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# Perspectives on the third term

## The way ahead

David Walker  
Michael Bichard  
Robert Hill  
Katherine Kerswell  
Steve Bullock  
Barry Quirk  
Douglas Sinclair  
Clive Grace  
Rod Aldridge  
Steve Freer  
Wendy Thomson  
Steve Bundred  
Jane Martin  
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## SOLACE Foundation Imprint

The Trustees of the SOLACE Foundation are pleased to announce the launch of its publishing imprint with the distribution of this first pamphlet.

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# Contents

- 4** Preface  
Third term: promise and unease  
by **Michael Bichard and Clive Grace**
- 9** Is Blairite policy just one damn  
thing after another?  
by **David Walker**
- 14** Why isn't public service  
reform delivering?  
by **Michael Bichard**
- 18** Reinventing local government  
for a new age  
by **Robert Hill**
- 22** Why satisfaction no longer  
matters for Brian and Trisha  
by **Katherine Kerswell**
- 27** A mayor's perspective on  
the third term  
by **Steve Bullock**
- 30** Be good to do good: why  
values matter  
by **Barry Quirk**
- 35** Devolution and the new dynamic  
for Scotland  
by **Douglas Sinclair**
- 40** A positive view of public service  
reform in Wales  
by **Clive Grace**
- 45** New models for public services  
in the 21st century  
by **Rod Aldridge**
- 50** The best of times or the worst  
of times?  
by **Steve Freer**
- 52** Promoting political and  
managerial leaders  
by **Wendy Thomson**
- 57** Regulating reformed  
public services  
by **Steve Bundred**
- 61** Local government under the  
public microscope  
by **Jane Martin**
- 64** Asking the right questions:  
delivery versus policy  
by **Paul Corrigan**

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# Third term: promise and unease

by Michael Bichard and Clive Grace

This launch publication of the SOLACE Foundation Imprint (SFI) arrives at a curious moment for public services. We find ourselves in the early months of a third term government which has transformed the terms of public services debate. There has been a significant financial, policy, and legislative investment, and a revolution in the space which public services occupy in political exchange. We are now all in favour of better public services – and well resourced public services – whatever position we may hold on the political or policy spectrum. Only extraordinary considerations of foreign policy and terrorism have eclipsed public services at the heart of public concern and debate. They continue to dominate the domestic agenda.

And yet we can be forgiven for feeling uneasy, for we are still some way from an *irreversible* shift of policy and resources in favour of public services. There is yet to be a conclusive transformation in the efficiency and quality of public services; yet to be clarity and consistency in the policy framework to guide them; and yet to be a fundamental endorsement of what has been achieved through concrete measures of public and user satisfaction. Further, not only is there no certainty of additional resources continuing to be invested beyond 2008 – there are many who believe that no government will be able to continue even

with current levels of investment in public services.

It is therefore not yet impossible that a future government may determine a scaling back of the effort, commitment and investment, or a radical shift in the character of public services which would threaten the relatively comprehensive and advanced system which we are beginning to enjoy.

Many forces may conspire to prompt that the pressures of demographic change and their effect on pensions and on services for the elderly; the possibility that the payback from the recent substantial financial investment may turn out to be proportionately too small to command long-term public support; or the effects of global pressures of competition and potential international dislocation.

There is no room for complacency about the course of public services policy and provision over the next five to ten years. We are right to be wary.

## **The long-term/short-term dilemma**

Part of the problem lies in the sheer scale of what has been attempted since 1997. Whatever view one has of the necessity or otherwise of the Thatcher reforms and of what preceded them, the condition of public services in 1997 was dire. Many services were poor and under-resourced in terms of management and governance as well as

money. Many were not at all equipped to lead their own transformation.

The centrally-directed, target-driven and highly-regulated approach of the first term may have been flawed, but one can see clearly that government thought it necessary to take charge. By the same token, doubtless their own shortcomings of experience and capacity contributed to some of the false starts and dead ends. And beneath what looked like a comprehensive and long-term banner of “modernisation” lurked the short-term drive to tackle this, that or the other problem which found its way onto ministerial agendas.

Meanwhile the Prime Ministerial Principles of Public Services Reform – national standards, devolution to the front line, customer focus, and contestability – operated at too high a level of abstraction to be any confident guide to policy. They bore an uncertain relationship to the many specific central initiatives which flowed.

The government’s second term was marked by a continuation of the theme of “invest and reform”, and an attempt to make real the reform principle of “contestability” – foundation hospitals and academy schools being the most prominent examples. But quite how that connects to a more general approach to the next phase of change and improvement is unclear even to supporters of the genuine commitment which the government has shown to making public services better.

As to the third term, we know that greater efficiency is central to further improvement because there is not the new money to fund better services without that – better use of technology, better collaboration, and more effective governance, leadership and management. It might be said that that itself is a big agenda, or at any rate more than enough by way of reform to be getting on with. But try asking public services colleagues to sum up the government’s approach and explain it in a nutshell – you will probably find less confident answers than there would have been five years ago.

The suite of five year departmental strategies published earlier this summer around the theme of ‘Putting People at the Heart of Public Services’ might well be the kernel of it all. But if so, their timing and profile makes our point rather than contradicts it.

### **And local government ... ?**

As to local government, its confidence has grown considerably since 1997. Partly that reflects the added investment, and its new powers and modern constitutions. There may be very few elected mayors, but the evidence of changed governance is all around in the cabinets and scrutiny committees. And local government is performing better, and visibly so – improved Comprehensive Performance Assessment scores confirm it.

Local government also seems less the subject of the casual contempt from civil servants and central politicians which was evident a few years ago. Conversely, some of the joint machinery and shared agendas are creating a more visible partnership between central and local levels.

Certainly SOLACE's experience is that its members are in great demand by government departments and Ministerial Working Parties of all kinds. The Society currently has over 100 members involved directly in advising and contributing to policy development and implementation across government.

Yet the picture here too is fragmented and incomplete. The failure of the regional agenda to capture public support leaves huge questions unanswered about the future structure and functions of local government. SOLACE members overwhelmingly favour unitary local government, but regionalism is no longer a stalking horse for that objective.

There is also a sense that the agenda of internal constitutional change for local government is unfinished – government still seems to hanker for the “strong” leadership of elected mayors. The new ministerial team has a bigger agenda, and a more open one, than one might expect at the start of a third term of a government which has already devoted so much effort to the project of reform and improvement.

### **Perspectives on third term issues**

It is the surprising gaps and uncertainties about policy towards public services and local government at the start of the third term which has prompted us to make it the subject of our first pamphlet for the Solace Foundation Imprint. We have drawn together views from a range of people with good vantage points on key issues. They pose questions with the aim of encouraging debate around important themes.

We start with David Walker and an overview of the public services landscape and the Blairite project, and a concern at the apparent lack of coherence and clarity. Michael Bichard agrees with that and proposes several prerequisites for public service reform, not the least of which is genuine reform of the civil service. Robert Hill follows with a focus on local government, and what makes its contribution so critical in its connection between people and place, a view which is both amplified and endorsed by Katherine Kerswell in exploring what “Trisha and Brian”, everyday Solihull folk, actually want from local government. She challenges us to listen harder and to find ways to meet their aspirations about local government itself, as well as its services, head on.

Steve Bullock gives the view of an elected member and an elected mayor, and urges local government to seize the opportunity of the government's agenda, while Barry Quirk

explores how effective managing could strengthen local government, and what effective management means in today's age.

Douglas Sinclair and Clive Grace give devolution perspectives from Scotland and Wales respectively. We operate now in a "mixed economy" of public services on a territorial basis, too, and the lessons and learning need to flow multilaterally, and with respect for difference. The more conventional mixed economy is, of course, the public-private relationship and Rod Aldridge gives a view on that from his unique vantage point.

Steve Freer tackles the key issue of local government funding, and urges bold measures; while Wendy Thomson argues that the resource of local government leadership can, and should, be actively built and more strongly drawn upon.

The question of the future shape of external regulation of public services is explored by Steve Bundred in ways which entail not only a rolling back of regulation but also reshaping it in radical ways. Meanwhile local government's own scrutiny function remains underdeveloped, but that itself is changing as Jane Martin explains in her contribution.

Finally, Paul Corrigan, seasoned participant-observer of government, policy and research, offers a perspective on the relationship between research and policy. He argues for a different kind of knowledge and

analysis of public services and public policy in the light of the determination of government to pursue delivery. He is, in effect, underlining the rationale of the SFI itself. Just how do we ensure that experience and practice are captured and exploited to help develop better policy and more effective implementation?

Between them they offer stimulating and challenging insights into some key issues facing both government and public services early in the government's third term. We hope you enjoy them, and use them to good effect, whatever the sector or vantage point from which you experience them.

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# Is Blairite policy just one damn thing after another?

by David Walker



A foolish consistency, quoth a sage, is the hobgoblin of little minds. The Blair government, no less than its predecessors and successors, has a big mind. It has a melange of objectives. Some don't so much contradict one another (national standards, local discretion; choice by schools, choice of schools) as co-exist uncomfortably. A dynamic economy – on which, ultimately, political fortune turns – reduces equity, as the distribution of wealth and income skews into greater unfairness. But, New Labour might say, if it can manage this, the largest contradiction of all, and combine capitalist energy with socially progressive policies, we can surely live with smaller dissonances between policies. Blairism (and the same will doubtless be said of Gordon Brown's "ism" if he succeeds) is accommodating.

The philosopher John Gray, following Isaiah Berlin, said the fate of our kind of society was to live "agonistically" with incompatible values and ends. Antagonistic goals may be pursued at the same time, as for example in trying to make foundation hospital trusts more efficient (by appointing financial experts to their boards) while wishing them to be representative (community representatives are ipso facto amateurs). Perhaps the trick is to ride two horses without the audience noticing – perhaps because it is distracted by the clowns.

Conflict between goals is endemic, and not just because of the departmental system. The education department favours earmarked finance for schools and childcare and the local government department opposes it, because different interests are contending.

But in public policy, especially how it gets delivered, a little logic helps. If the government has a hierarchy of ends or principles, we can work out which policy is likely to triumph and plan accordingly. If not, government becomes one damn thing after another. Assume efficiency comes first. Then efforts to make procurement contracts conditional on the supplier, say, exhibiting particular policies for its workforce (training, diversity) take second place to securing maximum value for money. But if social goals are ultimately going to win, then the procurement debate becomes richer and more complicated.

## **Damn the discrepancies**

If there is no such set of primordial goals, then decisions will be made pragmatically. Cabinet ministers will get together and weigh all manner of mainly short-run considerations. The upshot may well be that, over time, one decision will contradict another. With Blair III, we can isolate a number of biggish ideas touching on public services and it soon becomes plain they overlap and in some cases

clash. So far (since the general election) ministers have chosen to ignore the discrepancies. The prime minister's interest depends on events and the permanent distraction of foreign affairs; the eyes and ears and strategic functions in Downing Street have taken time to settle down since the election. (One of the myths of Blair I and II was the permanence of the prime minister's interventions in departments; they were often brief and ineffective.) But this leaves service delivery agents – including local authorities – unable to predict the outcome of any particular tussle.

Take "localism". Sir Sandy Bruce-Lockhart will enter the dictionary of quotations for "we are all localists now". But localism is too loose and baggy an idea to offer a guide to policy and a number of emerging policies are clearly not localist. For example, Blair III's promise to reform invalidity benefit seems indifferent to both the variability of local labour markets and the role localist institutions might play on the frontier between work and non-work. Localism or community might be proclaimed by the Office of the Deputy Prime Minister but have no discernible effect on policy making at, say, the Department for Work and Pensions.

Some policies unfold according to a logic of their own, impervious to the latest rhetorical cry. Commentators have noted not

just the "nationalisation" of certain police activity with the creation of the Serious Organised Crime Agency but encouragement towards "regionalisation" of other functions, in parallel with the fire and emergency planning. At the same time, in police (and to a lesser extent fire) a distinctly localist agenda is also being followed. Local government minister David Miliband has talked of giving neighbourhood forums some claim (rights? duties?) on police deployment while fire prevention is taking on a "community" dimension. Is that inconsistency or normal pluralism?

Key terms for Blair III, in addition to localism, include efficiency, choice, contestability, consumerism and security. Before we explore how far they overlap, two caveats. Politics is a talking business; its practitioners must enjoy ambiguity. Only authoritarians are uneasy with that. We mustn't expect key words to have precise definitions. They are, at best, travel markers.

### **Out of sight and unreformed**

A second caution is that much public service activity is on the dark side of the moon as far as the reformers are concerned. Tony Blair has never been one for municipal detail. He says he wishes, on leaving office, to bequeath a legacy of reformed, customer-focused public services. That actually means choose and book at the interface of primary and

hospital care and a new regime for access to and organisation of primary and secondary schools. Blair III doesn't, on the evidence of the speeches, seem especially concerned with reform of other public services, planning, environmental health, defence, higher education (which despite the noise over fees is mostly unreformed). Sitting uncomfortably in the middle are childcare and adult social care where projects for change abound but which provide prime ministerial speech makers with limited inspiration. The "reform" agenda as conceived by the chancellor of the exchequer, Gordon Brown, is different again. He has not conspicuously associated himself with the case for structural change in the collection of taxes or administration of benefits.

Efficiency, however, is applicable to all services and the goal has a calculus in Sir Peter Gershon's report. But efficiency is one goal among others. Spending allocations for the next round (2007/08 to 2010/11, unless it is retimetabled) will not depend on efficiency performance. Meanwhile efficiency is under criticism. Business outsourcing companies with the ear of the Cabinet Office complain efficiency can damage service quality, conflicting with the goal of enhanced customer service. The Department for Education and Skills, and perhaps the Treasury itself, are willing to entertain the argument that public service procurement

contracts might accommodate the goal of expanding work force skills by means of training commitments by suppliers. Local government is already grappling with the non-localist dynamic behind procurement of certain goods and services: bigger is cheaper. One of the problems with any efficiency versus localism argument is that the evidence base is thin and anecdote often replaces analysis.

Other key terms, carried over from Blair II, are "choice" and "voice". Choice is not the same as consumerism, according to Future Services (Opinion Leader Research, 2005) and "collective choice" (which has had more airtime since the general election) may not look far different from what people already have in local and national elections.

### **Choice, voice and a certain confusion**

Blairite argument is tinged with desperation. Unless the people are reconnected with public services they will defect, in one way or another; middle-class people will secede and may refuse to pay taxes to support public services for the rest. A variant of the argument says public service providers carry the fate of elected politicians in their hands. The only way to restore trust and confidence in the political system is to re-enfranchise the public's "vote" for services.

What this has produced is a medley of attempts to give the public more say – but

hitherto only within controlled conditions. Local authorities and other public bodies are enjoined to listen and provide opportunities for speech. Ministers and councillors tend to conflate consumerism and civic decision-making. Simultaneously, the public as public will become more active while as individuals the public will be treated better in their dealings with public officials.

The thinking here is not rigorous. On “contestability”, Blairites have stopped well short of vouchers and the closure of schools and hospitals as a result of their failure to attract patrons (though some outriders have gone that far).

Individual choices can, cumulatively, run counter to collective choices: individuals may choose a hospital 10 miles away but collectively vote for the candidate who promises to keep open the local unit. The government hopes that over time the public will, in choosing better hospitals and schools, weed out the worse performers. They will either be forced to close or undergo transformation led by external regulators.

For despite its vicissitudes as an idea, regulation has returned. The regulatory scaffolding may have been adjusted but the government’s faith in its principals (the Healthcare and Audit Commissions) is undimmed. Freedom for local service deliverers is conditioned by inspection.

Choice may or may not subvert localism

but it definitely runs smack into security, a new/old theme for Blair III. Ambulance crews working amid the debris of the London terrorist bombs did not of course offer their patients choice. Police officers desperately combing hours of CCTV footage were not much concerned with “customers”. No analogies to commercial transactions were offered by the Security Service as they set surveillance programmes going. Security is collectivist and involves the restriction of freedom and choice – you cannot choose whether to appear on CCTV; anti-social behaviour orders are meant to crimp and confine the movements of people. And since the July 2005 bombs, much of the rhetoric surrounding the key Blairite phrase “community” has also invited questions. What if communities bred extremists and harboured terrorists, knowingly or unknowingly in their midst? Communities must be subject to external inspection (for the sake of human rights as much as security). The dynamic of multi-culturalism, a cousin of localism, is slowing and may even swing into reverse.

Is it naive to expect a government’s policies all to stack neatly? Isn’t it inevitable that there will be loose ends here and a lack of joining up there? A genuinely “localist” government would have required Sir Michael Lyons to give councils fiscal autonomy. A genuinely consumerist government would do

away with regulators and let markets decide. A government wedded to choice would be far less worried about safety and security.

Perhaps this autumn, as government ministers look forward to a remarkably stable three or four years in office, some of these tensions may be resolved. But so far, it's hard not to flinch at inconsistencies. Blairite ministers have not wished to confront the opposing dynamics of control and liberation – over security, offensive behaviour, public service provision and, not least, sub-national decision-making. So far they succeeded, politically speaking, in managing the inconsistencies. That does not mean their partners in government, including local government, should stay silent.

*David Walker edits Public, the Guardian's monthly magazine for public sector executives. His most recent book, with Polly Toynbee, was Better or Worse. Has Labour Delivered? published earlier this year by Bloomsbury. He is a visiting professor at City University, London and a trustee of the National Centre for Social Research*

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# Why isn't public service reform delivering?

by Michael Bichard



My starting point is that investment has increased, improvements have been delivered and the political debate has been redefined. But whether you think that public service reform is delivering rather depends upon how ambitious are your aspirations. For me the challenge was – and still is – not merely to improve public services but to transform them. We need to provide services that consistently deliver quality and good value for money and which are genuinely shaped by the clients and prospective clients; we need to change the culture of service providers for the public good so that it is preoccupied with outcomes; and we want to offer the rest of the world a model of how services delivered for the public good can provide a cornerstone for a fair and just society.

Judged against these (admittedly high) aspirations the reform programme is falling short.

So what needs to change? Where do we begin? You will not be surprised if I say that it must be with the civil service itself. We need a civil service which is:

- Comfortable, with greater external accountability and transparency.
- Genuinely committed to personal accountability in its ranks.
- Creative, innovative and energised.
- Effective delivery of results and outcomes.

- Skilled in procurement and supplier management as the delivery of government business is increasingly delivered on a contractual basis.

- Politically aware, sensitive, empathetic, astute but not aligned!

- Explicitly focused on issues rather than departments; on clients rather than process; and on value rather than cost.

- Imaginative in its use of e-government to deliver services and enhance what the think-tank Demos are now calling “everyday democracy”.

And, to achieve this, I suggest that:

- We introduce external accountability with a system of comprehensive performance assessments of government departments undertaken by a thoroughly independent body, such as the Audit Commission, coupled with the transparent independent measurement of performance against targets (to include savings as recommended in the Gershon Report, *Releasing Resources for the Frontline*, which the Treasury published in 2004).

- Establish a public service, rather than a civil service, so that all those who are employed to provide public services form part of one system with the greater mobility that will bring. The term “civil service” was coined to distinguish it from the military, so maybe it has now served its purpose. More seriously, a decision was taken to maintain a unified ser-

vice at the time the devolved administrations were established to encourage mobility. Why not now extend that to the public service generally? A post like the ODPM permanent secretary would then naturally be open to the best in the public service.

- Enhance the personal accountability of senior civil servants by extending the definition of accounting officers beyond the permanent secretary.
- Introduce more formal outsourcing of policy development and analysis so that the monopoly currently enjoyed by the civil service is broken.
- Review and revitalise select committees to enhance their role in holding officials to account.
- Insist on all civil (public) servants serving some time in operation/management posts before even being considered for senior jobs.

Most important of all is the introduction of some external accountability to provide the stimulus for change as it has in other parts of the public service (for example local government and CPAs, schools and Ofsted).

We need also to articulate a clearer, more coherent, vision of reform which is consistently applied across the public service. At present we have a pot pourri of strategies applied, without any obvious rationale, which leaves room for policy conflict.

On the one hand we have choice. Few

could argue with the concept of choice. But it is currently being proposed as a primary strategy for improving public services and if it does involve offering "real alternatives" it requires you to build capacity so that users can choose one delivery option rather than another. And if you build capacity, you must to some extent be in conflict with another key public service reform strategy – achieving the Gershon efficiencies because choice (of provider) requires a degree of slack for its very existence.

Others have spotted potential conflicts between plans for the future of local governance and the efficiency agenda. Commitments to devolve power to communities and to small very local neighbourhoods are all very well but the problem is that, in order to achieve the level of savings recommended by Gershon, you actually need to aggregate procurement not disaggregate it further.

The issues of contestability and choice have also to some extent become confused. Contestability may be a prerequisite for greater choice, but it can be justified more convincingly as a way to increase efficiency simply by exposing public services to competition. It is true that the private sector now provides very significant levels of what, in the past, would have been defined as public services. But the majority of their work has been in providing support services

of one kind or another. There has been relatively little front-line service provision opened up for competition. In reality, the private sector can easily find itself competing for, at best, an unchanged market share confined to the more difficult segments of the market and managed on a contract basis by people with little experience of contract management or procurement. It is not a very attractive option. And many in the sector are now asking whether the government is still committed to using competition as a way of driving up the standards of services provided for the public good.

The government has done much to create opportunities for a new relationship between the statutory and not-for-profit sectors. But it is surprising that it still accounts for only 0.5% of all central government expenditure. As a recent NAO report on Working with the Third Sector concludes, this is in part because departments tend to underrate the sector's professionalism and its ability to deliver and need to develop their capacity to work with the sector.

But there is another opportunity which is currently being missed and that is the genuine involvement of VCOs not just in the delivery of services for public good but in the design and development of those services. At the moment, this role seems to be too little understood across government, certainly at official level.

But UK public services have other challenges. The UK is 40% less productive than its major competitors. The service sector is a third less productive than manufacturing, and public sector productivity is worse than the private sector. So the question is whether the current reform agenda with its emphasis on investment, accountability, targets, skills and behaviour, will effectively address this issue. The answer is probably "only in part" because investing more in poorly designed services will ultimately fail however many targets you set. We need to develop the capacity to design and redesign services.

Although the government and the prime minister have rightly identified the importance of meeting citizen aspirations via the provision of personalised services, no-one seems to be taking seriously the need to develop a body of skills capable of turning this objective into a reality. One practical, far-sighted step which the government could take to help transform our public services is to establish a School of Public Service Design with the objective of creating a cadre of senior managers with an understanding of the subject, a cadre of practitioners capable of applying the methodology and a framework within which the issues could be addressed.

The success of service design depends upon the effective integration of IT as a business tool which reinforces the key part

which technology has to play in public service reform. There are some encouraging signs. But in spite of some notable successes the contribution of IT to improving public service delivery has been disappointing to date and is often blamed on the poor project management of specific initiatives. However, for me the major reason for under-achievement has been the failure to integrate IT; to combine it with the business process; and to ensure that major IT projects were business led. Too many major IT initiatives are far from being business led, including I fear, NPFIT.

Like many who have contributed to this publication, I have spent my life in the public service. I respect those who have similarly dedicated their lives to that service. But our ultimate loyalty has to be to the clients rather than the bureaucracy; and those clients have still not seen the transformation required significantly to improve the quality of their lives. For that to happen we need to:

- Reform the civil service.
- Develop a coherent and convincing reform vision.
- Offer significant opportunities for private sector involvement in front-line delivery.
- Fully engage with the voluntary and community sector.
- Develop a capacity for service design.
- Realise IT's potential for service improvement by ensuring that it is business led.

*Sir Michael Bichard spent 20 years in local government and nearly 10 years in central government. He left the civil service in 2001 and was appointed Rector of The London Institute, the largest art and design Institute in Europe, which became University of the Arts London. In January 2004 he was appointed by the Home Office to chair the Soham/Bichard Inquiry and on April 1 2005 he became Chair of the Legal Services Commission*

# Reinventing local government for a new age

by Robert Hill



The history of local government can be summarised in one word: “reinvention”. Over the years, the roles and functions of local councils have constantly changed to reflect the evolving demands and needs of local communities. My own town illustrates the point – Epsom is the home of the Derby and the source of the salts that bears its name. But in the early 1900s it was also part of what was, for its time, a progressive healthcare revolution as five great institutions housing 10,000 patients were built to provide asylum for London’s mentally ill. The policy was the brainchild of the then London County Council.

A hundred years on and all but one of the asylums are closed or closing. The LCC was abolished in 1965. Local government’s role in directly providing healthcare is a distant memory. But local government still has a role in this vast estate – negotiating the planning, transport, education and social infrastructure to support new homes on the old hospital sites.

## Lost empires

Over that same century local government built but lost a host of other empires: gas, electricity, water, public health, further education, major highways and much of public housing. And even in those services where local government has maintained a

territorial hold – such as schools and social services – its role is now shaped and constrained by central government. In some cases this happened because the scale of investment and management required national, rather than local, organisation. But, in others, the entrepreneurial drive that had fuelled local innovation gave way to municipalism, weak management and an inability to respond to modern challenges and consumer needs.

Understanding this story is important. It shows that local government is often at its strongest when it is at its most innovative. Councils have a good record as incubators of social policy. But instead of acting as venture social capitalists – enabling services they have helped to create to become independent – they have retained direct control for too long. Loss of functions has been seen as failure rather than natural progression. And this has fuelled a sense of decline in local government. For at least the past half century, local government has had a collective chip on its shoulder as it has lost one service after another.

## Reinvention wheel still turning

New Labour’s first term did nothing to assuage that sense of resentment as the Learning and Skills Council, Connexions and Youth Justice Board all took more functions out of the local government arena and ring-

fenced grants further fettered local discretion. But the reinvention wheel has kept turning. Central government is now trusting local government to deliver on the Every Child Matters programme. Local authorities have been given the lead role in the local implementation of the 10-year childcare strategy. The Youth Green Paper opens up new opportunities for councils. But if this latest reinvention is not to end in tears, with arguments over conflicting mandates and expectations, central and local government need to debate and agree a vision of what local government in this early part of the 21st century is for.

### **Locality matters**

As good a place as any to start is Wendy Thomson's assertion in a recent briefing note, *Leadership Matters: The Leadership Debate*, that "local government policy should be more about places – cities, towns and countrysides – than about functions, powers and finances". SOLACE's incoming president, Barry Quirk, made a similar point about the importance of locality in his inaugural address. He argued that while localities can foreshorten people's horizons and constrain their life-chances, locality matters – "local ties, local attachments, local sentiments, and local connections help people build a strong sense of belonging to places and to communities. Locality is

unique ... that is why we spend so much time making our localities better".

Reasserting the idea of place as the basis for modern local government leads to a number of conclusions about how we might describe its purpose.

First, we need local government to regulate localities. Councillors are lobbied most and public galleries are fullest when planning issues are up for discussion. Councils literally shape the place they govern, and local people know it. Likewise with licensing – particularly now that central government has given the responsibility for the new alcohol-licensing regime to councils.

Second, local government should be ensuring that places are safe and pleasant areas in which to live: that the streets are cleaned and well lit, the roads and pavements repaired, dangerous junctions made safe, graffiti cleaned up and abandoned cars removed; and that parks, libraries, and leisure facilities are ones which local people feel proud to use.

The third role is more complex and relates to how local government and central government interface in the provision of major services. To suggest that local government's role is more akin to that of an agent provokes howls of outrage because it implies that local government is a mere cipher of central government. And there is much more to it than that. In that respect,

“agent” is a bad word to use. But it is accepting that in areas such as education, social services and youth justice, central government has the primary mandate. The inclusion of certain mandatory outcomes in Local Area Agreements is a recognition of this. But conceding this primacy does not mean that local government’s role is insignificant. It is precisely because local authorities are the agency that have an understanding of locality that central government needs them to provide the local vision and strategy for, say, children’s, education or childcare services. Government needs councils able to adapt a policy, adjust a funding formula, commission the right range of providers and prioritise a capital strategy to reflect local needs. Effective governance of place makes all the difference to whether a national service is developed and delivered successfully.

The fourth role of modern local government is around the idea of social cohesion – building a shared sense of commitment to place, because that is what makes for strong communities. That, in turn, takes local government right into the territory of social equity and equality. A locality whose citizens are divided by extremes in life-chances pays the price in terms of sink estates, dysfunctional families, crime and anti-social behaviour. A community riven by racial or religious

disadvantage and prejudice is both failing to utilise the talents of all its citizens and building a dangerous legacy of division.

The final, and arguably pre-eminent, purpose of local authorities is in leading and governing their communities. It is no accident that government is increasingly looking to local authorities to lead local partnerships and multi-agency work to tackle the complex cross-cutting problems – be they health inequalities, lack of skills or crime and anti-social behaviour. Democratic legitimacy, which is intrinsic to all these roles, gives councils the unique authority to join up, broker and lead local solutions to local problems.

### **Practical consequences**

This analysis provides the basis for an exciting and bold manifesto for the rejuvenation of local government. But it also means addressing a number of practical and tough consequences that flow from it:

- We need structures that reflect our sense of place. Undoing some of the appalling artificial boundaries and authorities that Peter Walker visited on local government in 1972 is probably too Utopian, but in the long term we need unitary authorities big enough to be effective but small enough to reflect people’s sense of place. But, short of that, there are some very more immediate things that can be done to strengthen the

role of place in local government. Government can move to services being organised round local authority boundaries – as the home secretary, Charles Clarke, has recently done with the boundaries for police Basic Command Units. Now we need primary care trusts to follow suit. Government could also incentivise counties and districts or clusters of unitary authorities to come together to address issues that cut across their boundaries. And local government should continue to strengthen neighbourhood governance – the place with which people most identify – whether through parish, town or neighbourhood councils. A one-size-fits-all model is the last thing we want, but our civic society would be stronger if all neighbourhood governance were based on participatory democracy.

- New localism will be doomed if it becomes the cover for the return of old-style municipalism. Reinvented local authorities must see commissioning, making and managing markets and tapping into the expertise of local voluntary agencies as essential to their way of working. The diversity of need in each place, and the choice demanded by local citizens, requires a plurality of provision that councils should not attempt to meet by themselves. Councils should define themselves by what they achieve, not by how many people they employ.

- If leadership is at a premium in the rein-

vented local authority, then that leadership needs to be strong, visible and transparent. For me that means more directly elected mayors giving clear leadership and pride to a place, articulating a vision for its future and leading coalitions to deliver change and improvement. Though as with neighbourhood structures there is room for a variety of mayoral models.

### **The big prize**

These are big challenges. They require hard choices to be made. But local government should learn from its history and move forward boldly, not bureaucratically. The prize is big: a great renaissance in the importance of place and locality in our national life and new sense of worth and pride in local democracy.

*Robert Hill was a special adviser first to the prime minister and then to the home secretary, Charles Clarke, from 1997 to 2005. He has wide experience of local government and has served as an elected member for eight years. Robert now works as an independent consultant on public service reform issues*

# Why satisfaction no longer matters for Brian and Trisha

by Katherine Kerswell



Unlike the Rolling Stones who “can’t get no satisfaction”, increasingly at Solihull we aren’t interested in satisfaction! That’s not to imply that our overall council

satisfaction scores are perfect. The last Best Value Performance Indicator (BVPI) survey (2003) saw a drop of around 10% in local government scores; ours fell less than that average – down from 70% to 64%.

But my view of not wanting to look at overall council satisfaction comes from a growing recognition that it is simply not relevant or meaningful in either judging overall a council’s relationship with its local communities or what those communities really think about their council. This conclusion is drawn from a lengthy consideration of the answers to the following questions.

## **Why is there such a major discrepancy between direct user satisfaction and overall council satisfaction?**

I know many of my colleagues in other councils have wrestled with this conundrum. I have been thinking why this might be the case and what could be done about it.

One of the pleasures of living and working in our borough is the retail therapy that is available in the Touchwood shopping centre, which the council co-developed and opened in 2001. Our anchor store, John Lewis, helped my own personal musings on this issue.

## **Why is it I wondered that I will always go first to John Lewis, even though they do not always have what I want? Why do I always give them the benefit of the doubt?**

In a similar way, I watch the highs and mostly lows of one of the council’s directors Julian, who is a life-long fan of Shrewsbury Town Football Club. They are most unlikely ever to win a match, let alone a cup, and yet every Saturday, he supports them! Why does he always give them the benefit of the doubt? Why is he so loyal to them?

Admittedly there is an important difference in the choice that we have as shoppers and football supporters to decide our allegiances, different to a choice about your local council. We do make a choice to live in certain places, but the nature and role of the council does not often feature high on the “elements to consider” list when making that choice.

The answer to both these questions lies perhaps in our ability as consumers and citizens to identify with institutions and develop a relationship with them.

## **Could this be a more fruitful avenue for local government to explore?**

Think for a moment about the nature of the services we provide as councils. The vast bulk of them I term “grudge services”; a phrase I have picked up from the dry-cleaning industry. It basically reflects the nature of services that we simply expect to work perfectly week after

week. Services such as street cleaning, street lighting, refuse collection, all our greener, cleaner, safer, liveability services. They only really get noticed by people when they go wrong, hence the grudge.

**How many people come home in the evening and stop and thank their council for correctly emptying their bin yet again?**

These grudge services are the ones we provide to the vast majority of the people living within our council boundaries.

The other services we provide then fall broadly into three groups. The first group could be called “specialist services” – education, children and adults’ social services which not everyone has to use. Solihull records high levels of direct user satisfaction for this group of services.

Then there is “enforcement services”, such as bailiffs, council tax collection, benefit fraud, environmental health and trading standards. We generally have to use these when we really don’t want to. I don’t know about you, but my council tax bill falling on my doormat each year doesn’t fill me with warmth and admiration for my local council! You pay it because you have to.

Last, “choice services”, such as theatres, museums and swimming-pools. More often than not, this group has less of an identity with the council than the others.

So if you accept my very loose

categorisation of our service offerings to local people – grudge, specialist, enforcement and choice; these are then currently the basis upon which our citizens begin to answer that question “Are you satisfied overall with your council?”

GRUDGE	Cleaner, Greener, Safer
SPECIALIST	Adults’ Social Services, Schools, Children’s Social Services
ENFORCEMENT	Council Tax, Trading Standards
CHOICE	Theatres, Swimming Pools, Parks

I am sure you can see the problem that this begins to shine a light on. If the bulk of our services to the bulk of our citizens are only really noticed when they go wrong, and the choice services which again the bulk of our citizens will access aren’t really identified with the council; we have some real issues.

**Satisfaction or relationship?**

I am not suggesting we stop on a service-by-service basis assessing satisfaction from direct users – far from it. It is still a very

important part of ensuring we are meeting customer's needs and the government has just announced a change in how councils will be assessed using satisfaction scores. So its importance clearly continues. And I hope that this article will contribute to government thinking.

Councils do not have a sole direct user/consumer relationship that governs how and what we do. We have a relationship to all our citizens as well and their views on all the services should be just as valid as direct user views. However satisfaction is not the right measure to answer the question: "Are we meeting the needs of local people we are there to serve and lead?" The issue I believe is relationship not satisfaction.

Shrewsbury Town FC do not have to do well to have Julian as their supporter; John Lewis do not have to have the item in stock that I am looking for each time – these institutions have built up a relationship with their user base that shapes our attitudes towards them separate from each individual experience.

I think we should be asking more about "relationship" with the overall council, rather than satisfaction, as providing or enabling quality service provision is only one half of our role as a council. The other, and very important, half is community leadership and that is more about relationship than direct one-off service user experiences.

Private sector companies have been

working this territory and would broadly refer to it as "brand management". Tesco has some lessons to teach us all in this area. But brand management seems an anathema to many of us in the public sector and often gets confused with the notion of a logo and identity management. Yet through each of our individual employee's contacts with members of the public and our external messages, we are continually giving off a brand that is then used to assess whether our communities will give us the benefit of the doubt, to trust us, to be loyal to us.

**Why is there such a perception gap between what people think of direct services and how that then translates into what they think of the whole council? Surely your opinion of the council overall is the sum of the parts of your opinion of direct services?**

Sadly not it would seem. There are other messages in the ether that are shaping this and we seem not to be actively managing those messages.

If you consider what messages there are in society shaping your views about the value of your local authority, you end up thinking about "corrupt councillor" stories in Coronation Street or EastEnders, or during election times the main political parties' mantra of "doctors, teachers, nurses and police" – never a mention for the essential roles that local government provides to keep

our communities not only functioning, but safe and thriving places to live.

**Local government is not actively thinking about and managing our brand and our messages and if we are not doing it who is?**

So what is the Solihull brand and what do people really think of us? Working with a communications company, we carried out a number of focus groups and a statistically valid telephone survey. What we learned was fascinating.

Local people actually could describe our brand as a personality and called us “Brian”. They were also very clear as to the sort of personality we should be and they called that “Trisha”. So Solihull Council at the moment is Brian and our citizens would like us to be Trisha! Basically Brian is the kind of person who sometimes talks down to you, doesn’t always look you in the eye and you’re not always sure that he has told you everything you need to know. It doesn’t feel as though he is really working to help you. Trisha is a younger personality who looks you in the eye, tells you the truth, won’t always say yes but you know where you stand with her – she is an advocate for you and it is a relationship of equals.

This feedback was stunning as we are desperately trying to be Trisha not Brian. But we are not yet getting that message across.

Through some further work we have begun to establish the features that build up

this brand of Brian or Trisha. The features are simple; reliability and consistency, quality of business as usual services, customer service relationships and communication. A key message in the shaping of our brand personality was trust.

Ben Page of MORI in a recent article in the Local Government Chronicle described these features as value for money, communications and the liveability agenda.

You have to have the basics in place for the relationship to have its roots. People have to have something they can believe in. John Lewis usually stocks exactly what I’m looking for. Shrewsbury Town FC do win the odd match! But then you need to add more to build upon and develop that belief in your brand.

**So can we become Trisha?**

We are now working on two areas: trying to find out the activities that are more Brian than Trisha and changing them; and asking questions to find out more from local people.

There is an Audit Commission Quality of Life indicator that is discretionary at the moment which asks about the percentage of adults who feel they can influence decisions affecting their local area. So we have been asking this and had a 19% score in 2004/2005 which will be our baseline.

In addition, we have developed three standard questions that will be asked in all our customer research:

- Do you think the council offers sufficient opportunities for interested residents to be involved in decisions? Latest scores: 40% agree.

- Do you think the council is acting in the best interests of the borough? Latest scores: 61% agree.

- Do you think that if you felt the need to contact the council over an issue your views would be listened to? Latest scores: 45% agree.

Again this will be our baseline and initially we feel that these scores are too low although an excellent rated West Midlands neighbour scored 20% on being good/very good in involving people in decision making. A fair rated coastal council scored 24% on listening to views and 28% on good at involving people. So we are not doing too badly by comparison. We are working though on what we can do to shift people's understanding and views towards the council in these areas.

But these questions I believe are at the heart of understanding and evaluating the relationship local people have with their local council. That to me is much more important when assessing our community leadership role than asking are they satisfied with their council.

I emphasise this is about increasing understanding not about spinning our story more effectively.

A final important question to be answered

is: "Perhaps people rate the overall council low because they are not satisfied with the overall council?"

I could accept that if there was not such a discrepancy between individual direct service user satisfaction scores and overall satisfaction. After all, the whole of the council is made up of those individual services that people are saying they are satisfied with.

We have to continue to ask people what they think about individual services and try to improve them the best we can, but there is something else going on in how people are judging us and they need to know and understand the full story to be able to make that judgment most effectively. Only asking about satisfaction knocks us of course.

Our reputation, our brand is constantly talking to people, attracting or repelling them, shaping what they think and believe about us as an organisation and whether or not they want to engage with us in the first place as well as how they might answer the "Are you satisfied with your council question?"

As in all relationships, you have to pay attention to it to make it work and perhaps the questions we are beginning to explore is a good place to start.

*Katherine Kerswell joined Solihull Metropolitan Borough Council as chief executive in February 2001. She is a former borough director (chief executive) of Redditch Borough Council*

# A mayor's perspective on the third term

by Steve Bullock



Two quite distinct attitudes to local government can be found among the occupants of offices in Westminster and Whitehall. There are those who see local

government as being, at best, a necessary nuisance and more often a problem to be resolved or even eliminated. Others recognise that the complex challenges faced by local communities can only be effectively addressed at the local level. They may argue that the centre should provide the framework as well as resources but understand that local leadership is essential to making progress. Since the May 2005 general election we have seen some key appointments of ministers who take that approach. So should we conclude that the future is rosy and a renaissance of local government can get underway? Perhaps not – local government still has the ability to snatch defeat from the jaws of victory by continuing to look backwards rather than forwards.

## Knowing what we don't know

The key to local government's future is an acceptance that influence and resource allocation matter more than direct control in all but a few instances. What sets local government apart is its democratic mandate – without exception, that mandate covers an area greater than identifiable communities and neighbourhoods. And it is here that all too often local government makes the same mistake it

accuses its critics at the national centre of making. Local government needs to recognise that, just as central government is too distant to make decisions at local level, so local government itself will struggle to understand every neighbourhood.

Neither is the answer to produce a blueprint which is then applied to every neighbourhood – what is needed are workable solutions that are rooted in the history and needs of each individual neighbourhood and which are produced in partnership between the council and local people. This doesn't excuse the council from making difficult decisions – particularly where conflicting priorities arise – that, after all, is what leadership is about.

Leadership which is rooted in a network of relationships with neighbourhoods, public services and community organisations will be able to achieve much more than an exclusively town hall-focused operation which regards anything that is not subject to direct control as being of lesser value.

## An academic approach?

It is instructive to look at how some councils with responsibility for education have responded to the Academies programme that aims to challenge the culture of educational under-attainment and to deliver real improvements in standards. Over the past two decades the ability of local government to control schools has diminished greatly – and we

know that some at the centre argued that local government should depart that particular scene entirely, though wiser counsels eventually prevailed. Today we support our schools in good times and bad knowing we have the necessary ability to act when schools fail in whatever way, but without seeking to interfere in the day-to-day work of heads and governors. An effective council, which has both elected members and officials who are active and respected among the community of schools, can achieve many things through influence without any need to invoke formal powers.

But Academies seem to have produced a particularly hostile response. Perhaps a folk memory of the failed city technology college initiative of the early 1990s is to blame – yet, with hindsight, the resolute refusal of many local authorities to engage with CTCs at the time meant that for years they were effectively outside their sphere of influence.

Academies are just one of the ways in which we can play a part in ensuring that the future prospects of our children are enhanced. If, instead of railing against them and demanding that ministers abandon plans for expansion, we engaged on the basis of using our expertise to make sure that the right solutions for a given locality are achieved not only would local councils have greater influence in the future in relation to those schools but the academy schools themselves might enjoy greater success (would it be unwarranted cynicism to

suggest that fear of that success might explain the virulence of the opposition?).

Active, even enthusiastic, involvement might mean that some of the less suitable potential sponsors can be dissuaded and potential pitfalls avoided. My experiences with the various central government quangos which have been created to deliver not just Academies but programmes like Building Schools for the Future (BSF) have been disheartening – these bodies show all the failings of the Whitehall system which has spawned them – they are slow-moving, bureaucratic and risk averse.

But our response should not be to denigrate the end product – what we need to do urgently is to convince our friends in central government that the way we have changed local government culture in recent years means we can now be everything those quangos are not. Our demand should not be to abandon the advance of Academies, but to ask government to task us with their delivery.

### **A sure start must not be allowed to falter**

Perhaps the most successful recent initiative where we have seen both central and local government working together effectively to deliver for communities is Sure Start. Here the framework and resources were identified by central government. Local agencies, in many cases the local authority, were charged with making the projects happen but what has set

Sure Starts apart has been the insistence on very local ownership by the communities that the schemes serve. The result has been not only effective delivery of better outcomes for the very young but in many cases a trans-formational impact on the neighbourhood.

We are now working together on the development of Children's Centres with an ambitious target of one serving every community by 2010. We must ensure that the positive lessons of the very local and resource intensive Sure Starts are not lost – for local government in particular they offer a working model of how to engage at neighbourhood level.

If local authorities seize the opportunity they are being presented with the prospects are genuinely bright, but to do so we must offer dynamic leadership. Local Strategic Partnerships will play an increasingly important role in the future bringing together all the key players to work on priorities and resource sharing. As the number of Local Area Agreements grows the action will have to move from the margins to the mainstream and, to make this happen, resources will be needed. The service deliverers locally need to work ever closer together spurred on by the need to identify Gershon savings. We should work together to make savings from our back offices. Do we all really need our own human resource, communications and even finance set ups?

The challenge extends to scrutiny too. The function is still in its infancy and is faced with

finding ways to scrutinise partnership – not only the services that are delivered but also the governance of the partnerships themselves.

It will not come as surprise that I feel that the mayoral model lends itself to this approach. Mayors are already more focused on the wider leadership role and, in future, we can expect to see them moving increasingly away from the town hall into being the key players in strong cross-service partnerships. Of course some services will continue to be the mayor's direct responsibility and first on my list would be refuse collection and street sweeping – if I can't make sure those most basic services are delivered well, how can I hope to persuade people to trust me on anything else?

We have ministers who believe in letting local government get on with the job and partners who are willing to be influenced. We have proved that we are able to deal with our own failing authorities. The opportunity is there if only we can stop moaning long enough to seize it. *Steve Bullock has been the executive mayor of Lewisham since 2002. He has been involved in public service in London as a member, officer and board member since 1976. He is currently chair of London Connects and the LGA's Human Resource Panel*

# Be good to do good: why values matter

by Barry Quirk



Local government managers have great jobs – the breadth of issues that need tackling locally (from improving service performance, implementing ambitious urban renewal schemes to addressing local concerns about social justice) is truly stimulating and challenging. And successful work produces genuinely tangible results. We can literally see the product of our actions locally in the improved physical and social fabric of our communities. But these jobs also rightly carry heavy responsibilities and public duties – responsibilities to elected representatives to carry forward public policy locally and over-arching duties to serve the wider public interest.

As senior managers, our responsibilities and duties may be alike but our roles and behaviour will differ from council to council. As chief executives and senior managers we need to recognise that what we do is not all alike. Let's face it, we are all different people with very dissimilar temperaments doing different things in different ways in different places – but we have one common cause: improving the character, quality and professionalism of public service management in local government.

Successfully carrying out our roles as chief executives and senior managers is crucial to the success not just of our councils but also of our localities. It is the talent,

dedication and professionalism that is brought by senior managers that makes local government work well in our country.

We also need to recognise that local politics really matters. Local politicians bring commitment to a cause, vitality for change, authentic connections with local community and a facility for deciding issues in the wider public interest. They bring a dynamic democratic impulse to change for the better; but as managers we bring something different, we bring the capacity to realise change – to actually make things happen. In short, politicians invoke change and our job is to generate it.

But in generating change we need to be absolutely clear about our values as professionals:

- We must never forget the unique character of localism and place – localism is not something that can simply be appropriated by national politicians in a few disarming phrases. It is something that local public managers need to respect and nurture.
- We must acknowledge that service excellence is but one purpose of local government, it is not the only purpose – above all else we should help communities to live in harmony together.
- We should never forget our personal responsibilities as managers to develop and nurture our staff and in particular the next generation of public service managers.

## **Localism**

First, our local focus – we are public managers of places not simply of services. Our first focus is therefore on place, on locality. In a globalising world where capital and trade is ever more mobile and fluid this may seem against the grain. But it is true – in a globalising world people need the ties of locality, of place. I am a strong localist; I am a life-long Londoner currently working and living just five miles from where I was born. I have worked in five of London's councils and been an elected politician in a sixth. Each of these councils was distinctive, just as each of the locales in London they governed is distinctive and different. So I know well the importance of local ties, local attachments, local sentiments, and local connections for helping people build a strong sense of belonging to places and to communities.

Locality really matters: it gives distinctiveness to place and to communities of place. But great places are seldom orchestrated by government according to some grand design. Instead, they mostly reflect local histories, local passions of identity and meaning; they also reflect the uniqueness of landscape and the unique character of community.

However, while we in local government are, almost by definition, committed localists, we should not be romantic localists. Let's be honest. Localities can trap

people; localities can foreshorten peoples horizons; localities can constrain peoples lifechances. That is why we spend so much time making our localities better – trying to improve both the quality of life experienced in them and the quality of lifechances on offer locally. We do not want our localities to be "good places to come from"; the best locations are places of both destination as well as origin.

## **Managing services and building communities**

Our managerial focus is not simply on place and locality. We are managerially responsible for securing a substantial array of local public services. And, as service managers, we are focused on service standards, service performance and service improvement. The weight of these management responsibilities often forces us away from a focus on place and more towards a focus on managing operational processes.

As managers we spend a lot of time benchmarking, chasing best practice, standardising processes and generally ensuring that managerial order is brought to what would otherwise be a form of chaos. However I would make two warnings to public managers. First, avoid wasting your energies on the holy grail of the "leading edge" of best practice. There is no single leading edge, everything has multiple edges. Searching for ways of improving organisational effectiveness

involves avoiding the worst practices in your own organisation as much as it involves seeking the best practice in others.

My second warning is against the dangers of uniformity. We must try to maintain variety within our organisations. The world is far more complex and fast-paced than three decades ago – when most local authority chief executives first entered the world of work. Machine bureaucracy organisations will fail their customers and the wider citizenry. And yet in one sense our role as managers is to ensure convergence of practice.

Of course, we are concerned to reduce the variation in outputs and outcomes witnessed across the country (in health, education, skills, social and economic well-being and so on), but we need to address whether this is best achieved through more uniformity.

A key aspect of our job is to help uniqueness thrive – to build unique organisations for people to work in and to make these organisations work to build unique localities. The managerial drive for uniformity is unavoidable – but it should not crowd out the human desire for uniqueness.

As local public managers our commitment to public action is more than a commitment to delivering high quality, excellent standard services to our service users. Of course, modernising services and ensuring excellence in the design and delivery of service (in terms of effectiveness and

efficiency) is a key object for us all. But service delivery is one facet of our councils role.

We also need to help our localities function as healthy, secure and dynamic communities – where difference is respected and embraced rather than feared and avoided. This challenge has grown immensely, as the tragic events of the past few months in London reminds us. As Jonathan Sacks (2002) has brilliantly observed in his book, *The Dignity of Difference*: “Throughout history until recently, most people for most of their lives were surrounded by others with whom they shared a faith, a tradition, away of life, a set of rituals and narratives of memory and hope ... that is not our situation today. We live in the conscious presence of difference”.

And it is a central aspect of our role to assist locally-elected politicians to help people live with each other in toleration and harmony regardless of differences. This community-building aspect to our role has been understated and under-played.

We have spent too much time focusing on how to call for “more freedoms” from government constraint and we have spent too little time articulating what exactly we want these freedoms for. Surely we want the freedom to help communities to solve local problems themselves and to modernise themselves in the way that helps them compete better in the fast-paced world of the

21st century. This is not a question of the degree of excellence in service delivery. Instead, it is a question of the degree of openness to change in the wider community.

But what is the purpose of wider public action if not securing ever higher standards of public services? For me this was answered by Bobby Kennedy in 1968 on the night that Martin Luther King Jr was killed. Speaking just two months before he himself was assassinated, he quoted Aeschylus when he said that at root the purpose of public action and public life was “to tame the savageness of man and make gentle the life of this world”. In my view this ancient evocation has not been bettered as a purpose for public action. And as public managers we should dedicate ourselves to achieving this deep and noble purpose in our communities before, during and after we have focused our energies on service design and delivery.

### **Managing other people**

Finally, we have very significant responsibilities to those we manage. As professional managers and managerial leaders, I believe that we owe a strong duty to the people over whom we have managerial authority. We need to help them develop their skills and their potential to its fullest. We all know that authority decays if it is not exercised fairly. And we all know that we manage only with the consent of our staff

and their consent only comes if we manage them well. Our staff’s experience of management is gained mainly through our management of them – our errors in tone, in style and in substance may well reverberate long after our retirement.

Decades of psychological research on motivation at work shows that people have three intrinsic senses or needs:

- People want to work in an organisation which allows them to accomplish something personally. The sense of personal accomplishment of a task well done is crucial for everyone, whatever their job. Harnessing this innate drive for private, personal interest to the broader interest is the very task of team management and of general management.
- People also want their personal accomplishments to be connected to some wider organisational goal. Lone accomplishment counts less than if one’s efforts are connected to wider efforts.
- People want to know that their accomplishment and their connections are bound together in a sense of progress. Motivation is amplified if people know their enterprise is contributing to betterment.

I believe that we are responsible as senior managers for the atmosphere, the climate, the mood and therefore the energy in our organisations. And we are responsible for nurturing the next generation of managers to craft a modern public service ethos in

keeping not with the traditions of the 1960s and 1970s (when our outlook on life was being crystallised), but the emerging values of the 2020s. This gives us a duty to create the conditions of success for our successors.

*London Solace and the Society of Metropolitan Chief Executives. He is the current president of Solace. Barry was appointed as the national "efficiency champion" for local government in 2004*

### **Conclusion**

When developing the local government managers of tomorrow, we need to enrich their sense of localism and place; nurture their commitment to public action over private action; and deepen their faith in democracy as the best means available to helping people live in harmony with each other.

Only then can we say that we have met our responsibilities not just to the unique localities we serve, not just to the public values that our jobs demand of us, but also to the younger generation of people who follow us and whose views about management are shaped by their experience of our management.

Each and every senior manager in local government knows that there is no avoiding personal responsibility. And each of our councils have entrusted us with enormous responsibilities in our managerial roles – we should therefore as a society of professional managers in local government dedicate ourselves to carry these responsibilities with considerable care and with as much knowledge and wisdom as we can muster.

*Barry Quirk has been chief executive at Lewisham since 1993. He has been chair of*

# Devolution and the new dynamic for Scotland

by Douglas Sinclair



Since the establishment of the Scottish Parliament, local government is solely a matter for the new institution and its executive. In one sense Scotland is marching to a different rhythm from England but in another, in the globalised world we live, central/local relations and public services reform are facing many of the same challenges and tensions.

## **The impact of devolution**

The starting point of any analysis of the state of health between Scottish local government and parliament and the executive must be the impact of devolution. Local government moved from engagement with half a dozen ministers to over 20; from occasional ministerial contact to continuous contact with ministers; from a broadsheet media generally well disposed to local government to a media both exclusively focused on the business of parliament at the expense of local government and only interested in reporting “failures” in councils. Add to that local government having to recover from the loss of some of its most talented councillors who had opted for a career in parliament. The world had changed; it was not a case of whether tensions would surface between local government, the executive and parliament but how well those tensions might be managed.

Pre-devolution writing focused on the potential for a turf war between parliament and local government based on the argument that “old tarnished male-dominated local government” would have to share the democratic stage with the “brand, new, much more gender-balanced parliament”. That has proved much too simplistic because parliament has yet to establish its own credentials with the Scottish public, but also because local government’s relationship with parliament has been generally positive.

Local government has not fully exploited the potential of its relationship with parliament, which has a duty to scrutinise and criticise local government when failure occurs and hold it to account. But in a permanent multi-party system, local government has underplayed the scope for building alliances on issues of common cause with elements within the parliament to pressurise the executive.

The Convention of Scottish Local Authorities’ (COSLA) cross-party campaign against the executive’s proposals to establish a single correctional agency (combining criminal justice social work with the Scottish Prison Service) was an important watershed in devolution. Not least in the symbolic significance of “Labour” local government publicly challenging the executive in pursuit of a local government

interest in direct conflict to party interest.

Tribally, that could not have been easy but it was an important statement in the new politics of Scotland. COSLA deserves recognition for that achievement. But that approach cannot be replicated in relation to every disagreement. Local government will need to be selective in choosing its battleground. To attack all proposals emanating from the executive runs the obvious danger of not only the executive becoming deeply disenchanted but, more importantly, not knowing which issues local government is most concerned about.

### **The new dynamic**

The key issue is the nature of the relationship between local government and Scottish ministers. Again, some context might help. The executive feel, with justification, that there has been insufficient recognition by local government of the considerable legislative improvements it has delivered, including:

- The replacement of Compulsory Competitive Tendering (CCT) with the requirement on councils to deliver continuous improvement – the Best Value regime – which is more challenging than CCT because it touches all local government.
- Local government has been given the Power of Community Wellbeing, a power of first resort, as well as Community Planning on a statutory basis.

- The return to four-year elections.
- The introduction of three-year financial planning.
- Prudential borrowing replacing rigid central government control.

The credit sheet is a significant one, and local government can too easily forget the dark days of the last Conservative government's combative approach and mistrustful attitude towards it.

Unfortunately, local government memories are short and the scars of the inevitable battle between the executive and (Labour) local government over the introduction of proportional representation did cloud the memory; yet for local government to think that this was a battle capable of being won was, to say the least, naive. Proportional representation was the foundation stone of the Partnership Agreement between the Labour and Liberal parties; it was not going to go away.

If proportional representation was a scar, the open sore between local government and the executive has been the former's perception of the incremental reorganisation of local government by the latter. Any legislative proposal to change the structure or rights and responsibilities of local government is treated with deep suspicion.

With hindsight, there is certainly an argument for suggesting that it would have been better to have reviewed local

government after the devolution settlement, not least to locate the structure and role and function of local government firmly in the context of Scottish parliament. Tom McCabe, Minister for Finance and Public Sector Reform has been quite explicit; if ministers believe the current structure of local government is not appropriate for the optimum delivery of a service, then they will change the delivery structure. Still to be articulated, however, are ministers' views on the future governance of Scotland.

What we have is an institutional porridge – 32 councils, 15 health boards, 23 local enterprise companies, eight police forces and eight fire brigades. We are adding regional transport authorities, city/region planning, community justice authorities – each with their own boundary rationale, without any consideration of the cumulative impact on the overall governance of Scotland.

We need to develop a set of principles of governance to determine which services should be locally accountable to reflect choice and diversity – and which services might be organised regionally to reflect consistency and service standards. Other principles need to be debated: what, for example, should be the balance between co-terminosity of boundaries for councils, health boards and enterprise companies on the one hand, and on the other hand the issue of community identity?

Tom McCabe at the COSLA conference earlier this year made some provocative remarks questioning whether Scotland needed 32 council chief executives or directors of finance. I believe his real concern was not the number of council chief executives but the total number of chief executives across the public sector in Scotland. In the era of efficient government, of Best Value and of community planning, it is reasonable to pose the question: why do we need separate chief executives and directors of finance for a council, a health board, an enterprise company? This is an argument which has even more resonance when the boundaries of those organisations are identical. Ministers have said they have no desire to see another major reorganisation of Scotland's public services. That is understandable: reorganisations are disempowering, disabling and always take longer than anticipated. But given the institutional porridge which already exists in Scotland, we are not starting from a secure foundation, so we run the danger of further complicating, not simplifying, our governance arrangements.

### **Ingredients for a better relationship**

Against that background of tension, the question is how can we minimise those tensions and maximise the opportunities for improved working? More realism is needed

on both sides. There has always been a tension between central and local government over spending and services but increasingly, and this applies north and south of the border, the tension is about the extent to which central government is specifying what councils should do in particular services. Some in Scottish local government harp back to the halcyon days when there was less interference by ministers and MPs. But the world has moved on. In the context of devolution, the issues of transport, planning, education, are the issues in which MSPs have been elected. Indeed, almost half the high-level commitments in the Labour/Liberal programme for government directly relate to council services. Have we in local government accepted that changed reality?

We make a great play of the importance of parity of esteem and the independence of local government as a separate tier of government with its own democratic legitimacy. True, but we in local government need to accept much more explicitly that part of our responsibility in devolved Scotland is as the executive's and parliament's delivery agent.

Scotland's councils as education authorities are now required to deliver national priorities – a requirement enshrined in legislation (interestingly the same model could be used to give councils control of local health services – local accountability for

national standards). The new regional transport authorities will have to produce strategies for approval by ministers and councils are now required to apply annually to the Scottish Building Standards Agency to continue to be an accredited agency to deliver building control services. Thus, we are witnessing, first, an increased national specification of services; second, an increased regulation of services; and, third, an increasing audit of those services. The reality is that local government's status is being circumscribed. The textbook definition of accountability to local communities no longer bears scrutiny in devolved Scotland.

We have an accountability upwards to the executive and parliament in relation to a number of the services – mostly major services – that we currently provide. So the definition of the Wheatley Commission, which led to the 1975 reorganisation, that local government was both local and a government needs to be expanded to include a national dimension.

We need also to redefine what we mean by local democracy. Many of us equate local democracy with the delivery of local services. But councils are not unique because they deliver services – others do so and should do so where they can demonstrate Best Value. Councils are unique because of their community leadership role. That is the distinguishing mark of local

government. But, and it is an important point, we have argued that local choice and local voice have always been the passwords of local government but in devolved Scotland that definition also requires redefinition.

Local choice, yes where appropriate, but increasingly a demand from the public for more consistency in the choice offered. But to redress the move towards greater uniformity in Scotland, I would argue that the concept of local voice will become a stronger one in devolved Scotland. The role of the councillor, not just as the advocate of the citizen in relation to council services but as the advocate of the citizen in relation to all public services, will become more important. Whatever the future map of governance of Scotland, the legitimacy of the councillor fulfilling that role needs to be enshrined in legislation.

If local government needs to adjust to the realities of devolution, so too must the executive. Parliament and the executive are young institutions; they will take time to mature. But I hope we will see a shift in the balance between the parliament legislating to seeking improvement through scrutiny – parliament’s second, but equally important, role. Similarly, I hope we will see a move away from the easy option of prescription to agreements between the executive and local government on the outcomes in exchange for more freedom on achieving them; along with more emphasis on shared priorities.

### **Signs of progress**

There are some recent signs of positive progress. The Efficient Government Initiative in Scotland had a difficult birth. There was a lack of strategic context or adequate initial dialogue with the key stakeholders. That has been replaced by a much more collaborative approach drawing on the earlier successful consensual approach in relation to the development of Community Planning and Best Value. The Accounts Commission’s Best Value audits eschew the league table culture of CPAs. The new local government Improvement Service – a unique collaboration between the executive, COSLA and SOLACE – offers the potential to add real value to local government with the three key stakeholders working together in a common journey of continuous improvement. Finally, the executive has promised a consultation paper in the autumn on Scotland’s future local governance from which, hopefully, a shared consensus can emerge.

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# A positive view of public service reform in Wales

by Clive Grace



Public services in Wales – and especially health – get a bad press in Wales itself, and negative comment from across the border. Much of the criticism is accurate, and I share the view that Welsh public services need further significant change and reform.

But that's not the whole story. Health services continue to be a concern but local government is more promising, as reflected in the Wales Programme for Improvement (ACiW, 2005). And there is a bigger picture to take account of. It is one not well understood within Wales, and less well appreciated elsewhere, and it has relevance on both sides of Offa's Dyke.

## **State-building and politics in Wales**

Wales is engaged in a process of state-building, much in the sense used by Fukuyama (2004). It is actively creating the cultures and institutions of governance through which to realise its identity and aspirations. The Richard Commission (2004) recommended extending the powers of the National Assembly for Wales to full law-making capability, a clear expression of that long-term process which has used the devolution of the late 1990s as a springboard to construct a more profoundly different future.

The political context and constraints are also critical. After the last Welsh Assembly

election, Labour had a majority only because Dafydd Elis-Thomas of Plaid Cymru took the neutral post of Presiding Officer. At local level there is no overall control in key authorities such as Cardiff and Swansea, and in the Welsh Local Government Association.

In this environment, reform of public services has proceeded under the dampening effect of a relatively large and powerful public sector which is in part resistant to change, the absence of a political majority with which to ride out the associated turbulence of change, and the presence of many sources of effective veto including an opposition in the Welsh Assembly which is not a consistent force for public service reform either.

The government's reforms would have gone nowhere had they depended on building a coalition across political parties to get them through – or even merely on persuading its own MPs to support them. And especially when change and reform involves hospital and service closures capable of generating community opposition able to unseat even popular politicians with good majorities.

Complaints about public service reform in Wales need to be seen in this light. There is much that could and should be done, but how best to do it is not best opined by those who fail to appreciate the wider context.

## **Layers of devolution**

There are three layers of understanding

about devolution that need to be revealed. There is the surface description of devolution as being a “good thing” in general, and part of government policy. Then there is the critique underneath that, which observes the problems of health waiting and other signs of slow progress, and judges that the Welsh have not been served well by being able to do their own thing. “If the Welsh Office were still in charge, and waiting lists were this bad, there would be an outcry,” is a common observation.

But beneath that again is the understanding that, in the medium term, devolution induces a fundamental shift in responsibility. London and the Welsh Office can no longer be blamed. And although the Barnett Formula of resource distribution between the home nations is clearly unfavourable to Wales, it is already well established that lack of resources is not an adequate explanation for the poor performance of some of Wales’ public services. It takes time to shake off the habits of (legitimate) grumble about inadequate funding and inappropriate policies from London, and to focus more clearly on what has to be done here in Wales to fix it. But devolution makes that happen.

### **Defining the difference**

One genuine measure of an underlying will to reform and improve public services is

willingness to articulate the difference between Wales and the UK Government in positive rather than negative terms. The early “clear red water” as expressed by Rhodri Morgan, the first minister, meant not doing a whole range of things – targets, foundation hospitals, academy schools, tuition fees, naming and shaming, league tables, involvement of the private sector, and intervention. The things it did mean doing generally entailed more expenditure on more services rather than change and reform – school breakfasts for all, and ending prescription charges, for example.

But Wales has now set out its stall for public service reform in a comprehensive and very modern way. Making the Connections (Welsh Assembly Government, 2004) puts the citizen at the centre of public services. It argues that Wales is too small to benefit from competition as a means to drive change and improvement, and that co-operation and collaboration is the preferred ethos, one which reflects Wales’ communitarian traditions and is more likely to be effective. It draws on contemporary ideas of “public value”, which is posed in contrast both to choice as a driver of improvement, and also to private value as the basis for assessing the worth of services or goods.

Public value helps to see beyond the simple equation of money costs and direct service outcomes. Its associated notion of

“co-production” between the consumer and the producer of services is especially powerful – education needs active learners as well as good teachers if it is to be effective, and people taking more responsibility for their own health is an essential complement to what is often described as an “illness” rather than a “health” service. Co-production is seen as a means to maximise public value, rather than either consumers or producers being dominant.

This is ambitious, as illustrated by a recent survey (Longley and Beddow, 2005) asking leaders in health and social care and the voluntary sector in Wales which health-care system they would work in, if they were able to choose. Sixty-five per cent opted for Wales. But when asked which system they would choose to rely on for the care of a loved one, only 31% chose Wales. So in their roles themselves as producers and as consumers, these self-same individuals have radically different preferences. It would likely be harder still to get producers and consumers more generally to share a vision for health and then implement it.

### **Public value in Wales and elsewhere**

Whatever the difficulties of implementation, Making the Connections is a clear statement of difference. Interestingly, “public value” has also struck a chord in the UK government, and in other bodies (Kelly and

Muers, 2002; BBC, 2004). For some commentators it offers a sound theoretical basis for “third way” reform, avoiding “initiativitis” through a more considered framework for understanding public services and driving their improvement (Benington, 2005).

Public value as deployed in Making the Connections is certainly a clear alternative to the Blairite “choice and contestability” agenda, although in other respects (standards, and the importance of the front line, for instance) it overlaps with Blair’s four principles of public services reform, or is at any rate not inconsistent with the Blairite “English Model”, as we should probably now call it.

The acid test will be the application of these ideas in guiding change – and it will be “guiding” rather than “driving”, at least initially, because Making the Connections places responsibility back on producers and consumers to work together to make improvements much as devolution places responsibility on the devolved government to do so. The outcome will be important too for England (and Scotland and Northern Ireland) because we now have an emerging test bed of experimentation and genuine difference in how best to improve and change public services given varying circumstances of country, politics, need, and public service ethos.

## **Levers of change**

The big issue will be how to actually motivate people and institutions not only to accept change, but to take responsibility for making it happen. By deciding not to use many of the levers of change being applied in England, Wales has left itself with few to work with.

Money is one lever. That has been used to incentivise change, but it is an expensive way to do it, and will be increasingly less available as public expenditure tightens.

User or customer pressure is another, but is as likely to lead to resistance as it is to the promotion of change, especially when users get comparatively little published information about how services are performing compared to one another in Wales, let alone compared to England or elsewhere in the UK.

A third available lever is external regulation and audit. Public services regulators get a big role in helping improvement to happen in Making the Connections. They are seen as giving feedback to policy makers and information to citizens, as well to the audited and inspected bodies. Here too, though, the methods which regulators can use are limited by the context, and the general wariness in Wales about the publication of negative judgments of public services.

This wariness is often attributed to a general “cosiness”, and to an apologism born of everyone knowing each other too

well, and for too long. There may be something in that, but here too there is a more profound reason in the state-building process described by Fukuyama in which Wales is engaged. Public services constitute a very large proportion of the Welsh Assembly’s devolved responsibilities, and criticism of Welsh public services feels in some quarters like criticism of devolution itself, and generates defensiveness.

## **Energising change and reform**

Change and reform of public services needs to be energised and motivated in order to succeed. As Making the Connections moves from an initial policy statement to being the guiding (and, if necessary, driving) force for change, there is a need to grasp some of the contradictions which state-building and public service reform can create between them. Devolution is now sufficiently well established, and in a remarkably short space of time, that it ought to be easier to acknowledge the weaknesses and problems of Welsh public service more publicly, despite the tendency of the Welsh media to crowd out a fuller debate through sensationalist coverage.

That should help to forge the motivation and capacity to make change happen, perhaps coupled with greater citizen understanding of what is wrong and what the price will be in the medium to long term of

not changing, despite the pain of doing so. Beyond that, politicians and senior managers in the Welsh Assembly, and in health and local government, need to share responsibility to engage and lead civil society in meeting the challenges of current problems of both efficiency and effectiveness, and the future possibilities created by technology and by fully citizen-centric public services.

In recent months, the Welsh Assembly Government has moved decisively to restructure its major sponsored bodies (NDPB equivalents) and bring them within the Welsh Assembly itself, and has overridden the concerns of others to do so. The same approach would not work in either health or local government for legal and political reasons. It needs active mobilisation of a positive consensus for change, and a shared commitment that it is a national priority to do so. Indeed, seeing through the change and reform of public services is a critical next step in that very process of state-building which risks inhibiting it. *Clive Grace is honorary secretary of the SOLACE Foundation and chairman of the SFI. He is a director of Supporta Plc and an adviser to the board of BT Wales. He is vice-chair of Beacon Council Advisory Panel, and honorary research fellow at the Centre for Local & Regional Government Research in Cardiff Business School. He is also an honorary member of CIPFA*

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# New models for public services in the 21st century

by Rod Aldridge



## **The imperative of service improvement and change**

The public wants better public services. There has been some real progress made in public services over the past few years; and the injection of new funds has been welcomed. But now that they receive record levels of investment, bringing about further and sustainable transformation in services requires doing things differently to deliver the services that the public wants and expects.

Although progress has been made since 1997, this has not been experienced across all services. There are also very good reasons to be frustrated at the pace and the degree of much of the reform in the government's first two terms. Public services and their reform will play a dominant role in UK politics for many years to come. They are fundamentally important to the social, environmental and economic wellbeing of the country and critical to the lives of every citizen. Opportunity, fairness, health, security and safety depend on effective public services. This is why this third term has to be predominantly about transforming public services.

Government's priority in reform should be to champion the interests of the consumer-citizen and the community in preference to those of vested interests and provider groups. There has been too much emphasis on the pursuit of small-scale efficiency gains

and on targets that have not always reflected consumer priorities or needs. This has to change if, by the end of this parliament, there is a legacy of a new modern public service across the country.

In its third term, the government has a unique opportunity to transform the nature, quality and effectiveness of public services. In order to secure this objective, there are five issues to address:

- Greater consumer choice and control over services.
- Greater use of contestability and competition in service delivery with clear separation of commissioning and procuring from operational delivery.
- Employees delivering public services must be well rewarded and flexible.
- Procuring for public value.
- Maximising the potential of ICT.

## **Future services – the people have their say**

In 2004, the CBI established a partnership, Future Services, with the National Consumer Council and the National Council of Voluntary Organisations, an initiative to put users at the heart of the debate on public services.

Future Services wanted to find out what the public thinks of its services and how they can become more responsive. It commissioned focus groups, surveys and a deliberative day in Nottingham just before the general election. The Nottingham event

brought together over 100 representative people from the city who met under the facilitation of research experts from Opinion Leader Research. The message from the day was very clear – people simply wanted those in authority to listen. People are dissatisfied with many services and this has not been diminished by the increased levels of expenditure. People want more accessible services and by this they mean that they want to use services when they choose, where they choose and how they choose. People also recognise the need to balance their own unfettered choice with costs and the social duty to also meet wider needs of others. People feel disempowered by the lack of effective communication with them about their particular service and service experience, as well as with them as members of the wider community. They want to be treated as individuals not numbers. They are pragmatic about who should provide services; they just want them to be more responsive to their needs.

Future Services threw out some interesting challenges for all public service providers. Citizens are consumers and, rightly, are increasing their expectations about what they want from public services. Society is more diverse than in 1948 when the monopolistic health service was created. Our society is less deferential than it was; it is better educated and better informed; and

it is more experienced at being treated well as a customer in the retail and other sectors than was once the case. Modern public service commissioning, procuring and delivery have to change to respect and respond to this set of requirements from service users – citizens and taxpayers.

### **Choice, contestability and competition**

Wherever possible, people should make their own choices. Where direct personal choice is not practical or appropriate, people must have a greater opportunity to influence service provision through their democratic voice.

Choice and diversity can be achieved in a number of ways: individual consumer choice; community choice whereby a geographic or interest community determines the choice either directly or within a larger service delivery framework; or the collective competitive procurement of public services by public bodies. Such procurement should be influenced by the voice of the consumer of the services and wider community interests. Supply can be from a range of public, private, voluntary and social enterprise providers and combinations of these.

The current government has promoted and extended the engagement of the private sector in the design and delivery of public services well beyond levels and into areas that previous governments seemed prepared

to contemplate. It has recognised that the private sector can often do things faster and more efficiently than the public sector with clear contractual accountabilities. However, the government has not developed a consistent or coherent case for how and when the private sector should be involved in delivery of services. Is the role of the private sector to bring additional capacity; to challenge monopolistic state provision; to be used if and when the public sector fails – or even as a threat to encourage improvement in the public sector; to offer choice for purchasing public bodies and indeed for consumers; to innovate; to introduce expertise and experience; or to drive productivity up and costs down; to create alternative models of delivery to challenge orthodoxy as with city academies? The fact is that the private sector as a service provider can contribute in a variety of ways. The same applies to the country's growing voluntary and social enterprise sectors.

Whatever models of service delivery are pursued, it is vital that the successes and achievements of all the sectors, including the public sector and its various agencies, are recognised. There is no benefit in some ideological claim that any one sector is better than any other. There is much strength in introducing and sustaining a pluralism of provision. It is about learning and drawing on best practice from all sectors. The starting

point must be delivering better outcomes. Structures and processes should then adapt to deliver those outcomes.

### **Public value and delivery**

The public has traditionally seen the delivery of public services as making a wider contribution to society's economic, social and environmental, and indeed political goals, as well as offering service to consumers and to the wider community. This makes many public services different from other services, such as retail and banking, even though the public also uses and requires these. Furthermore, public services often address the public interest as much as they address individual desire or want.

When a public body decides to procure the design, implementation and/or delivery of public services from a private or voluntary sector partner, it should not have to lose this wider concept of public value any more than it would wish to lose control over the service specification. There will always be a tension between these factors and there should be transparency about how this balance is being struck in specific procurements.

Public service delivery relies on the quality and the commitment of the people who deliver it, so the interests of staff must be taken very seriously and given high priority. Excellent workforce management is required in all sectors involved in public

service delivery. While there is a need for greater flexibility of labour and disciplined performance management of people working in the public services, public service productivity and private sector profits from public service contracts should not be made at the expense of the workforces' terms and conditions. That is unacceptable and is counter-productive, as it will lead to less commitment and poorer service delivery. Productivity improvement should be reflected in good rewards, and performance management used to incentivise change and continuous improvement.

The government should ensure greater personal and organisational accountability for public service commissioning, procuring and delivery. Irrespective of the delivery agent (public, private, voluntary or social enterprise), there should always be clear performance targets which have been agreed following consultation with key stakeholders. Performance, including financial performance, against these targets should be published in an accessible form on a regular basis and be verifiable and comparable. Senior managers in the public sector should be held to account for achieving service transformation and effectiveness.

A further driver for change is the wider application of, and access to, information technology. Services can now be delivered 24 hours a day, seven days a week – a

development that inevitably affects the way organisations are structured and how the people associated with them function. IT-based information can be used to empower the citizen and the consumer of public services – offering information on what is available and comparative performance, opening up access to alternative provision, and allowing direct access without having to go through intermediaries.

### **Future challenges**

This third government term will be more challenging than the past few years in terms of public finance. Government will need to ensure that public service delivery is both effective and efficient. This means moving well beyond the limited ambitions of the Gershon Review – every public sector manager and politician will need to be held to account for continuous improvement. The timidity and territorialism that is so prevalent today will have to be swept aside. Shared service delivery of support and process services should become the norm and, in localities, front-line services will need to be joined up and underpinned by common customer relations services. The challenge will be on politicians, managers and professionals to be prepared to pool authority and to concentrate on customers and communities, rather than their own institutions.

The government in its third term can

develop new models for service commissioning and delivery that lead to service transformation instead of incremental change and stagnation. This will require new approaches that:

- Include consumers and other stakeholders in all stages of service design, procurement, governance and performance management.
- Foster individual and collective choice options for service commissioning.
- Ensure transparency of performance and use of resources, public scrutiny and open accountability of both providers and commissioners.
- Create flexible services that meet customers' needs.
- Implement exemplar employment practices based on comprehensive standards for all public services.
- Use public service delivery to deliver quality and effective services while making a wider public value contribution.
- Apply IT to enhance customer and citizen experience and effectiveness of public services.
- Introduce performance management regimes across the public sector that drive continuous service transformation and the pursuit of efficiency.

The government wants to make public services "safe for a generation". This will not happen unless services are transformed to

meet the needs of citizens and consumers in the 21st century. That means using alternative means of delivery to respond to more sophisticated and challenging public service consumers. Public services must be more responsive to their consumers' needs. This must be the new model of public services in the 21st century.

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# The best of times or the worst of times?

by Steve Freer



## A tale of two decades

If the mood and morale of local government in the 1990s were to be captured in a phrase, it might well be “crude and universal capping”. The early part of the decade in particular did have the feel of the very worst of times, exemplified by funding arrangements in which sensitive judgments about local spending levels were taken by Whitehall computers.

This provokes an interesting thought. How, when we get to 2010 or thereabouts, will we look back and sum up the first decade of the 21st century? Will it be “the advent of new localism” or more cynically “targets, plans and more targets”? Most depressing of all, might it be “even more crude and universal capping”?

The wide range of possibilities reflects the current deeply confusing debates about local government’s role and autonomy. On one hand, we have expansive visions about the renaissance of localism and, on the other, we have the grim reality that the blunt instrument of very crude capping is inescapably back.

Viewed positively, there seems to be an increasing consensus about where we should be going. But the route is fraught with hazards.

## Unsolved puzzle

Most tricky of all is the dilemma of local government funding. In many ways this is the

great unsolved puzzle which constantly undermines ambitious visions for a more vibrant, self-confident, independent local government. The evidence of the Audit Commission’s comprehensive performance assessments suggests that local government has made significant progress in recent years. But, as in other public services – most notably the NHS – significant improvement has required investment.

## Taking the strain

In local government’s case the council tax has taken part of the strain of supplying the resources for improvement and change, rising in England and Wales by an average of 6.6% per annum over the past 12 years. Unfortunately, in terms of broad public perception, we have managed in this process to turn a good tax into a bad tax. Ignore the theoretical analysis of the council tax’s strengths and weaknesses; this was a highly successful tax until we conspired to put far too much strain upon it.

This gives a helpful signpost to the future. The council tax is assuredly here to stay, although it can clearly be improved. A few extra bands and some tweaks to the supporting benefit scheme will head off many of its critics’ complaints. But the real precondition for its rehabilitation is simply that the rate of increase must be scaled down to levels closer to the rate of inflation. It can

continue to provide a significant component of councils' core maintenance funding but we should not be looking to it as a primary source of growth funding for local government's new investment needs.

### **Funding growth and investment**

So if extra resources to fund real terms growth and investment in services are not to come from the council tax where might they come from? There are really three options:

- Increased grant support from government – not an option the chancellor is likely to favour.
- The introduction of new taxes or the rearrangement (for example localisation) of existing taxes – we wait on the conclusions of the Lyons Review, but don't hold your breath.
- Local government itself – the Gershon argument that new budget pressures and priorities can be funded by improving efficiency and recycling existing resources.

Encouragingly, local government has begun to engage with the Gershon Report in a positive way. Each authority has already submitted detailed plans to the centre in many cases exceeding the 2.5% per annum efficiency targets.

But anyone who thinks that this can be sustained long term without visible impact on services and morale is backing hope against experience. Sooner or later easier, less visible savings will be exhausted and

councils will find themselves tackling more sensitive budgets where the line dividing efficiency gains from service cuts is a matter for subjective and very personal judgment.

### **Muddling through**

So, in the short term, we muddle through with ministers pulling as hard as possible on the two levers marked "efficiency" and "capping".

How long can this work for? One year? Maybe two? Clearly no more.

This means that, however little appetite government has for the decisions which need to be taken for the long term, this is the window of opportunity. This is the point at which we need to conceive the shape of a new fit-for-purpose and sustainable local government funding system. To fail to take this opportunity now will be to risk ill-considered, knee-jerk solutions in the future when the popular pressures for change regain momentum. We have been there previously; it was called the community charge!

### **Bold solutions**

Far from hoping for a gentle ride from the Lyons Review the messages from ministers to Sir Michael should therefore be to bring on the bold funding options which are absolutely fundamental to any serious discussions about a new ambitious vision for local government. And the banner for the decade? We wait to see. *Steve Freer is chief executive of CIPFA*

# Promoting political and managerial leaders

by Wendy Thomson



## **Recognition that leadership matters**

Leadership is critical to Britain's cities, towns and neighbourhoods. Fortunately many excellent leaders are evident across much of local government – both as politicians and senior officers. But more are needed, and more changes will continue to challenge even the best.

Straightforward delivery targets can be achieved as a result of performance management systems and the right incentives, but that's not where the challenges lie for localities. To "Put People at the Heart of Public Services"\* is transformational. It requires leadership judgment and discretion, exercised on the basis of relationships of trust. You can have choice and equity. It is possible to have standards which are flexibly delivered. Universal objectives are strongest when they are experienced as personal, in neighbourhoods as well as nationally. These features are not in opposition to a good local service; they can be the means for achieving just such a service ... But it is not necessarily so.

To manage the risks associated with these ambitious agendas needs the right people, committed to doing the right thing for their communities and staff.

Make no mistake: political leadership

locally and centrally is critical. It is political leaders who shape the public perception of government, through their speeches and behaviours, as much as what officials may deliver. Within central government, it is more often political leaders who shape the perceptions of local government. It would be wrong for senior officials to think they can do it themselves.

## **What do we mean by leadership?**

Few subjects receive more column inches than leadership. A web search will produce millions of references. Too often even practised and practical leaders become abstract and disconnected from their experience when they are asked to say something on the subject. The Solace Imprint will provide an important avenue for actual leaders to reflect on what they do – and liberate it from categories and theories that emanate from those who have only a theoretical interest – bringing new insights and analysis grounded in their experience.

## **Male myths dispelled**

The good news is that some leadership myths have already moved on, particularly views about power. The great male hero is definitely out – with a more collaborative style the one preferred. Recent research (Fox and Boussine, 2005) suggests that councils led by women seem to be better not only for

employees, but for customers and communities.

You won't find many who any longer believe that separating policy from administration is credible; nor argue that politicians exclusively do the former and officials the latter. Partnership is the current orthodoxy, and the most successful councils are those where political and managerial leadership develop effective working relationships committed to a shared vision.

And though efficiency is an understandable preoccupation, it has not brought with it the return of old-fashioned bean-counting accountants (not to be confused with hugely helpful financial strategists!).

With any luck, aggregated procurement will be introduced with a rather better grasp of the customers' requirements than the old "central supplies" division. (Does anyone else remember ILEA stationery supplies? No one wants to go back to that way of doing things.)

The exclusive power of the majority group backed up with service committees in the firm grip of their chairs, has also gone the way of the alderman. Parties and groups are largely coming to terms with the greater transparency that is part and parcel of the executive cabinet/scrutiny split, and the greater political dexterity it demands.

### **Partnership, legitimacy, accountability? many issues remain**

While it is good to see progress on these fronts, it would be wrong to assume all is now sorted and clear-cut. Partnership is fine, but how does that work in practice? Who exactly has the legitimacy to do what? Where will public accountability be visibly exercised? What has the cabinet and mayoral form of governance meant for chief executives and their teams, as central government strengthens accountability for service standards?

The need for two sets of officers – one for scrutiny and one for cabinet – is seen as the order of the day, but will this eventually bring an end to the idea that the chief executive serves the whole council? Will this "modern" form of cabinet governance start resembling that operating at national level and, if so, will local government see political advisers growing alongside those responsible for supporting scrutiny? And if the old Widdicombe rules are dispensed with, is there a chance that the modern future could look a bit like the twin-tracking of the past?

There is scope for another scenario, where scrutiny takes on a more outward focus and strengthens community advocacy. That might help make the scrutiny role sustainable, and improve how members experience it. Or maybe what Britain's localities need now is unitary government with a visible and

recognisable number of elected leaders. What kind of leadership can help councils approach their communities strategically, while strengthening the responsiveness of all public services to serve them well?

Issues like these are raised by Solace's recent Commission on Leading in a Political Environment. The opportunity also exists via ODPM's Local:Vision consultation for councils to experiment with new forms of governance. What innovation will emerge through that channel? Let's hope there is the energy to devise uniquely local governance that works.

### **Time for a well-led and unified public service**

This is not the time to limit our horizons to the locality, however. On the launch of the new National School for Government, I wrote in the MJ that the time for a unified public service was now due. No one institution or level of government "runs" public services nor represents its citizens and customers. Leadership must come from across the complex array of systems and interests that make up today's public services. Local government has a tradition of specialist departments, with a thinner corporate cadre at the top, whereas the civil service has the generalist whose analytic capacity will turn its wits to any challenge. Both could benefit from an exchange, and together may stand a better chance of redesigning effective systems for delivery.

### **What do public service leaders need to know?**

So there is no shortage of challenges facing leadership of public services, and while there is no shortage of universities and colleges offering to train and develop, are they teaching what we really need to know?

The Office of Public Service Reform has looked at the knowledge and skills needed for leadership to really put "people" at the heart of public services. Independent research was commissioned to survey the content of the most popular programmes and courses.

It found major gaps. Programmes that do not cater for politicians, where politics is something that is done by others to "us" (as in "if we could just keep politics out of this"). Customers or even the public rarely take centre stage, usually treated as an operational matter for junior managers and front-line staff. The citizen is someone to be consulted with, brought into "govern" or more fashionably "co-produce". Strategic decisions to make or buy, and manage a market don't yet feature. Systems thinking may be evident in the more forward-looking analysis but there seems little help around to turn its insights into practice.

There is excitement being generated, however, by Mark Moore with his attractive concept of public value, and Ron Heifetz's thinking on leadership. Both are gaining currency as well as developing closer understanding of the UK scene through

opportunities created by Solace, Warwick's Local Governance Centre and others.

So there is fertile ground in which to grow knowledge, and best to come from experienced practitioners.

### **How will learning happen?**

Local government has tended to invest rather less in leadership than its colleagues in the civil service, health, education or police. LGA, IDeA and the Audit Commission have made their mark on the improvement agenda. Solace has improved the quality and breadth of its contribution. Now the Leadership Centre for Local Government provides a dedicated focus for developing local political and managerial leadership.

The Centre was set up in July 2004, with the support of the LGA, Solace, IDeA, OPSR, HMT, and ODPM. The Centre will ensure that local government people can access the best development opportunities available nationally and internationally. It also means that local government takes a leadership role alongside other sectors, and their respective centres of learning and development. The Centre intends to be as valuable to leaders held in the highest regard, as those experiencing challenging times.

The Leadership Centre's priority initially has been to work with top political and managerial teams. It provides expertise and advice about how top teams can create the

conditions for effective leadership throughout the authority and their partners.

It is founded on a well-evidenced belief that life-changing learning happens through solving real problems, in real circumstances, through real relationships. Issues like "Why can we never make decisions?" or "Why do decisions we make never get implemented?" or "How can we develop an effective strategic partnership, when the players change all the time?" or "What is stopping us sort out that service, when we've cracked other tougher ones?" The Leadership Centre's success will be judged by how well its work with councils helps them tackle these issues, and ultimately deliver tangible improvements for local people.

Part of the case made for the Leadership Centre was that it should be an advocate not a supplier of consultancy and development. So it acts as a broker, advising the council on its requirements and then helping it secure what it needs. In exchange for the council committing its political and managerial leadership, and investing time and money for two to three years, the Centre will provide consultancy, knowledge of the market and match funding.

To accelerate learning from the field, the leaders and chief executives from six councils are coming together with the Centre to exchange their experiences of top team work, along with some of the "wise counsel"

they've involved along the way. The plan is to publish the outcome of these sessions at a conference in the new year. It should be one to watch out for.

Work on developing political competences initiated by IDeA has been picked up by the Centre to form the basis of Cabinet Development Centres. Though such products are fairly common for managers, this is the first such approach for politicians. It is an example of managing the market, making it more sensitive to politicians as well as managers.

Price has been a barrier for some individuals to access quality programmes, so the Centre subsidises some people on a limited basis where their council will not agree to pick up the cost. This autumn, for example, places were made available on the cross-sector leaders programme introduced by the Cabinet Office: "Tomorrow's Leaders".

### **Not just another course**

The Leadership Centre's strategy is about changing culture and attitudes, as well as performance. It is important to raise the profile and credibility of local government leadership, so it takes its rightful place nationally as well as locally in representing its communities. The Centre also wants councils to be able to invest in their leadership without suffering political damage or media criticism. Many councils

are larger and certainly more complex than most FTSE firms, yet even UK chairs and their boards consider it smart to develop themselves. So should we.

*Until the end of July 2005, Dr Wendy Thomson was chief executive of the Leadership Centre for Local Government. She has run the Office of Public Service Reform in the Cabinet Office since 2001, and was previously Director of Inspection at the Audit Commission. A former Chief Executive of the London Borough of Newham, she will be joining McGill University later this year as a full-time professor and director of the School of Social Work and Social Policy*

*\* 'Putting People at the Heart of Public Services' is the core script underpinning the government's five-year strategies for public services such as education, health, law and order published in summer and autumn 2004. Also see the OPSR (March 2005) pamphlet Putting People at the Heart of Public Services*

# Regulating reformed public services

by Steve Bundred



## Rationalising regulation

It is now clear that the high watermark of inspection and other forms of regulation, in both the private and public sectors, has been passed. But it is worth recalling that the current framework did not arise by accident. The increase in regulation began with the privatisation of the utilities in the Thatcher years. But it gathered impetus with the growth of public sector inspection in the first two terms of the Blair government, and for good reasons. The government was committed to substantial increases in spending on public services and was pledged to improve their performance. But taxpayers wanted assurance that this extra investment would be well spent. And ministers too were anxious to ensure that the promised improvements in the quality of public services took place. So the quid pro quo for extra cash was centrally imposed targets and tight performance management reinforced by increased inspection.

In the public sector, the extent of this was disclosed in *Inspecting for Improvement*, a report published in July 2003 by the Office for Public Services Reform. The report identified 14 public service inspection and external review bodies which were costing £0.5 billion a year. In October 2003, the Better Regulation Task Force report, *Independent Regulators*, revealed that in both the public

and private sectors 49 new independent regulators had been created since 1973.

The order for retreat was signalled on Budget Day in March 2005. The chancellor simultaneously published the report of Philip Hampton's review of regulation in the private sector – *Reducing Administrative Burdens: Effective Inspection and Enforcement* – and announced the outcome of the government's own review of inspection in the public sector. In the private sector, a Better Regulation Executive (BRE) was to be created; 31 regulatory bodies were to be merged into seven; the number of forms regulators send to businesses to fill in was to be reduced by up to 25%; and there were to be around one million fewer inspections. In the public sector, 11 existing inspectorates were to be merged into four, and the cost of inspection was to be reduced by half.

These announcements have been widely welcomed and are now being implemented. The BRE has been established with a remit that is not confined to the private sector. The legislation needed to give effect to mergers will be enacted over the course of the next two years; and all the newly-merged bodies will be up and running by April 2008. So problem solved then? Well, not quite.

## Next steps

In the public sector at least, reducing the amount of inspection is a necessary but not a

sufficient condition for ensuring that regulation will in future be fit for purpose. It is not just fewer regulators that are needed. We will also need greater collaboration and better co-ordination between them and the development of new approaches that provide greater challenge to the unambitious average among service providers. By most objective measures, public services are improving, but not yet in the perception of many service users. Increasingly, therefore, we will also need regulators to do different things.

This is not just a question of adopting a more risk-based, targeted approach. All existing inspectorates are now committed to this and will, in any event, find it necessary to ration inspection resources in this way if the government's demanding targets for cost reductions are to be met. Instead, it is a recognition that the government's approach to public service improvement has moved on and regulators will need to adapt to this. For example, if centrally imposed targets are to be largely a thing of the past, then measuring the extent of compliance with them will become a redundant role.

The model of public service improvement which rests on targets, inspection and central control is increasingly to be replaced by one based on devolution, user choice and a mixed economy of providers. Challenged self-assessment and peer review will play a more important role in the improvement

process. And, at the same time, providers of public services may be merged or become subject to different forms of governance and will increasingly be expected to work in partnership arrangements of varying degrees of formality. All of this will take some time to work its way through, but the implications for the demands we place upon regulators are potentially profound.

### **Cross-sectoral assessment**

Regulation will need to pay more attention to the governance of the partnerships through which public bodies seek to achieve their objectives. Inspectorates will also need to capture the outcomes that are achieved from the combined efforts of bodies operating in a particular locality, regardless of where the formal responsibility for particular services might lie. Few people have a clear understanding of which public body delivers which services. But they know what they want from public services. And inspectorates must learn to recognise that the arbitrary boundaries between providers are frequently an obstacle to meeting people's needs.

Some progress is already being made in this direction. Joint area reviews of children's services are one example of an inspection regime that seeks to look beyond organisational silos to the outcomes achieved by all bodies providing services for a particular client group. Other examples of this

cross-sectoral approach are the area profiles being developed by the Audit Commission and the quality of life indicators, first produced by the Audit Commission in 2002 and recently overhauled following joint work between the commission, the government and the Local Government Association.

### **Focusing on users**

The focus of assessments of public services will also need to change. There will be less emphasis on the performance of particular public bodies against a pre-determined set of criteria and more on the overall experience of users and their levels of satisfaction with the services they receive. The expectation is that by extending greater choice to users, satisfaction will be driven up. But if users are to be given greater choice they will expect better information from regulators to enable them to make informed decisions. And this poses real challenges to existing inspectorates, not just in relation to the accessibility of their reporting but also the timeliness of their information.

At present, inspection reports are largely addressed to service managers and aim to provide challenge and support in equal measure. In future, there will be a greater need to provide users with the information required to make a reality of choice, and which will then provide upward pressure on managers of public bodies to ensure the

provision of services that people actually want. But to be of real value this information must be available in real time. When I buy a consumer good, it is only of limited use to know which was the best available in the marketplace 18 months ago. I want to know about the best available product now. And public service users will have similar expectations in the future.

Moreover, as commissioning becomes more central to the role of public bodies, as private and voluntary sector organisations increasingly become providers of public services, it will be the ability of the commissioning function to deliver satisfaction for a diverse group of users that becomes the key focus of inspection.

Increased satisfaction may derive not merely from better anticipation of what users want, but from greater involvement of users in the direct provision of services through various forms of "co-production". A recent example of this is the improvement in performance on recycling that has come from persuading householders to separate waste at the point of collection.

### **Regulating markets**

Of course, national standards and targets will continue to have a role in the regulation of public services in the future. Governments will always maintain the right, and indeed have a duty, to set minimum standards in key

service areas. And inspectorates will have a role in ensuring that these minimum standards are adhered to. But targets will increasingly be set at the local level and will be reflected in contractual arrangements with a range of providers.

So inspectorates will need to look at how well these markets for public service delivery are functioning in practice, and may increasingly play a role in the regulation of such markets. They may, as many regulators already do, issue licenses to trade, ensure that services are safe, or verify the quality assurance arrangements of the providers. But they may also go beyond this, promoting mergers and acquisitions among private or voluntary sector providers or actively encouraging new entrants to the market for public service provision. Public sector market regulation could also come to mirror the regulation of monopolies in the private sector by playing a role in price fixing or in the prescription of compulsory activities.

But if public sector regulators were to develop a more active market management role in this way, they would need to acquire different professional values and skill sets. The challenge this would present to bodies that must maintain their independence and avoid any possibility of conflicts of interest should not be underestimated, nor the importance of early and open debate about the future direction of travel.

### **Conclusion**

To conclude, even a reduced number of more strategic inspectorates may not be the full answer to the need for better regulation of the public sector over the next decade, unless those inspectorates are also doing different things and deploying different skills. It was right to reduce the volume and complexity of regulation, but we now need to pay more attention to the fundamental question of what regulators should be doing. And in the public sector, this is highly relevant given the context of a partially completed programme of modernisation.

There was a clear logic to the growth of regulation after 1997. There needs to be an equally clear logic to its reform.

*Steve Bundred has been chief executive of the Audit Commission since September 2003. Prior to joining the Audit Commission, he was executive director of the Improvement and Development Agency for local government and before that worked for the London Borough of Camden, joining as director of finance in 1992 and becoming chief executive in 1995. He was until September 2005 a board member of the Higher Education Funding Council for England and chair of its Audit Committee, and remains a member of the Council of City University*

# Local government under the public microscope

by Jane Martin



## **Accountability to local people**

The problem of effective public accountability has not gone away in Labour's third term. But at least the government recognises the problem and is actively seeking solutions. Unfortunately, robust public accountability is not something that government can effectively engineer. It can only seek to create the conditions for it and undertake to respond to it. The current range of remedies demonstrates the difficulty.

Effective to implement but unpopular and expensive remedies require central government assessment criteria and performance targets, regulation and inspection. More popular, less expensive (probably), but much less effective to implement remedies require devolved decision-making, giving local people more say about how public services are delivered and creation of markets for personalised services.

Whichever remedy is chosen – under the guise of strategic inspection, new localism, active citizenship or personalised services—the purpose is always the same. In order to ensure that the public get the public services they want and are willing to pay for, they need to be in an accountability relationship with providers where they can express preferences.

## **The voice–choice dichotomy**

Public accountability solutions are often

expressed as the “voice/choice” dichotomy. Based on Hirshman's (1970) work it is argued that public service providers should regard the public as consumers who have three options when they are dissatisfied:

- Exit.
- Voice.
- Loyalty.

Where there is a market for goods or services, consumers as active choosers can exit from one provider in favour of another (better) provider. Poor providers either lose customers or compete (and improve) in order to retain them. Parental choice of schools, with all its imperfections, is the most well-known example.

Other consumers will decide to stay loyal and hope things will improve, or just accept that they won't. Such passivity is often experienced in relation to public services where exit is not an option, either because there are no alternative providers or consumers lack the information and capacity to actively make a choice of services.

Successful organisations know that the key to their success is the extent to which they understand and respond to the public. To prevent exit and discourage passive loyalty, there must be opportunities to listen to the customer's voice.

The Office of the Deputy Prime Minister has recognised, in its five year vision for local government (ODPM, 2005), the importance of

matching strong executives with “strong scrutiny” where opportunities are created for elected representatives (as community leaders) to influence, debate and develop policy to deliver change and improvement in the way councils and other local partners deliver services. This vision includes opportunities for scrutiny at the locality or neighbourhood level to hold to account all those who deliver services in the area.

The Home Office has articulated the need to hold the police service to account more robustly at local level and is considering ways in which police authorities, with others as appropriate, can play a more active public scrutiny role. In discussions on the future of the probation service, the role of local probation boards in holding service providers to account in the local public interest has also been acknowledged. The Centre for Active Citizenship is seeking ways to encourage local people into voluntary activity as part of civic renewal.

The Department of Health continues to develop measures to ensure greater democratic accountability of the health service locally. This includes a developing role for local authority overview and scrutiny committees in local inspections, in addition to their right to carry out local scrutiny reviews of health, and direct involvement of patients and the public in Patient and Public Involvement Fora (PPIF).

In the education service, individual school governing bodies and parent governor representatives on the local authority overview and scrutiny committee explicitly provide opportunities for parents and other local people to have a say in the direction of the education service locally.

### **Creating the conditions for public scrutiny**

Each of these initiatives impacts on local democracy and should be regarded as an opportunity to reinforce the role of the democratically elected representatives of the local authority as community leaders or advocates for local people. As the legitimate tier of government “closest to the customer”, local government is best placed to create and support the conditions for local people to make their voices heard – and mediate the many and varied interests of individuals and groups to facilitate collective action. The democratic legitimacy of the local authority is what distinguishes it from other local agencies and service providers – only the local authority has the legitimacy to act in the collective public interest. However, there still seems to be a misconception about the potential of local authority scrutiny for holding to account all those public, private and voluntary bodies, agencies and partnership which provide services for the public. The overview and scrutiny function of the local authority has the statutory right to

“review and recommend” on any matter affecting community well-being within the local authority. As the commissioner and quality assurer of public services which ensure community well-being, the local authority scrutiny function should, on behalf of the whole council, safeguard the right of the public to have their voice heard.

Local government is much more than local administration and management. In the future, based on the evidence of effective public scrutiny, local authorities should be setting local objectives and targets for local service delivery and holding to account all those responsible for delivery. This may mean thinking differently about how public scrutiny is supported locally. Should local authority democratic services provide support and administer the whole range of local committees and forums of local governance? Should internal and district audit services be more closely aligned to support public scrutiny in all its forms locally? Should local authority scrutiny committees and regional assemblies be developing a more coherent public scrutiny agenda? Should inspectors and regulators be commissioned by local government to inspect local service delivery and provide evidence of performance in relation to local criteria?

Public scrutiny is at the heart of local democratic renewal. Wherever and however it is exercised, based on a clear

executive/scrutiny split, effective public scrutiny should provide a conduit for local people to articulate their voice in a constructive environment where executive decisions and policies are investigated in the light of evidence of past performance.

The big issue for the third term goes beyond personalised services. The personal is political since our aggregated individual choices determine the very existence of local services as much as their quality. The implication of this for local government is how to co-ordinate, support and enable deliberative spaces for public scrutiny in localities where local communities can reach shared agreement about the kind of collective provision they need and ensure delivery. *Dr Jane Martin is executive director of the Centre for Public Scrutiny, a new organisation established to promote and develop understanding of public scrutiny in modern and effective government. The Centre's publications include The Scrutiny Map and The Good Scrutiny Guide setting out four principles of effective public scrutiny*

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# Asking the right questions: delivery versus policy

by Paul Corrigan



How is the relationship between policy research and government going to develop over the next few years? That's assuming that we continue to have a

government that not only believes in society, but has a role to play in its development.

After 12 years of research and teaching, I left full-time academic social policy work in 1984, and much of my work in local and central government was spent at the higher end of policy and away from practice. In the tension between research and practice, this should place my prejudices towards the research end. But the whole experience of moving between research and the practice of government has taught me something very different and I see this tension in a very different light. After some decades where research has felt it has to grab the right to set the questions and agenda, there are political, intellectual and institutional reasons, why practice and delivery will now be setting more of this agenda.

## **Politically**

Centrally and locally, government needs to make the case to the public that it can work. While people may well feel happier about the services of the National Health Service or their local environment, locally and centrally, the institutions of government itself are not popular. Administrations that want to renew

their mandate have to point to successful delivery of services. To achieve that new mandate, the public have to notice improvements in the detailed practice of government.

That is why one of the most successful innovations in New Labour's second term was the Prime Minister's Delivery Unit. From 2001 on, the government focused on the delivery of services and practice of government rather than "policy". Government was deeply interested in how policies actually impacted on people. The emphasis of the questions that needed understanding moved down the line to practice. This emphasis on practice and delivery did not mean that there were no important research questions to answer, but that the nature of the questions changed. The intellectual question that needed to be answered was: "How does manifesto policy actually get implemented and how was that implementation improved?"

Given this is where the centre of government's interest lay, this was where the interests of the main secretaries of state and their departments lay. It is also reflected in local government – the politically important research questions are about how we need to know more about the practice of better implementation, rather than the ideas of policy. In the struggle between the concrete and the abstract, democratic

politics is increasingly asking intellectual questions about the concrete.

This is not to say that these questions are not of just as much intellectual significance of those at a more abstract level, but too many existing intellectuals may try and stifle this debate by claiming that abstraction is real intellectual activity and concrete questions are sort of “trade”.

### **Intellectually**

For some time British intellectual culture has privileged the more abstract over the concrete. Not just the split at 14 or 19 years of age between vocational and academic education, where the former is not just different, but inherently lower than the latter, but also the location where most “intellectuals” spend their time – in university.

The intellectual questions are framed, and the research carried out for the rest of us, primarily in institutions which are separated from our lives and which enjoy that separation as a part of their definition. The problems this separation provides for the nature of research have been recognised. Most large research projects now employ someone at the end of the process to assist the research with “dissemination”. How do we translate the research work we have been doing into language that makes sense for the rest of society? While this is a lot better than assuming that the rest of us will learn an

arcane academic language, it does assume that the questions originally developed within the separate academy are the right ones.

And what matters here is what counts as knowledge in the development of research questions. Understandably the academy is interested in how knowledge develops in relationship to other knowledge. In the field of, say, understanding anti-social behaviour, does the work of Professor X develop or deny the paradigm developed by Professor Y? That is how paradigms of thought develop and it is, and should be, the work of the academy to develop the relationship between bodies of thought. In those institutions it is what counts as knowledge.

But what if I am interested in new approaches to solving the effects of anti-social behaviour and not what the different paradigms of thought that different professors have written about anti-social behaviour? It is a different intellectual question and one that will need a very different intellectual approach – one that does not see the main progress as taking place between groups of ideas and other groups of ideas, but is judged by the success of practice itself.

To answer this question and for that research to be successful, needs different knowledge and different outputs. It is just as intellectually coherent to take your ideas directly from practice and to research them

as to take them from other ideas. Those of us interested in moving practice forward will have a different approach to what counts as knowledge. It is not that my argument is anti-intellectual, it just argues against giving privilege to one set of thoughts over those of practice. It argues for different intellectuals.

### **Institutionally**

Some of the problems of developing really useful knowledge comes from the separation of the institutions that have historically had the responsibility of creating research and new knowledge – the universities. These develop not only their own view of knowledge but also their own language and what counts as use of knowledge. There is nothing wrong with this if this was only one of the ways in which research was produced. Institutional separation has its uses in creating research but not as the only or most privileged method of research.

To take the example of social science, what proportion of Economic and Social Research Council (ESRC) money is invested in funding research outside of universities? If we want different sorts of knowledge to be produced, different intellectual questions asked and answered, they may have to be asked and developed in institutions that are not so separate from the rest of society.

If we want to answer different questions, to create different knowledge, we should expect

not just secondments from universities into government but also full-time research posts being funded by universities in research sections in local government. Academics should be gaining career progressions for not just spending a couple of years outside, but clearly developing intellectual work outside of the academy.

### **Conclusion**

This argument is not anti-intellectual – but it may be anti certain sorts of intellectuals and pro certain other sorts. In the next few years a research that talks clearly and consistently with the problems of local and central government will have to recognise the worth of practice as knowledge and will develop intellectuals who will work with that knowledge to answer the major questions of implementation on the ground.

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