also felt that changes in culture were encouraging a greater openness to working in partnership with external agencies though this was not a dominant theme in any of the case study reviews. Such changes were sometimes ascribed to changes in political or managerial leadership, or to the modernisation agenda as a whole, but Best Value was seen as having also encouraged a shift in this direction. In some instances, new policies relating to partnership working were seen as a key driver of change. Officers at Bolsover District Council noted the impact of community planning and the local strategic partnership, and sought to put in place corporate structures to support this.

In Knowsley MBC, as a result of Best Value review, Leisure Services will now focus more on the objective of sports participation, rather than the provision of leisure centres. This previous focus had been the result of CCT, with a split between the DSO (leisure centre staff) and the client (sports development based in the main office). The review had indicated that there was a need to focus on one of the Community Plan objectives of participation, leading to outreach work with schools and groups rather than provision of centres. The service is in the process of being restructured to reflect this change of emphasis with the set up of people identified as community managers, not centre managers. So instead of a small number of sports development staff at the centre, there are now community managers based in different areas of the authority. There is also more joined up work, particularly with the education department (e.g. organising community use of school leisure facilities).

The Best Value review of the property function in Devon County Council also led directly to changes in strategy content. It concluded that there would be some benefits in bringing in external expertise and the council has since advertised for potential partners who can assist in the management of its portfolio. Rather than advertising an exact specification, as it might have done in the past, the council has invited potential partners to make suggestions. Although it remains to be seen whether

this will lead to service improvement, it is a clear example of Best Value processes leading to a new approach to procurement.

In some case study authorities the Best Value regime was not seen as having led to significant changes in strategy content. In some cases changes had occurred but were attributed to other factors. In Huntingdonshire District Council for example interviews believed that attempts to improve performance pre-dated the Best Value regime, and in Bolsover District Council they reported that increased joint working with other agencies via the community strategy had been the most important drivers of the organisational changes it was implementing.

Some officers, especially those working in a two-tier environment (for example in Derbyshire and Oxfordshire) commented that the move towards cross-cutting reviews emphasised the need for more joint working, but that ‘joined up ‘ working at local level was made more difficult by the different regulations and reporting lines applying to the various public sector bodies. This, they claimed, could hinder their ability to work together in particular in sharing information with and working to the same timetables as other statutory agencies.

4.6 Drivers of improvement

The picture that emerges from the census and case studies is then one which suggests that there are significant internal changes taking place in many local authorities. This does not, of course, necessarily mean that these developments are the result of the introduction of the Best Value regime. There are many other central government initiatives that may have had an impact on internal structures, organisational culture, strategy formulation processes and strategy content in English local authorities.

Equally importantly there are local issues and developments (for example changes in political leadership, managerial style, and resources available to a council) that can lead to change and probably have little or no direct link to the introduction of the Best Value regime.

We therefore asked respondents to rank the importance of a wide range of potential internal and external drivers in promoting improvement in their authority during the first year of the statutory Best Value regime. Their responses confirmed that there is a range of influences on authorities but suggested that the Best Value regime had in fact been a key factor in promoting changes thought likely to lead to performance improvement.

Central government policies were cited by 78% of census respondents as an important driver of improvement in their authorities, and the Best Value regime was seen as having been by far the most important of these central government policies. It was cited as a major driver for improvement by almost three quarters (74%) of respondents (Table 4.8). This may in part be a reflection of the fact that the regime was one of the first elements of the local government modernisation agenda to take effect. However, it is significant that it was ranked so highly not just by corporate policy officers but also by service managers, many of whom were responsible for services that have been subject to a number of other major legislative changes during the last three to four years.

The only factor cited more frequently than central government policies was local managerial leadership – mentioned by 89% of respondents. Other important drivers cited by respondents were:

- the demands of citizens and users (75%);
- new technologies (67%);
- external audit and inspection (65%);
- pressure on resources (64%);
- local political leadership (63%); and
- the increased emphasis on cross-cutting working (61%).

There were some statistically significant differences between the views of officers from different types of authority about the relative importance of different influences (Table 4.22). For example, in relation to some elements of the LGMA including LPSAs, the Beacon Council scheme and public-private partnerships (Table 4.8). This latter finding is consistent with district council respondents' views on strategy content (see section 4.5). Respondents from district councils placed less emphasis on almost

Table 4.8: Perceived drivers of performance improvement

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Internal:								
Political leadership	66	61	74	69	58	63	.000	2-3, 3-5, 4-5
Managerial leadership/key individuals	92	89	89	91	87	89	.002	
Changes in management (new manager from outside)	36	29	49	37	33	35	.000	2-3, 3-5
Changes in management (new manager from inside)	34	34	33	35	31	33	.452	
Resources within the service/authority	74	63	58	63	65	64	.198	
Cross-departmental/cross-cutting working	66	66	62	67	56	61	.001	4-5
External:								
Pressures from inspectors	64	65	66	77	60	65	.000	1-4, 4-5
External pressure (e.g. the media)	36	38	35	36	29	33	.000	2-5
Activities of other local authorities	44	42	43	52	44	45	.007	
Demands of users	73	79	75	77	72	75	.038	
Professional associations/networks	51	51	40	52	52	50	.001	3-5
Changes in the social, political and economic context facing the authority/service	68	61	56	68	56	60	.000	1-5, 4-5
New technologies	67	68	65	70	66	67	.147	
Competition	31	32	28	40	30	32	.000	3-4, 4-5
Central government policies	84	82	79	85	72	78	.000	1-5, 2-5, 4-5
Environmental issues	48	44	42	45	55	50	.000	2-5, 3-5, 4-5
Central government initiatives:								
Community planning/strategies	51	50	48	54	47	49	.032	
New council constitutions	51	46	43	47	43	49	.127	
New ethical framework	20	29	20	29	53	25	.032	
Best Value	72	76	74	83	71	74	.000	1-4, 3-4, 4-5
Local public service agreements	49	36	35	47	20	31	.000	1-5, 2-5, 3-5, 4-5
Public private partnerships	36	36	33	38	23	30	.000	1-5, 2-5, 4-5
Beacon Councils scheme	23	30	28	36	17	24	.000	1-4, 2-5, 3-5, 4-5
E-government	56	58	59	63	55	57	.008	
Powers to promote the social and environmental well-being of communities	50	45	40	50	47	47	.008	
Reforms to capital and revenue finance	35	40	33	41	35	36	.039	

Source: Census of Local Authorities, 2001.
Respondents: All respondents (N = 2836).
Scale: 7 point Likert scale: 1 – minor, 7 – major.

all potential drivers of performance improvement, a perception which is consistent with the generally slower pace of organisational change in districts. Those from districts with overall budgets below the mean attached less importance to external pressure (26%), the demands of users (68%) and public-private partnerships (20%) than did their counterparts from district councils with overall budgets that are larger than the mean (34%, 78% and 27% respectively) (Table A4.15).

There were significant differences between the views of elected members and officers (both corporate and service) about the relative importance of different kinds of driver of improvement (table A4.16). Elected members attached greater importance than officers to role of:

- political leadership;
- resources within the authority;
- competition;
- community planning; and
- the Beacon Council scheme.

Officers saw the activities of other authorities as being more important than did members. Corporate officers believed the e-government agenda to be a more important driver of improvement than did service officers or elected members (table A4.16).

4.7 Summary

This chapter has provided baseline evidence on the process outcomes from the Best Value regime in English local government, drawing data from the census survey of authorities and in-depth case studies. The findings reported in chapter 3 indicated that experiences of the Best Value regime diverged between District councils and other types of authorities and the various actors researched. The process outcomes reinforce these findings. For example, the various voices that the research as explored service officers were more likely than corporate officers to report that their authority displayed the anticipated Best Value characteristics in relation to structure, culture and strategy content. In contrast, elected member's views varied. Differences between Districts and other types of authority were statistically significant in relation

to a number of variables suggesting that they displayed fewer characteristics anticipated as process outcomes from the Best Value regime. These related to structure, and particularly formal measures of integration, though the case study suggests higher levels of informal integration, the cultural attributes of risk, innovation and productivity and partnership working. Explanations for these variations will more clearly emerge during the research, however, factors that accounted for District's baseline Best Value process, size, resources and focus are likely to have equal credence here.

The baseline data suggests that many respondents believed that their authorities already possessed many of the attributes that the Best Value regime seeks to promote in relation to:

- The integration of organisational structures and processes;
- The cultural attributes of continuous improvement, innovation and customer-orientation. Furthermore, officers and members from the case study authorities reported that Best Value played a role in promoting changes in organisational culture;
- Rationale processes of strategy formulation, from case study evidence, but positioned against uncertain findings from the census survey;
- Partnership and joint working with other public sector agencies; and
- It has also been regarded as a major driver for organisational change and performance improvement.

However, evidence is inconclusive in relation to bureaucracy and centralisation aspects of culture including productivity and risk together with innovation as a measure of strategy content, given that the levels reported are substantially above those recorded in other research. This leads to the conclusion that through there are clear areas where the organisational characteristics anticipated in the 'theory of change' are in evidence findings at this stage are mixed. Further conclusions will only emerge after future rounds of research. The research will focus on:

- **Organisational structure and strategy formulation:** The survey suggest the integration is high and case studies that rational processes are growing, however the overall evidence is mixed. It will be important to understand why particular structural approaches and decision-making processes are developed in different situations;
- **Culture:** Many respondents' perceptions of organisational culture reflected the anticipated organisational characteristics of the regime. It will be important to examine how these perceptions change over the coming years and to explore the extent to which values change and are embedded in authorities;
- **Innovation:** It will be necessary to investigate the high levels of innovation identified by English local government in the first year of our research to discover if services are being delivered and procured in new ways to offer choice and improvement to local authority residents; and
- **Partnerships with the private sector:** The census suggests a reluctance to use tests of competitiveness that involve the private sector and that relatively few authorities have so far sought to develop partnership solutions which involve the private sector. The reasons for these partnership barriers and how they might change over time should be explored further.
- **Types of authority and respondent:** On-going research will examine changes to establish if there is convergence or divergence between different types of authority and different groups of respondents

CHAPTER 5

Performance

5.1 Introduction

As explained in section 1.2, the long-term evaluation of the impact of Best Value is designed in a way that will enable us to track over time:

- The implementation of Best Value processes by authorities;
- Changes in internal structures, culture, processes and strategy content; and
- Changes in performance.

and to test for links between these variables.

In future years, we will use longitudinal data to track performance over time and to test the links between performance, internal changes in authorities and the Best Value regime.

At this early stage we have just one year's data and, not surprisingly, a preliminary analysis of the relationship between these variables, based on the census results, proved inconclusive (Enticott *et al.*, 2002). However, we are able to report on preliminary evidence on performance based on the perceptions of both interviewees in case study authorities and local residents. In addition in this chapter, we investigate whether different stakeholders have common perceptions of performance by examining the relationship between consumer satisfaction BVPIs, other BVPIs and census respondents' perceptions of the performance of their authorities.

5.2 Concepts and measures of performance

The concept of performance in the public sector is complex and multi-dimensional. Important aspects of service performance include efficiency, quality, equity, effectiveness and value for money. In addition, local authorities need to be judged more widely against their performance as units of democratic government (as reflected, for example, by levels of probity, participation and accountability). Thus a comprehensive assessment for local government would include indicators and data for all of these elements of organisational processes, outputs and outcomes. In practice our analysis must be limited to the performance indicators (PIs) that are available and directly comparable. This means that common definitions of key variables are used, data collection procedures are uniform, that data are obtained for the same time period, and that the accuracy of the data has been independently checked. As noted in section 3.7.2, many authorities have developed local PIs. However, these are of variable quality and do not provide comparable data across all local authorities. The only data that meet the criteria set out above are therefore the BVPIs prescribed by central government.

The BVPIs do not cover all dimensions of local authority performance, but have improved substantially over time (Boyne, 1997, 2002). The most recent data set that is available for analysis is the BVPIs for 2000/01. They provide data on all seven local authority service areas evaluated in this study, along with corporate services. They also cover a variety of dimensions of service performance including:

- quantity of outputs (e.g. number of visits to public libraries)
- quality of outputs (e.g. number of refuse collections missed)
- efficiency (e.g. cost of council tax collection per dwelling)
- formal effectiveness (e.g. % of pupils achieving 5 or more 'A*-C grades GCSEs)
- consumer satisfaction (e.g. % of benefit claimants satisfied with the way they were dealt with by the authority).

In total, 69 BVPIs provide valid and comparable operationalisations of the concept of local authority performance for the analysis presented later in this chapter.

5.3 Perceptions of improvement

There was a widely held perception amongst officers – both among those responding to the census and in the case study authorities - that their own authorities' performance is improving and will continue to do so in the future. Over time, as the strategies in the improvement plans are implemented, we may see evidence of more significant changes in performance.

There were mixed views from officers regarding the role of Best Value in the largely incremental service improvement identified. Many considered that these changes would have happened anyway, although Best Value reviews may have brought them forward and accorded them a higher profile. In some cases it was felt that the Best Value review would not lead directly to improvements, for example because of the small scope of some reviews or the lack of available resources to make the changes required. However, a number of interviewees suggested that the move to a smaller number of 'thematic reviews' would lead to more significant changes in the future. In one case in Knowsley, although the external inspector felt that the review itself would not lead to change, he recognised other significant developments within the department and indicated that the service was likely to improve as a result of these. Generally, elected members were though usually more cautious than officers about the role of Best Value in improving performance.

Some officers had a more positive view of the role of Best Value in leading to change in the authority overall, not simply those areas that had been reviewed. For example one officer said that 'Best Value has been dead useful. I have used it to drive through change in services that aren't going to be reviewed'. In some services the knowledge that they were to be inspected was felt to have led directly to improvements. One authority invested in additional staff to improve the quality of its housing benefit in the period prior to inspection. Another example of the importance of inspection was

that in Westminster the 3* rating from the inspection service was central to the setting up of an arms-length management organisation (ALMO) which staff thought would certainly lead to better performance. As yet there is little evidence to assess the relative contribution of different elements of the review to performance improvement.

Areas that will need to be analysed further in case study authorities in future years include:

- Have the claimed improvements taken place?
- What type of performance has improved (efficiency, quality, equity)?
- Does the difference in perception of improvement between officers and members continue? Is there any difference between service managers, front line staff and corporate staff?
- If improvement takes place is it as a result of Best Value? If so, which elements of the review (e.g. consultation, performance plan)?
- What impact does inspection have on improvement?
- What impact does the shift to fewer and larger reviews have on prospects for improvement?

5.3.1 Census respondents

The census of local authority officers and members included a number of questions designed to capture dimensions of performance not covered by the BVPIs.

Respondents were for example asked about their perceptions of equity, staff satisfaction and their authorities' attempts to promote the well being of local people, in addition to consumer satisfaction, effectiveness, efficiency, quality and value for money.

The results of the census showed that many respondents believed that their council to be in the top quartile of performers in terms of providing value for money (30%) and customer satisfaction (27%) in 2001. But very few believed that their councils were in the top quartile for quality of services (18%), promoting well-being (18%) or staff satisfaction (8%) (Table 5.1).

Table 5.1: Perceptions of performance

	% respondents believing their authority to be in the top quartile
Quality	18
Value for Money	30
Efficiency	21
Effectiveness	20
Equity	22
Consumer satisfaction	27
Staff satisfaction	8
Promoting the well-being of local people	18

Source: Census of local authorities, 2001.
Respondents: All respondents (n=2836).

5.3.2 Evidence from case study authorities

A large proportion of survey respondents believed that the Best Value regime would lead to service improvement. Some interviews in the case study authorities agreed that performance was improving. Most though believed that this was an incremental process rather than a ‘step change’ and some believed that changes might well have been achieved without the Best Value regime.

Just under a third of survey respondents stated that their authority was in the top quartile in relation to ‘value for money’ and around a fifth felt they were amongst the best performing authorities on ‘efficiency’. The case studies highlighted a range of examples where interviewees believed that improvements had been made in relation to these elements of performance. For example, the majority of the first round of Best Value reviews had identified cost savings or expected to do so in the future (though it should be noted that in many cases these were relatively small savings). Examples included:

- Knowsley MBC reported that it had achieved targeted savings of £750,000 as a result of conducting and implementing its best value reviews in 2000/2001.
- The Best Value inspectorate judged that Westminster’s re-packaging of contracts as part of their review of Housing Management and Maintenance

had 'achieved savings of £427,000 in 2000/02 increasing to £715,000 thereafter. This equates to a four per cent efficiency target'.

- Devon County Council's review of support for school improvement suggested a target of a 10% reduction in the centrally retained costs of school improvement by 2006/7. The County's review of its property function anticipated that after the first year it would be possible to achieve savings of between 1.5% and 2% overall.
- Following the review of childcare services, Bristol City Council anticipated savings of £150,000 in 2002/03. The Council's reorganisation of the benefits service was budgeted to cost £400,000 with projected savings of £500,000 in the first year after reorganisation. It was expected that reorganisation of the taxation service would lead to significant annual savings.

We are not in a position to verify these savings (though we have interviewed external auditors in some cases studies and have not included here examples of savings claimed by authorities about which auditors had doubts).

In some authorities, for example Bristol City Council, there is an understanding that savings can be re-invested in the service. Other examples where savings from reviews were re-allocated to improve the service include:

- In Oxfordshire, savings in the Library Service were re-invested to improve the book stock.
- In Knowsley the review of Children Looked After had identified savings of £418,500 by closing a children's home. The review document also shows that £418,500 is to be allocated to different strategies to improve fostering and adoption. These include additional training for foster carers and a new post to increase adoptions in the authority.

There was anecdotal evidence from some other case study authorities to suggest that staff would not be keen to pursue savings where the resulting funds were likely to disappear back into the 'pot', rather than to be available for their use. Many

interviewees also expressed concern about the costs of reviews, and some interviewees questioned whether the relatively small savings identified and/or achieved by most reviews justified the effort involved. Many, particularly those from district councils, argued that major improvements in services would require a substantial investment that they knew was not available.

Officers in case study authorities provided a number of examples of improvements to the quality of service they provided. Westminster's review of student support resulted in staff being given (read only) access to the housing benefit system which enabled them to process grants to students more quickly. The review of Development Control in Bolsover District Council has led to increases in performance in terms of the speed of dealing with applications, but without increasing costs. Another indication of a change in quality was that in Westminster inspectors judged the Housing Management and Maintenance level of repairs complaints to have 'reduced significantly since the start of the single source contracts in April 2000'.

In some cases it was felt that it would take more time to secure major improvements. Bristol City Council, for example, reviewed its local taxation service in 1998 as part of the Best Value pilot programme. The service manager explained that:

“the service suffered from a lack of investment, it had very outdated IT and the culture was introspective”.

Following that review the council decided to invite external tenders for the service in early 2000. After receiving these bids, the council decided to stick with the in-house provider. The service was then inspected in August 2001 and judged fair/probably will improve. The inspectors undertook a re-inspection and judged the service to be fair with 'excellent prospects for improvement'. Throughout this period the managers of Bristol's local taxation service have been pushing through an ambitious programme of change. Best Value, to quote the manager of the local taxation service:

“has become their main operational focus”.

Plans for the modernisation of the service were first detailed in a service improvement plan originally developed by the in-house team as a benchmark for the market testing exercise. These proposals have been updated and augmented with recommendations from the first and second inspections. As part of this programme the council has:

- set up a customer service centre;
- introduced a number of initiatives to enhance customer services;
- introduced data image processing;
- re-interviewed all staff and moved away from generic working towards teams of dedicated and specialised staff.

Although it has taken time for these changes to take effect, the service's record on answering calls has improved, council tax and business rate collection are better. These changes have been achieved with fewer staff - numbers have declined from 125 to 102.5, with plans to reduce further to 77.

There were few reports of improvements in equity of service from the case studies. Both officers and members involved in a review of 'Children Looked After' in Knowsley felt that equity would improve when they implemented the action plan. One of the proposals was to rectify the anomaly discovered in the review that children in local authority care homes received less pocket money than those who were fostered. Another example was the centralisation of the housing benefit service in Bristol. One officer commented that the decentralised service was a 'post code lottery', as some local offices had large backlogs of work and others none at all. It was felt that centralisation would improve this by ensuring greater consistency.

Oxfordshire County Council reported that it had to balance issues of cost savings and equity in implementing changes resulting from their review of Special Educational Needs Transport. The potentially large cost savings identified can only be generated by tightening the eligibility criteria, but introducing such a policy is contentious since it would be perceived as inequitable by the public.

5.3.3 Survey of residents

An additional and important source of data on local authority performance comes from local residents. Just over 2,500 residents were surveyed in the autumn of 2001 to obtain their views about the overall performance of their local council and levels of satisfaction with a wide range of services. These were residents living in areas served by the Cardiff 100 authorities. The residents survey will be repeated in 2004/2005 and will provide another source of evidence of perceptions of improvement by authorities over time, alongside the analysis of BVPIs and of the perceptions of local authority officers and members about their authorities' performance.

The first survey of residents revealed generally high levels of satisfaction with local authorities' performance. Overall, 63% of respondents were either 'very' or 'fairly satisfied' with their local authority (Table 5.2). Satisfaction with particular elements of local authority performance varied. Satisfaction is highest for the quality (67%) and efficiency (57%) of council services but lowest for meeting standards it sets itself (32%) and setting challenging targets (32%) (Table 5.3).

Satisfaction was highest for county councils and lowest for district councils. There were also statistically significant differences between county councils and metropolitan councils in relation to overall satisfaction and between county councils and London boroughs in relation to perceptions of service efficiency (for details see *Enticott et al.*, 2002).

There was also evidence that users, who have direct experience of services, were more satisfied than residents in general.

The data from the 2001 survey of residents are of limited value on their own. Like other performance data reported in this chapter, they provide a baseline against which changes in residents' satisfaction with local authorities and the services for which they are responsible can be assessed over time.

Table 5.2: Resident satisfaction with their local authority

	Very satisfied	Satisfied	Neither Nor	Fairly dissatisfied	Very Dissatisfied
How satisfied or dissatisfied are you with the way your council is running the area	11	52	19	12	6

Source: Residents Survey, 2001. N = 2,568. Data are unweighted

Table 5.3: Residents' perceptions of the image of their local authority

	Strongly Agree %	Tend to Agree %	Neither Nor %	Tend to Disagree %	Strongly Disagree %
The quality of council services is good	7	60	17	13	3
The council gives good value for money	4	39	26	24	8
The council treats all people fairly	6	45	26	16	8
Local people have a say in how council services are provided	3	37	20	32	9
The council delivers services efficiently	4	53	22	15	6
The council sets itself challenging targets	3	29	42	20	6
The council meets the service standards it sets itself	3	29	43	19	6

Source: Residents Survey, 2001. N = 2,568. Data are unweighted.

5.4 Correlates of performance: statistical analysis

5.4.1 Introduction

In this section we test for correlations between different stakeholders' perceptions of performance. This is based on an analysis of the relationship between:

- Consumer satisfaction BVPIs for the local authority as a whole and consumer satisfaction BVPIs for individual services - which services seem to influence overall satisfaction most strongly?
- Consumer satisfaction BVPIs and other BVPIs – are consumers' perceptions systematically linked with other measures of service performance?
- Consumer satisfaction BVPIs and staff perceptions of performance – to what extent do staff have an accurate picture of consumer views of their service?

Bivariate correlations between BVPIs and perceptions of performance were tested. The results report all correlation coefficients, with statistical significance measured at the 0.01 level or better, with a two-tailed test. Unfortunately, we were unable to include Education BVPIs within this analysis, due to the lack of a distinct consumer satisfaction BVPI for that service.

5.4.2 Satisfaction with the local authority and satisfaction with individual services

We tested the correlation between the BVPI3 measuring the percentage satisfied with the local authority and every consumer satisfaction BVPI for individual services (see Table 5.4). The analysis suggests that there is a particularly strong relationship between satisfaction with the authority and satisfaction with specific services. For example, 10/17 correlations between overall satisfaction and satisfaction with Waste Services are significant. The only other consistently positive variable is satisfaction with sport and leisure facilities. These results suggest that the major service determinants of overall satisfaction are a clean environment and good sports and leisure provision.

5.4.3 Satisfaction BVPIs and other BVPIs

A key consumer satisfaction variable was selected for each service which was then tested against the remaining BVPIs for that service. The Culture and Leisure BVPIs were excluded from this analysis as our selection of BVPIs for that service is entirely based upon consumer satisfaction measures of performance (see Table A5.1).

The evidence suggests that in general there is little relationship between consumer satisfaction BVPIs and BVPIs measuring other elements of performance across all services. The data indicate that the relationship is particularly weak for Social Services and Housing. Of the authority groups, evidence of a relationship appears

strongest in the Districts with 10/45 significant coefficients. These results imply that consumer satisfaction is not strongly influenced by the ‘objective’ service characteristics that are captured by BVPIs.

Table 5.4: Correlations between satisfaction with the local authority and satisfaction with individual services

Indicator	Type of Authority				
	LBs	Mets	CCs	UAs	Districts
Corporate: Satisfaction Survey	.68**	.35	.03	.53**	.39**
Satisfaction with complaints across authority					
Social Services Survey of Users/Carers					
% who got help quickly	.52**	.15	.08	-.02	-
% race, religion and culture were noted	-.03	-.00	.00	-.10	-
Housing – Tenant Satisfaction Survey					
% Very/fairly satisfied with overall service	-.11	-.01	-	.11	-.01
% Very/fairly satisfied with opportunity to participate	.40	.11	-	.10	-.01
Benefits – User Satisfaction Survey					
% Strongly agree/agree on contact/access facilities	.23	.46**	-	-.03	.19**
% Strongly agree/agree on service	.32	.30	-	-.21	.12
% Strongly agree/agree on telephone service	.48**	.27	-	-.07	.14
% Strongly agree/agree on staff in benefit office	.40	.28	-	-.24	.15
% Strongly agree/agree on clarity of Form	.25	-.08	-	-.01	.05
% Strongly agree/agree on time taken for decision	.26	-.12	-	-.24	.08
Waste and Environment - Satisfaction Survey					
% Very/fairly satisfied with cleanliness of streets	.89**	.77**	.32	.53**	.65**
% Very/fairly satisfied with waste collection	.64**	.42	-	.34	.40**
% Very/fairly satisfied with recycling facilities	.55**	.20	-	.32	.42**
% Very/fairly satisfied with civic amenity sites	.64**	.35	.50**	.21	-
Planning - Satisfaction Survey					
% Very/Fairly Satisfied with processing planning apps	.35	-.10	.07	.38**	.11
Culture And Libraries - User Satisfaction Survey					
Libraries: % that found books	.12	-.07	-.26	.29	-
Libraries: % very/fairly satisfied with reservations	.35	-.11	-.09	.26	-
Libraries: % that found information	.20	-.04	.33	-.21	-
% Very/Fairly satisfied with Sport and Leisure facilities	.36	.39	.64**	.56**	.28
% Very/Fairly satisfied with museums and galleries	-.17	.09	.06	-.17	.07
% Very/Fairly satisfied with theatres and concert halls	-.11	-.01	.37	-.31	.04
% Very/Fairly satisfied with parks and open spaces	-.22	-.26	.13	-.05	.14
% Very/Fairly satisfied with all culture and recreational services	-.05	-.18	.29	-.03	.16

Notes: Satisfaction with the local authority = Corporate BVPI 3, % Very/Fairly satisfied with the local authority.
Significance levels: ** ≤ 0.01, *** ≤ 0.001

5.4.4 Consumer satisfaction BVPIs and census respondents' perceptions of performance

The consumer satisfaction variables for each service were tested against the performance perceptions of officers working within that service who responded to the census (see Table 5.5). For the purposes of the following analysis, responses have been aggregated according to service type within each authority from which responses were received (n=314). As such, the analysis excludes the perceptions by members and corporate officers whose responses could not be reliably related to any service area.

The data in Table 5.5 reveal that there is no statistically significant relationship between consumer satisfaction BVPIs for each service and census respondents' perceptions of performance on value for money, efficiency, equity and promoting well being. However, there is some evidence of a positive relationship between local authority perceptions of effectiveness and consumer satisfaction in Waste services.

Interestingly, six of the seven tests reveal a significant and positive relationship between consumer satisfaction BVPIs and respondent's perceptions of consumer satisfaction, with only the coefficient for Culture and Libraries proving insignificant. This suggests that authorities have some grasp of whether their consumers are happy or unhappy with the services provided.

Table 5.5: Correlations between Respondents' Perceptions and Consumer Satisfaction BVPIs

	Performance Perceptions			Effective -ness	Equity	Cust. Satisf.	Staff Satisf	Promoting Well Being
	Quality	VFM	Efficiency					
Social Services Survey Of Users/Carers								
% who got help quickly	.18	.11	.16	.18	.02	.26**	-.27**	-.05
Housing – Tenant Satisfaction Survey								
% Very/fairly satisfied with overall service	.23	.11	.01	.12	-.10	.46**	.16	-.07
Benefits – User Satisfaction Survey								
% Strongly agree/agree on service	.17	.09	.08	.18	.07	.30**	.13	-.09
Waste and Environment - Satisfaction Survey								
% Very/fairly satisfied with cleanliness of streets	.14	.12	.12	.21**	.04	.35**	.17	.05
% Very/fairly satisfied with waste collection	.25	.12	.13	.27**	.08	.32**	.11	-.15
Planning - Satisfaction Survey								
% Very/Fairly Satisfied with processing planning apps	.11	.15	.16	.05	.13	.20**	.12	-.08
Culture And Libraries – User Satisfaction Survey								
% Very/Fairly satisfied with all culture and recreational services	.13	.02	.07	.05	.05	.05	.10	.05

Notes: Significance levels: ** ≤ 0.01 , *** ≤ 0.001 .
Average Staff Perception Scores have been used for each authority, thus there is a wider range of scores between 1-4, up to a maximum of 13.

The evidence appears therefore to suggest that, at this early stage in the research, there is a positive and significant relationship between consumer satisfaction performance measures. For example, there is evidence of a significant connection between the BVPI measuring overall satisfaction with the local authority and a number of BVPIs measuring consumer satisfaction at the service level. Furthermore, the data reveals a strong link between consumer satisfaction BVPIs and staff perceptions of consumer satisfaction at service level.

However, there is little evidence of a relationship between consumer satisfaction measures and alternative measures of performance. There were very few significant relationships between consumer satisfaction BVPIs and other BVPIs at service level. Furthermore, the census revealed the absence of a link between consumer satisfaction BVPIs and officers' perceptions of value for money, efficiency, equity and success in promoting well-being.

5.5 Summary

It has not been possible measure change in the performance of local authorities in this baseline report given that there are time lags between organisational change and performance change. The research does, however, provide some important information on performance:

- Census respondents perceive their councils' performance to be relatively strong in some areas (e.g. value for money, efficiency and quality) and weak in terms of effectiveness, equity and staff satisfaction;
- The case study evidence highlights examples where interviewees believe that improvements would be, or had been, made in performance and costs reduced;
- The local residents survey indicates that nearly two-thirds of residents were with 'very' or 'fairly' satisfied with their local authority;
- There are only limited relationships, measured by BVPIs, between the satisfaction of individual services and the local authority and with the satisfaction of individual services and other measure of performance; and
- Survey respondents' perceptions of customer satisfaction were strongly correlated with BVPI measures, however other perceptions were by and large not correlated

The next stages of the research will:

- Track changes in perceptions of performance and object measures;
- Examine the relationship between changes in best value processes and performance; and
- Examine changes in process outcomes and performance.

CHAPTER 6

Conclusions

6.1 Introduction

The research presented in this report has laid the baseline for the ‘The Long Term Evaluation of Best Value and its Impact’. The study aims to examine the ways in which English local government implements Best Value, the impact that the regime has upon the internal processes and structures of authorities and to model the impact that the regime has on the economy, efficiency and effectiveness of local authority services. This report provides the baseline from which change is to be measured. The data presented in this report included:

- A census survey of English local government, including 314 local authorities and 2,836 respondents undertaken in the summer of 2001;
- 12 in-depth case studies conducted during the spring of 2002;
- A representative survey of over 2,500 local residents living in the areas served by a representative sample of 100 local authorities; and
- BVPI data for 2000/2001

6.2 Best Value processes

Three key findings have emerged from this baseline analysis of Best Value processes.

The first key conclusion concerns authorities approach to the Best Value regime. Both the census results and case study interviews suggest that councils that were not able to work corporately by April 2000 struggled to implement Best Value processes in the early stages of the regime. Conversely, councils that were already operating in a ‘corporate’ fashion were more likely to have used reviews to reinforce other internal

pressures for improvement and to see the regime as part of a much broader modernisation agenda, rather than a one-off initiative. It is possible that these different starting points across English local government account for some of the mixed perceptions of the impact of the Best Value regime in its first year reported in the survey and case studies. Through time we will explore the relationship corporate approaches and the performance of English local government.

Second, Best Value has presented authorities with challenges, benefits and opportunities for learning. Implementing Best Value is seen as having been a major challenge for most authorities though many respondents saw Best Value processes as having been beneficial, including an added impetus for increased corporate working. Authorities have been learning during the first year of the regime. For example, many local authorities attempted to undertake a large number of narrow reviews during the first year of the regime and progress was hampered by time and resource problems. The case studies revealed that authorities were planning to move towards larger and more achievable programmes of review in subsequent years. However, policy changes, notably the advent of CPA distracted some authorities attention away from Best Value whilst attempts to move to larger, cross-cutting reviews have created new problems - in particular securing ownership and active from service managers and arriving at specific recommendations for improvement. Given that the evidence to date suggests that there is then no blueprint for reviews the scale, scope and timing of reviews have to reflect the particular challenges confronting the service(s) that is being examined and the political context within which the authority is operating. The longer term evaluation of the regime will provide addition information on these issues.

The third key conclusion concerns the expectations of local authorities from the regime. Many service offices have high aspirations for the outcomes of the regime, identifying ambitious targets for improvement, many of which are expected to be achieved within the next two years thereby resulting in new approaches to service delivery and improvement. Though the quality of reviews has become more systematic since the start of the regime the treatment of review mechanisms has been uneven. Most reviews include consultation and comparisons but many do not involve rigorous 'challenges' to existing approaches or adequate tests of competitiveness

giving concerns about the quality of the recommendations that have emerged. Positively, the regime has led to growing recognition of the importance of performance management frameworks in many councils. However, the criticism from survey and case study respondents about what are seen as the additional bureaucratic burdens and costs of inspection during the first year of the regime serve as a reminder to a number of wider challenges facing the local government community as it seeks to implement a challenging performance improvement agenda.

6.3 Process outcomes

Three key conclusions about process outcomes have emerged strongly from this baseline analysis.

The first, and perhaps most surprising, is that many in local government appear to believe that their organisations already possess some of the internal characteristics that the Best Value regime is intended to encourage. Many respondents believed that their councils already had been developing more integrated structures, a strong focus on continuous improvement and customers' needs and were actively developing partnerships with other public sector agencies. There are a number of possible interpretations of this finding. Authorities may not have started from as low a base, in terms of their capacity to improve, as is sometimes assumed. A second possibility is that at least some councils made rapid progress in changing internal structures, organisational culture and processes during the run up to and first year of the Best Value regime. Thirdly, officers and members may simply have an over-optimistic view of the characteristics of their authorities and their capacity to improve, as for example with innovation.

The second key conclusion to emerge from the case study interviews undertaken after the census is that many local government officers and elected members believe Best Value processes have encouraged the kinds of changes in internal culture, structures and processes that it is intended to achieve. Though not providing systematic evidence interviews in the case study authorities suggest that the impacts of the regime have varied between councils and been mediated by existing structures,

culture, processes and leadership, But it is clear that, overall, census respondents believe it to have been a key driver of performance improvement. This finding runs counter to popular views of the regime (as for example represented in the local government press). However, it is consistent with research on the pilot programme which suggested that, though their impact was patchy, Best Value processes had significant impacts on internal processes in many authorities.

The third key conclusion to emerge from the baseline data is that, whilst the Best Value regime is seen as a driver for change, it has also imposed substantial additional costs on authorities. Respondents and interviewees were particularly critical of the Best Value inspection. Whilst many acknowledged that it had been an important driver of change, they believed inspection had been unnecessarily burdensome, and a significant proportion of respondents believed its benefits had been outweighed by the costs. Whether these are one-off costs, associated with setting up the systems and structures needed to implement the regime and whether changes in the inspection regime that are designed to reduce implementation and compliance costs alleviate these problems, will be one of the key issues that we will need to monitor in the course of the next set of surveys and case study visits.

6.4 Performance

Overall, local residents, survey respondents, officers and elected members believe their authorities' performance to be strong in terms of providing value for money, being efficient and offering high quality services. But performance is seen as weaker in areas such as effectiveness and equity.

To date there are only limited relationships, measured by BVPIs, between the satisfaction of individual services and the local authority and with the satisfaction of individual services and other measure of performance. Survey respondents perceptions of customer satisfaction were strongly correlated with BVPI measures, however other perceptions were by and large not correlated.

Interviewees in case study authorities identified some improvements in performance and believed that further improvements would occur in the future. But many of these are incremental, rather than step, changes. Respondents and interviewees are currently divided on whether these perceived improvements in performance have occurred as a result of the implementation of Best Value processes.

It will be important to analyse the extent of these improvements in future case study visits. It is possible that over time, as the strategies in the improvement plans are implemented, we may see a different picture of performance improvement. In addition, the longitudinal statistical analysis of BVPIs and survey responses will reveal more about the relationship between the implementation of Best Value processes, and changes in internal structures, culture, processes and strategy content and performance.

6.5 Divergent views

In providing baseline evidence on the Best Value processes and process outcomes in English local authorities two major divergent views have emerged. First that between various respondent groups. The overall picture presented by respondents is a more positive one than that reported elsewhere (see for example Audit Commission, 2001). Respondents as a whole, and in particular the 1,800 service officers in our sample, were more optimistic about the prospects for service improvement than are inspectors, and more sceptical about the value of Best Value inspection processes than was suggested by research undertaken last year for the Audit Commission. On the whole, corporate officers were less inclined than other respondents to report that their authorities had implemented Best Value processes and that these were leading to the kinds of positive changes envisaged in our ‘theory of change’ model. Elected members were, on the whole, more likely than other respondents to see their authorities as having implemented Best Value processes. Service officers were more likely than others to believe that their authority already possessed many of the organisational attributes that the Best Value regime seeks to promote in relation to internal culture, processes and strategies.

There are a number of possible reasons for these differences of perception. It is possible that the respondents to our survey and the inspectors have rather different views about what constitutes ‘significant’ improvement – with the former having lower expectations of what it is reasonable to expect in terms of the pace and scale of change. It may also be that these two groups have different implicit ‘theories of change’. In particular many local authorities appear to believe that it will be possible to deliver improvements through incremental changes to their existing approaches to service delivery whilst inspectors appear to set much greater store by new approaches to service delivery – in particular the development of strategic partnerships and the use of external providers.

Second, between different types of authorities. The evidence suggests that District councils, and in particular those with below mean budgets, were less likely to have as comprehensive a Best Value baseline in place than other types of authority suggesting that Best Value has been more of a challenge. Possible explanations for this lie in the different resources base of Districts, in terms of staff, budgets and the range of services they provide together with a different starting position.

6.6 Next stage of the research

This baseline study highlights a number of areas that clearly merit further investigation as the current study develops. These include:

- **Performance improvement:** There are a number of encouraging signs that respondents expect the Best Value regime to deliver significant performance improvement over the next few years. The research will need to assess whether these tangible improvements are in fact achieved and in what circumstances;
- **Best Value Reviews:** It will be important to examine the relationship between Best Value and CPA as the two regimes develop. In relation to the latter the findings suggest variations in the degree to which the 4Cs are being deployed. It will be important to discover more about the barriers to the use of some of

the Cs and to analyse which combinations of the 4Cs are effective in driving improvements in different circumstances;

- **Inspection:** The current regime is widely regarded as being overly bureaucratic. It will be important to track the effects of the ‘streamlining’ of the regime and to introduce more ‘proportionate’ external regulation; and
- **Organisational structure and strategy formulation:** The survey suggests that integration is high and case studies suggest that rational processes are growing, however the overall evidence is mixed. It will be important to understand why particular structural approaches and decision-making processes are developed in different situations;
- **Culture:** Many respondents’ perceptions of organisational culture reflected the anticipated organisational characteristics of the regime. It will be important to examine how these perceptions change over the coming years and to explore the extent to which values change and are embedded in authorities;
- **Innovation:** It will be necessary to investigate the high levels of innovation identified by English local government in the first year of our research to discover if services are being delivered and procured in new ways to offer choice and improvement to local authority residents;
- **Partnerships with the private sector:** The census suggests a reluctance to use tests of competitiveness that involve the private sector and that relatively few authorities have so far sought to develop partnership solutions which involve the private sector. The reasons for these partnership barriers and how they might change over time should be explored further;
- **Performance:** Track changes in perceptions of performance and object measures, to examine the relationship between changes in best value processes and performance and changes in process outcomes and performance; and
- **Types of authority and respondent:** On-going research will examine changes to establish if there is convergence or divergence between different types of authority and different groups of respondents;

Answers to these questions will be explored in future reports where findings will be presented on change in Best Value process, change in process outcomes and performance.

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Annex 1: Tables

Table A2.1 Participating district councils' gross revenue expenditure 2001-02

Total no. of authorities	Minimum (£m)	Maximum (£m)	Mean (£m)	Standard deviation	% responses from below mean authorities	% responses from above mean authorities
193	5.838	98.237	22.929	10.26888	55.2	44.8

Notes: Source – CIPFA Finance and General Statistics 2001-2002.

Table A2.2 Statistically significant differences in response between 'Cardiff 100' and remaining authorities

Question	Cardiff 100 Mean	Census Mean	2 Tailed T-Test sig
AUTHORITY/SERVICE CHARACTERISTICS:			
prepared to take risks/risk averse	4.55	4.32	0.000
innovative/prefers well-tried methods	4.82	4.65	0.000
incentives to achieve step change/few incentives	4.12	3.82	0.000
high level of trust between officers and politicians/distrustful of each other	4.82	4.65	0.003
extensive use of project groups/limited use of project groups	4.92	4.77	0.005
corrective action decisions come from top management & politicians/comes from service & business units	4.34	4.1	0.000
clear links between service and authority priorities/linkages are not clearly spelt out	5.23	5.07	0.003
PERCEPTION OF PERFORMANCE QUARTILE:			
consumer satisfaction	3.06	3.16	0.000
DRIVERS OF PERFORMANCE IMPROVEMENT – INTERNAL ISSUES:			
political leadership	4.89	4.62	0.000
changes in management (new manager from outside)	3.64	3.4	0.003
cross departmental /cross cutting working	4.74	4.57	0.005
DRIVERS OF PERFORMANCE IMPROVEMENT – EXTERNAL ISSUES:			
central government policies	5.47	5.17	0.000
DRIVERS OF PERFORMANCE IMPROVEMENT – CENTRAL GOVERNMENT INITIATIVES:			
Best Value	5.26	5.08	0.006
Local public service agreements	3.71	3.04	0.000
Public Private partnerships	3.49	3.05	0.000
Beacons councils scheme	3.13	2.81	0.000
PERFORMANCE PLANS:			
targets were agreed by those responsible for meeting them	4.82	5.03	0.002
targets were based on political priorities	4.23	3.88	0.000
targets were ambitious	4.93	4.78	0.006
INSPECTION:			
compliance costs are low	2.68	2.43	0.000
benefits outweigh the costs	3.43	3.02	0.000
leads us to unduly focus on the concerns of Best Value inspectors to the exclusion of service delivery	4.85	5.04	0.004
will lead to significant improvements in services	3.89	3.62	0.000

Note: Data from 74 core questions analysed.
All respondents (N = 2836)

Table A2.3 Statistically significant differences between mean BVPI scores 2000/2001: Cardiff 100 and remaining authorities

Mean BVPI scores	100 Mean	Census 2 Mean	2 Tailed T-Test sig.
Corporate: CRE level (number)	1.10	.72	.001
Corporate: Satisfaction with local authority, % very/fairly satisfied	60.59	66.01	.000
Corporate: % very/fairly satisfied with complaint handling	36.61	40.88	.000
Corporate: % Return of form	93.89	95.87	.004
Corporate: % Invoices paid on time	83.01	86.56	.001
Corporate: % Council tax collected	95.27	96.77	.000
Corporate: % Senior women	24.39	21.33	.009
Corporate: % Staff from Ethnic Minorities	5.47	2.31	.000
Housing: % Rent Collection	95.00	96.71	.004
Housing: Tenant Satisfaction, overall service by landlord	72.53	78.89	.000
Housing: Tenant Satisfaction, opportunities for participation	54.74	60.11	.001
Housing: % Arrears	4.35	2.91	.001
Benefits: Satisfaction Survey, service in benefit office	76.89	81.32	.002
Benefits: Satisfaction Survey, telephone service	64.96	72.25	.000
Benefits: Satisfaction Survey, Staff in Benefit Office	79.10	82.73	.001
Benefits: Satisfaction Survey, time taken for a decision	64.97	69.07	.009
Planning: % of Planning Applications in 8 weeks	53.74	63.28	.000
Planning: Average time for planning applications (days)	13.56	10.78	.000
Waste: Satisfaction survey, cleanliness of streets/land	59.51	64.64	.000
Waste: Satisfaction survey, waste collection	80.68	85.52	.000
Waste: Satisfaction survey, recycling facilities	62.13	67.01	.001

Table A2.4 Statistically significant differences between mean BVPI scores: Census authorities and non-participating authorities

Mean BVPI scores	Census/ 100 Mean	Non Census Mean	2 Tailed T-Test sig.
Social Services: Needs Statements	84.60	85.32	.006
Housing: Private Dwellings 6 months empty, returned to occupation	3.64	1.73	.000

Table A2.5: Case study authorities during 2002

Authority	Type (and total population of type)	Political Control	Resident population* (rank by type of authority)	Deprivation* (rank by type of authority)
Derbyshire	County (of 34)	Lab	11	7
Devon		Con	12	10
Oxfordshire		Con/Lib	22	30
Bolsover	District (of 38)	Lab	195	5
Huntingdonshire		Con	8	195
Vale Royal		Lab	55	82
Knowsley	Met (of 36)	Lab	36	1
Manchester		Lab	6	3
Bristol	Unitary (of 46)	Lab	1	19
Derby		Lab	11	14
Redbridge	LB (of 32)	Con	21	18
Westminster		Con	17	23

* (1=high throughout)

Table A3.1: Corporate systems prior to the introduction of the statutory Best Value regime by size of budget: district councils

	Type of Authority (%)		Chi sq. Sig Test	All (%)
	Below mean budget	Above mean budget		
Before Best Value: % of Authorities who had a:				
Documented statement of corporate aims	80	77	.609	78
Corporate performance plan for internal use	35	42	.431	37
Corporate performance plan available externally	24	30	.456	26

Source: Census of Local Authorities, 2001.
 Respondents: Best Value Officers (N = 154).
 Budget mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A3.2: Corporate approaches to Best Value April 2000 by size of budget – district councils

	Type of Authority (%)		Chi sq. Sig Test	All (%)
	Below mean budget	Above mean budget		
Corporate approaches to Best Value: % LAs with (by April 2000):				
Designated Best Value officers	73	77	.696	79
Written Best Value implementation strategy	46	73	.002	62
Corporate toolkit for Best Value reviews	57	75	.042	65
Best Value policy unit	52	52	.991	57
Corporate Best Value budget	49	69	.030	56
Corporate procurement strategy	8	16	.135	11
Corporate consultation strategy	30	45	.079	36

Source: Census of Local Authorities, 2001. Respondents: Best Value Officers (N = 154). Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A3.3: Corporate approach to Best Value (April 2001) by budget – districts

	Type of Authority (%)		2 Tailed T-Test sig.	All (%)
	Below mean budget	Above mean budget		
We have a very precise model for Best Value reviews which each service must adopt	49	43	.600	50
We have a broad common approach to Best Value which each review must apply but review teams decide the details themselves	75	82	.234	78
Each service is able to develop its own approach to Best Value so long as the corporate centre is satisfied that it meets Best Value criteria	28	33	.724	26
Managing Best Value has been a major challenge for this authority	98	86	.095	94
We have been able to achieve effective working between departments on cross-cutting reviews	33	58	.004	47
Best Value is officer-led at this authority	85	82	.737	81
Best Value is member-led at this authority	11	22	.117	19
Best Value is now part of our every day management processes	41	45	.174	44

Source: Census of Local Authorities, 2001. Respondents: Best Value Officers (N = 154). Scale: 7 point, Likert scale: 1 – disagree, 7 – agree. Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002.

Table A3.4: Who determines Best Value policy by size of budget: district councils

	Type of Authority (%)			All (%)
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	
Leading/executive elected members	35	51	.157	45
Backbench/non-executive members	15	29	.055	19
Joint officers/members Best Value group	44	39	.913	38
Corporate policy staff	94	92	.477	95
Chief Executive	66	65	.902	69
Senior Management Team	69	69	.884	66
Senior managers from services under review	70	65	.648	65
Best Value Officers group/team	70	80	.020	80
Senior managers from other services	26	43	.213	35
Front-line staff	35	33	.967	32
Trades union representatives	22	28	.329	27
Service users	36	40	.540	39
Other local agencies	16	28	.102	23

Source: Census of Local Authorities, 2001.
 Respondents: Best Value Officers (N = 154).
 Scale: 7 point Likert scale: 1 – not at all, 7 – extensively.
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A3.5: Proportion of services undergoing performance review before April 2000 by size of budget of - district councils

	District Council Budget			All (%)
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	
Undertaken regular service reviews	14	20	.236	17
Regularly reviewed the need for service(s) provided	9	12	.475	11
Compared performance with other authorities	19	22	.700	21
Compared performance with other potential service providers	5	12	.101	11
Regularly consulted with service users	22	31	.158	29
Regularly consulted members of the public	21	29	.277	27
Regularly consulted with other local agencies	12	28	.043	27
Regularly consulted with the private sector	5	12	.077	8
Regularly undertook analysis of the market for their services	5	8	.569	7
Regularly tested the competitiveness of services against other providers	4	8	.712	7
Regularly used local performance indicators to assess the effectiveness of services	21	29	.156	22

Source: Census of Local Authorities, 2001.
 Respondents: Best Value Officers in District Authorities (N = 154).
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A3.6: Use of the 4Cs in 2000/2001 Best Value Reviews by size of budget - district councils

	Type of Authority (%)		2 Tailed T-Test sig.	All (%)
	Below mean budget	Above mean budget		
Reviews provided a rigorous...				
Challenge	60	69	.022	63
Comparison	64	69	.156	67
Consultation	77	82	.171	79
Competition	48	59	.013	53

Source: Census of Local Authorities, 2001.
 Respondents: Corporate officers (Chief execs, Directors and BVOs) and Members (N = 1015).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A3.7: Approaches to 2000/2001 Best Value Reviews by size of budget - district councils

	Type of Authority (%)			
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	All (%)
Challenge:				
Whether existing services should be provided at all	68	71	.528	69
Whether existing approaches to the provision of services was best	86	92	.094	89
Whether there were any new services required	67	67	.395	67
Compare:				
Private and voluntary sector services	59	55	.342	58
Other local authorities	88	83	.100	85
Other public sector providers	47	45	.858	49
Basis of Comparisons				
Generic management	54	55	.941	55
Costs	88	84	.302	87
Outcomes	78	77	.699	80
Performance	88	85	.777	87
Consult:				
The public as a whole	54	61	.015	52
Service users or their representatives	92	92	.827	91
Other local agencies	63	74	.025	69
Local businesses	41	42	.378	38
Front line staff	87	87	.923	88
Trade unions	48	53	.203	60
Competition:				
Analyse the market	63	61	.761	63
Market test through open competition	22	27	.156	31
Test opportunities for strategic alliances and partnerships	42	42	.551	43
Test for the externalisation of the service (no in-house bid)	24	23	.925	27
Develop the market in order to encourage alternative suppliers	12	17	.098	20

Source: Census of Local Authorities, 2001.
 Respondents: Service officers (N = 776).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A3.8 Recommendations of 2000/2001 Best Value Reviews by size of budget - district councils

	Type of Authority (%)			All (%)
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	
Review Recommendations				
Recommendations have been implemented in full	27	26	.702	29
Recommendations have been implemented in part	75	76	.931	72
Recommendations will be implemented in full	85	87	.284	88
Recommendations will be implemented in 2 years	75	67	.064	75
The recommendations are ambitious	75	75	.819	77
The recommendations are widely agreed and owned within the authority	70	75	.348	75
Recommendations will lead to significant service improvement	83	88	.135	87
Recommendations will lead to new approaches to service delivery	75	81	.084	82
Recommendations will lead to more partnership working	66	73	.445	73
Recommendations will lead to more externalisation	30	34	.546	35

Source: Census of Local Authorities, 2001.
 Respondents: Service officers (N = 776).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A3.9: Recommendations of 2000/2001 Best Value Reviews

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	Uas (2)	LBs (3)	Mets (4)	Districts (5)			
Reviews led to:								
Specific recommendations to improve performance	81	74	83	86	85	83	.160	
Specific recommendations that will result in step change	56	57	61	68	56	58	.124	
Specific recommendations that will lead to new approaches to service delivery	69	70	64	79	67	69	.056	

Source: Census of Local Authorities, 2001.
 Respondents: Corporate officers (Chief execs, Directors and BVOs) and Members (N = 1015).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.

Table A3.10: Recommendations of 2000/2001 Best Value Reviews by size of budget – district councils

	Type of Authority (%)			
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	All (%)
Reviews led to:				
Specific recommendations to improve performance	84	88	.793	83
Specific recommendations that will result in step change	54	59	.243	58
Specific recommendations that will lead to new approaches to service delivery	67	68	.140	69

Source: Census of Local Authorities, 2001.
 Respondents: Corporate officers (Chief execs, Directors and BVOs) and Members (N = 1015).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A3.11: Perceptions of Management Information Systems by type of authority

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Management information systems allow operational managers to judge progress	51	60	61	56	58	58	.038	
Management information systems allow senior managers to judge progress	59	63	66	59	61	61	.082	

Source: Census of Local Authorities, 2001.
 Respondents: Corporate officers (Chief execs, Directors and BVOs) and Members (N = 1015).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree

Table A3.12: Perceptions of BVPPs by type of authority

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
The summary worked well in enabling the public to hold the authority to account	33	38	31	32	31	31	.818	
Was useful in measuring annual progress	61	57	60	56	56	57	.812	
Was used to inform actions on a regular basis	41	38	41	41	41	40	.884	
Targets were agreed by those responsible for meeting them	65	64	64	63	70	67	.009	
The plan contained new local performance indicators to measure performance	66	64	66	59	62	63	.211	
Targets were based on political priorities	52	46	55	45	37	43	.000	1-5, 2-3, 3-5, 4-5
Targets were ambitious	67	69	73	68	62	66	.000	3-5
Targets will be achieved	67	62	62	64	66	64	.242	

Source: Census of Local Authorities, 2001.
 Respondents: All respondents (N = 2836).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.

Table A3.13: Perceptions of BVPPs by size of budget - district councils

	Type of Authority (%)			
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	All (%)
The summary worked well in enabling the public to hold the authority to account	29	33	.031	31
Was useful in measuring annual progress	55	56	.854	57
Was used to inform actions on a regular basis	39	42	.313	40
Targets were agreed by those responsible for meeting them	68	71	.180	67
The plan contained new local performance indicators to measure performance	61	63	.072	63
Targets were based on political priorities	34	42	.000	43
Targets were ambitious	60	64	.189	66
Targets will be achieved	61	67	.015	64

Source: Census of Local Authorities, 2001.
 Respondents: All respondents (N = 1320).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A3.14: Perceptions of Best Value inspection by size of budget - districts

	Type of Authority (%)			
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	All (%)
Ensures minimum service delivery standards	39	39	.720	40
Compliance costs are low	7	11	.000	10
Benefits outweigh costs	21	22	.090	25
Leads us to unduly focus on the concerns of Best Value inspectors to the exclusion of service delivery	73	67	.038	66
Inspectors have appropriate expertise	23	27	.047	26
Will lead to significant service improvements	35	34	.987	37

Source: Census of Local Authorities, 2001.
 Respondents: All respondents (N = 1320).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree.
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A3.15: Perceptions of Best Value Inspection by type of respondent

	Type of Respondent (%)			Anova sig.	Scheffe sig.	All (%)
	Corporate (1)	Service (2)	Members (3)			
Ensures minimum service delivery standards	28	42	48	.000	1-2, 1-3, 2-3	40
Compliance costs are low	5	12	8	.000	1-2, 1-3	10
Benefits outweigh costs	20	26	26	.000	1-2, 1-3	25
Leads us to unduly focus on the concerns of Best Value inspectors to the exclusion of service delivery	67	66	66	.743		66
Inspectors have appropriate expertise	27	25	27	.243		26
Will lead to significant service improvements	27	39	40	.000	1-3, 2-3	37

Source: Census of Local Authorities, 2001.
 Respondents: All respondents (N = 2836).
 Scale: 7 point Likert scale: 1 – disagree, 7 – agree

Table A4.1: Perceptions of bureaucracy by size of budget - district councils

	Type of Authority (%)			All (%)
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	
Formalisation ^{i a 1}	66	72	.004	72
Flexibility ^{ii a 1}	58	66	.006	66
Delaying ^{iii b 2}	35	38	.074	35
Relayering ^{iv b 2}	8	10	.228	10

Source: Census of Local Authorities, 2001.
 Respondents: 1 – all respondents (n= 2836). 2 – service and corporate officers (n= 2355).
 Scales: a: 7 point Likert scale: 1 – disagree, 7 – agree. b: 8 point Likert scale: 1 – not part of our approach, 8 – major
ⁱ “Written policies and procedures are important in guiding the action of employees in the service”
ⁱⁱ “There is extensive use of staff task and project groups in the management of our service”
ⁱⁱⁱ “Delaying was a major part of the management approach adopted”
^{iv} “Relayering was a major part of the management approach adopted”

Table A4.2: Perceptions of levels of bureaucracy by types of respondent

	Type of Respondent (%)					2 Tailed T-Test sig.	All (%)
	Corporate (1)	Service (2)	Members (3)	Anova sig.	Scheffe sig.		
Formalisation ^{i a 1}	60	73	78	.000	1-2, 1-3, 2-3		72
Flexibility ^{ii a 1}	63	68	62	.269			66
Delaying ^{iii b 2}	41	34	Not asked			.001	35
Relayering ^{iv b 2}	8	11	Not asked			.023	10

Source: Census of Local Authorities, 2001.
 Respondents: 1 – all respondents (n= 2836). 2 – service and corporate officers (n= 2355).
 Scales: a: 7 point Likert scale: 1 – disagree, 7 – agree. b: 8 point Likert scale: 1 – not part of our approach, 8 – major
ⁱ "Written policies and procedures are important in guiding the action of employees in the service"
ⁱⁱ "There is extensive use of staff task and project groups in the management of our service"
ⁱⁱⁱ "Delaying was a major part of the management approach adopted"
^{iv} "Relayering was a major part of the management approach adopted"

Table A4.3: Perceptions of centralisation and decentralisation by type of authority

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Centralisation ^{a 1}	45	47	51	45	42	44	.000	
Decentralising ^{b 2}	31	34	22	41	16	25	.000	1-5, 2-5, 3-4, 4-5
Centralising ^{b 2}	19	18	28	21	19	20	.000	3-5
Dispersal of power ^{a 1}	74	74	64	71	72	71	.537	

Source: Census of Local Authorities, 2001.
 Respondents: 1 – all respondents (n= 2836). 2 – service and corporate officers (n= 2355).
 Scales: a: 7 point Likert scale: 1 – disagree, 7 – agree. b: 8 point Likert scale: 1 – not part of our approach, 8 – major.
ⁱ "When our results deviate from our plans, the decisions to take appropriate corrective action usually comes from top management or politicians"
ⁱⁱ "Decentralisation was a major part of the approach to organisation"
ⁱⁱⁱ "Centralisation was a major part of the approach to organisation"
^{iv} "Control is devolved to service managers"

Table A4.4: Perceptions of centralisation and decentralisation by size of budget - district councils

	Type of Authority (%)			
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	All (%)
Centralisation ^{i a 1}	44	39	.061	44
Decentralising ^{ii b 2}	12	22	.000	25
Centralising ^{iii b 2}	11	19	.226	20
Dispersal of power ^{iv a 1}	71	73	.647	72

Source: Census of Local Authorities, 2001.
 Respondents: 1 – all respondents (n= 2836). 2 – service and corporate officers (n= 2355).
 Scales: a: 7 point Likert scale: 1 – disagree, 7 – agree. b: 8 point Likert scale: 1 – not part of our approach, 8 – major.
ⁱ “When our results deviate from our plans, the decisions to take appropriate corrective action usually comes from top management or politicians”
ⁱⁱ “Decentralisation was a major part of the approach to organisation”
ⁱⁱⁱ “Centralisation was a major part of the approach to organisation”
^{iv} “Control is devolved to service managers”
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A4.5: Perceptions of levels of integration

	Type of Respondent (%)			Anova sig.	Scheffe sig.	2 Tailed T-Test sig.	All (%)
	Corporate (1)	Service (2)	Members (3)				
Targets ^{i a 1}	66	76	71	.000	1-2, 1-3		73
Linkages ^{ii a 1}	68	76	75	.000	1-2		74
Changes to internal communications ^{iii b 2}	72	72	Not asked			.989	72
Changes to external communications ^{iv b 2}	74	71	Not asked			.026	72
Enhance joint working ^{v b 2}	74	78	Not asked			.297	77

Source: Census of Local Authorities, 2001.
 Respondents: 1 – all respondents (n= 2836). 2 – service and corporate officers (n= 2355).
 Scales: a: 7 point Likert scale: 1 – disagree, 7 – agree. b: 8 point Likert scale: 1 – not part of our approach, 8 – major.
ⁱ “There is a well developed framework of clear performance measurement and targets to drive what we do”
ⁱⁱ “There are clear links between the objectives and priorities of our service and those of the authority as a whole”
ⁱⁱⁱ “Significant changes to internal communications were a major part of the management approach adopted”
^{iv} “Significant changes to external communications were a major part of the management approach adopted”
^v “Enhancing co-ordination and joint working with other departments was a major part of the approach to organisation”

Table A4.6: Perceptions of integration by size of budget - district councils

	Type of Authority (%)			All (%)
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	
Targets ^{a 1}	68	73	.010	73
Linkages ^{a 1}	69	74	.054	74
Changes to internal communications ^{b 2}	63	64	.472	72
Changes to external communications ^{b 2}	68	72	.035	72
Enhance joint working ^{b 2}	69	75	.067	77

Source: Census of Local Authorities, 2001.
 Respondents: 1 – all respondents (n= 1320). 2 – service and corporate officers (n= 1095).
 Scales: a: 7 point Likert scale: 1 – disagree, 7 – agree. b: 8 point Likert scale: 1 – not part of our approach, 8 – major.
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A4.7: Perceptions of organisational culture by type of authority

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Risk ⁱ	61	69	60	63	48	56	.000	2-5, 3-5, 4-5
Innovation ⁱⁱ	76	75	73	70	57	66	.000	1-5, 2-5, 3-5, 4-5
Customers ⁱⁱⁱ	81	83	77	81	79	80	.128	
Continuous improvement ^{iv}	83	85	82	84	79	82	.156	
Productivity ^v	44	44	48	43	34	39	.000	2-5, 3-5
Welfare ^{vi}	75	68	65	70	72	71	.017	
Trust - managers and staff ^{vii}	67	56	56	57	58	58	.022	
Trust - officers and members ^{viii}	67	61	61	63	59	61	.008	

Source: Census of Local Authorities, 2001.
 Respondents: All Respondents (N = 2836).
 Scales: 7 point Likert scale: 1 – disagree, 7 – agree.
ⁱ "The service is prepared to take risks where appropriate"
ⁱⁱ "The service is at the forefront of innovative approaches"
ⁱⁱⁱ "Most managers place the needs of users first and foremost when planning and delivering services"
^{iv} "There is a strong focus on continuous improvement in our service"
^v "There are strong incentives for managers to achieve step change in performance in this service"
^{vi} "This service cares about its staff"
^{vii} "There is a high level of trust between top-management and staff"
^{viii} "There is a high level of trust between officers and politicians"

Table A4.8: Perceptions of organisational culture by size of budget - district councils

	Type of Authority (%)			
	Below mean budget	Above mean budget	2 Tailed T-Test sig	All (%)
Riskⁱ	43	54	.000	56
Innovationⁱⁱ	53	61	.000	66
Customersⁱⁱⁱ	77	83	.018	80
Continuous improvement^{iv}	77	82	.059	82
Productivity^v	32	36	.057	39
Welfare^{vi}	70	74	.083	71
Trust - managers and staff^{vii}	59	56	.560	58
Trust - officers and members^{viii}	60	57	.399	61

Source: Census of Local Authorities, 2001.
 Respondents: All Respondents (N = 2836).
 Scales: 7 point Likert scale: 1 – disagree, 7 – agree.
ⁱ “The service is prepared to take risks where appropriate”
ⁱⁱ “The service is at the forefront of innovative approaches”
ⁱⁱⁱ “Most managers place the needs of users first and foremost when planning and delivering services”
^{iv} “There is a strong focus on continuous improvement in our service”
^v “There are strong incentives for managers to achieve step change in performance in this service”
^{vi} “This service cares about its staff”
^{vii} “There is a high level of trust between top-management and staff”
^{viii} “There is a high level of trust between officers and politicians”
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A4.9: Perceptions of strategy formulation by type of authority

	Type of Authority (%)					All (%)	Anova sig.	Scheffe sig.
	CCs (1)	UAs (2)	LBs (3)	Mets (4)	Districts (5)			
Rational planning:								
When the service formulates strategy it is planned in detail	66	71	63	70	66	67	.663	
When the service formulates strategy, options are identified and evaluated before the best option is selected	71	75	72	72	73	73	.975	
Incrementalism:								
The strategy with the greatest political support is usually adopted as our policy	77	63	71	67	67	68	.007	
Strategy develops through a process of bargaining and negotiation between groups or individuals	38	45	41	45	42	42	.835	
Logical incrementalism:								
When we make strategy we produce policy options which are very similar to those we already have	25	23	28	24	29	27	.008	
Strategy develops through an ongoing process of adjustment	59	65	68	58	68	65	.010	
When we make strategy we produce broad goals and objectives	79	82	81	82	79	80	.542	

Source: Census of Local Authorities, 2001.
 Respondents: All respondents (N = 2836).
 Scales: 7 point Likert scale: 1 – disagree, 7 – agree.

Table A4.10: Perceptions of strategy formulation by size of budget – district councils

	Type of Authority (%)			
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	All (%)
Rational planning:				
When the service formulates strategy it is planned in detail	64	68	.044	67
When the service formulates strategy, options are identified and evaluated before the best option is selected	70	76	.012	73
Incrementalism:				
The strategy with the greatest political support is usually adopted as our policy	66	68	.552	68
Strategy develops through a process of bargaining and negotiation between groups or individuals	41	43	.385	42
Logical incrementalism:				
When we make strategy we produce policy options which are very similar to those we already have	31	27	.009	27
Strategy develops through an ongoing process of adjustment	67	69	.956	65
When we make strategy we produce broad goals and objectives	78	80	.963	80

Source: Census of Local Authorities, 2001.
 Respondents: All respondents (N = 1320).
 Scales: 7 point Likert scale: 1 – disagree, 7 – agree.
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A4.11: Perceptions of importance of approaches to service delivery

	Type of Respondent			
	Corporate officers (%)	Service officers (%)	2 Tailed T-Test sig.	All (%)
Externalisation	48	39	.000	41
Contracting out or outsourcing	45	39	.000	41
Local strategic partnerships	78	67	.000	70
Statutory partnerships	88	67	.000	72

Source: Census of Local Authorities, 2001.
 Respondents: All Officers (N = 2355).
 Scales: 8 point Likert scale: 1 – not part of my authority's/service's approach to service delivery, 8 – a major part of my authority's/service's approach.

Table A4.12: Perceptions of importance of approach to service delivery by size of budget - district councils

	Type of Authority (%)			
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	All (%)
Externalisation	33	41	.022	41
Contracting out/ outsourcing	29	38	.038	41
Local strategic partnerships	62	67	.512	70
Statutory partnerships	69	74	.113	72

Source: Census of Local Authorities, 2001.
 Respondents: All Officers (N = 1320).
 Scales: 8 point Likert scale: 1 – not part of my authority's/service's approach to service delivery, 8 – a major part of the authority's/service's approach.
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A4.13: Perceptions of innovation by type of respondent

	Type of Respondent			
	Corporate (%)	Service (%)	2 Tailed T-Test sig.	All (%)
Providing new services to new users	26	40	.003	37
Providing new services to existing users	38	57	.000	53
Providing existing services to new users	45	53	.076	51
Making minor modifications to existing services to existing users	59	69	.003	67
Doing away with services altogether	11	12	.022	12

Source: Census of Local Authorities, 2001.
 Respondents: All Officers (N = 2355).
 Scales: 8 point Likert scale: 1 – not part of my authority's/service's approach to service delivery, 8 – a major part of my authority's/service's approach.

Table A4.14: Perceptions of innovation by size of budget - district councils

	Type of Authority (%)			All (%)
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	
Providing new services to new users	35	36	.156	37
Providing new services to existing users	47	53	.074	53
Providing existing services to new users	49	53	.193	51
Making minor modifications to existing services	67	71	.324	67
Doing away with services altogether	10	12	.028	12

Source: Census of Local Authorities, 2001.
 Respondents: All Officers (N = 1095).
 Scales: 8 point Likert scale: 1 – not part of my authority's/service's approach to service delivery, 8 – a major part of my authority's/service's approach.

Table A4.15: Perceived drivers of performance improvement by size of budget - district councils

	Type of Authority (%)			
	Below mean budget	Above mean budget	2 Tailed T-Test sig.	All (%)
Internal:				
Political leadership	56	60	.068	63
Managerial leadership/key individuals	87	86	.883	89
Changes in management (new manager from outside)	33	33	.772	35
Changes in management (new manager from inside)	31	32	.517	33
Resources within the service/authority	64	67	.542	64
Cross-departmental/cross-cutting working	55	57	.067	61
External:				
Pressures from inspectors	63	57	.028	65
External pressure (e.g. the media)	26	34	.002	33
Activities of other local authorities	43	46	.089	45
Demands of users	68	78	.000	75
Professional associations/networks	49	54	.125	50
Changes in the social, political and economic context facing the authority/service	53	59	.014	60
New technologies	64	69	.039	67
Competition	28	33	.023	32
Central government policies	71	74	.444	78
Environmental Issues	53	57	.359	50
Central Government Initiatives:				
Community planning/strategies	45	49	.234	49
New council constitutions	43	43	.817	49
New ethical framework	23	26	.698	25
Best Value	71	72	.958	74
Local public service agreements	20	19	.919	31
Public private partnerships	20	27	.001	30
Beacon Councils scheme	15	19	.023	24
E-government	53	57	.122	57
Powers to promote the social and environmental well-being of communities	46	48	.134	47
Reforms to capital and revenue finance	34	36	.100	36

Source: Census of Local Authorities, 2001.
 Respondents: All respondents (N = 1320).
 Scale: 7 point Likert scale: 1 – minor, 7 – major.
 Mean = 22.92985 (£m). Derived from CIPFA Finance and General Statistics 2001-2002

Table A4.16: Perceived drivers of performance improvement by type of respondent

	Type of Respondent (%)				Anova sig.	Scheffe sig.
	Corporate (1)	Service (2)	Members (3)	All (%)		
Internal:						
Political leadership	66	56	83	63	.000	1-2, 1-3, 2-3
Managerial leadership/key individuals	86	89	91	89	.154	
Changes in management (new manager from outside)	38	32	44	35	.000	1-2, 2-3
Changes in management (new manager from inside)	32	31	40	33	.000	2-3
Resources within the service/authority	59	64	72	64	.000	1-3, 2-3
Cross-departmental/cross-cutting working	65	59	65	61	.000	2-3
External:						
Pressures from inspectors	64	64	68	65	.004	2-3
External pressure (e.g. the media)	34	31	39	33	.004	
Activities of other local authorities	44	48	34	45	.000	1-3, 2-3
Demands of users	72	75	74	75	.048	
Professional associations/networks	40	52	52	50	.000	1-2, 1-3
Changes in the social, political and economic context facing the authority/service	56	60	63	60	.003	1-3
New technologies	67	65	72	67	.054	
Competition	28	32	36	32	.000	2-3
Central government policies	78	78	76	78	.255	
Environmental Issues	53	43	60	50	.000	1-2, 1-3, 2-3
Central government initiatives:						
Community planning/strategies	54	44	61	49	.000	1-2, 2-3
New council constitutions	42	41	53	49	.000	1-2, 2-3
New ethical framework	22	21	40	25	.000	1-3, 2-3
Best Value	75	76	69	74	.006	2-3
Local public service agreements	32	28	43	31	.000	1-3, 2-3
Public private partnerships	24	28	43	30	.000	1-3, 2-3
Beacon Councils scheme	19	22	35	24	.000	1-3, 2-3
E-government	65	56	55	57	.000	1-2, 1-3
Powers to promote the social and environmental well-being of communities	49	42	61	47	.000	1-3, 2-3
Reforms to capital and revenue finance	34	32	53	36	.000	1-3, 2-3

Source: Census of Local Authorities, 2001.
 Respondents: All respondents (N = 2836).
 Scale: 7 point Likert scale: 1 – minor, 7 – major.

Table A5.1: Correlations between Satisfaction and other BVPIs by Service

	Type of Authority				
	LBs	Mets	CCs	UAs	Districts
Corporate (% Satisfied With The Local Authority)					
CRE Level (number)	-.08	-.30	-.38	-.29	-.18
% very/fairly satisfied with complaint handling	.68**	.35	.03	.52**	.39**
Ombudsman maladministration cases	-.30	.08	-.05	.18	-.06
Ombudsman maladministration cases					
% Return form	.17	-.06	-	-.09	.02
% Invoices paid on time	.62**	-.07	.14	-.13	.11
% Council tax collected	.36	.28	-	.27	.38**
% NNDR collected	-.06	.17	-	.25	.09
% Senior women	-.32	-.13	.23	-.20	-.01
% Voluntary leavers	.16	.05	-.03	.25	.24**
% Early retirements	-.47	-.28	.11	-.16	-.12
% Staff with disabilities	-.30	.12	-.04	-.10	-.08
% Staff from ethnic minorities	-.38	-.16	-.21	-.28	-.07
Social Services (% of Users/Carers who got help quickly)					
% Children with 3+placements	-.15	-.14	.61**	.24	-
% Leaving care with GCSEs A*-G	-.05	-.19	.16	.08	-
No. with intensive home care per 1000 pop 65+	-.14	.15	-.01	-.00	-
Older people helped to live at home	.21	-.01	-.00	-.01	-
% Reviews	-.00	.02	.09	.02	-
% Equipment	-.00	.02	.18	.00	-
% Needs statements	.31	-.17	.15	-.01	-
No of assessments per capita 65+	.15	-.01	.16	.10	-
Housing (% Tenants Very/Fairly Satisfied with overall service from landlord)					
% Private unfit dwellings made fit	.08	-.08	-	-.13	-.08
% Private dwellings 6 months empty	.04	-.22	-	.09	-.03
% Rent collection	.30	.02	-	.02	-.16
% Rent arrears	-.49	-.04	-	.08	.03
% Homeless decisions in 33 days	.12	.06	-	-.05	-.03
Rent loss from vacant dwellings	-.35	-.22	-	-.02	-.01
SAP Change (number change in rating)	.04	.03	-	-.00	.07
Dwellings renovated equal to or less than £5000	-.03	-.21	-	-.18	-.03
Dwellings renovated more than £5000	-.14	-.02	-	-.22	.00
Specified repairs completed in time limits	.30	.21	-	-.03	.07
Average time rest of responsive repairs (calendar days)	-.11	-.12	-	.30	.01
Benefits (User Satisfaction Survey: % Strongly Agree/Agree On Service)					
Cost per claim (£ per claim)	-.19	-.08	-	-.02	-.19**
Average time new claims (calendar days)	-.45**	-.40**	-	-.39**	-.37**
Average time change in circumstances (calendar days)	-.40**	-.23	-	-.23	-.10
% renewal claims on time	.07	.20	-	.13	.20**
% Case processed correctly	.15	.13	-	.21	.10
% Recovery of overpaid benefit	.14	.04	-	.10	.03
Waste and Environment (Satisfaction Survey: Cleanliness Of Streets)					
Recycling (% tonnage)	.41	.10	.18	-.01	.22**
Landfill (% tonnage)	-.60	-.14	-.20	.18	-
Cost waste collection per household	-.12	.02	-	.06	.18**
Missed bins (no per 100,000 collections)	.06	-.20	-	-.16	.07
% pop within 1km recycling facilities	.12	-.09	-	-.05	-.05
Planning (Satisfaction Survey % Satisfied With Processing Planning Applications)					
% Planning apps within 8 weeks	.50**	.39	.25	.35	.31**
Average time planning applications (no of weeks)	-.53**	-.38	-.07	-.25	-.39***
% Checklist score 1-10	.02	.09	.05	.09	.05

Notes: Satisfaction with the local authority = Corporate BVPI 3, % Very/Fairly satisfied with the local authority.
Significance levels: ** <=0.01, ***<=0.001

