

AN ASSESSMENT OF THE CHANGES IN THE USE OF MANAGEMENT
SERVICES BY SELECTED LOCAL AUTHORITIES 1971-79

(2 volumes)

by

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A MASTERS THESIS

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INTRODUCTION

0.1 OBJECTIVES

The objectives for this research arise from my involvement with various aspects of management services activity over the last 20 years. I was an Organisation and Methods Officer in a local authority initially, and then moved to the forerunner of Trent Polytechnic to develop training courses in some aspects of management services activity. My work at the Polytechnic now also encompasses management studies and provides for frequent student project counselling with local organisations. I have also a strong interest in the improvement of administrative management.

In the mid 1970's I wanted to undertake an academic activity that would develop my knowledge and ability and at the same time I was very interested in the nature of the changes that appeared to be taking place in the use of management services by local authorities following local government re-organisation. This research is the result of seeking to satisfy both of these objectives.

0.2 APPROACH

Choice of Review Periods

When seeking to study a changing activity it would be convenient to analyse the situation at the time prior to the changes and again at a later time when the changes have taken place. The use of management services by local authorities however has been continuously developing since the 1950's and is still developing in 1979. It was desirable to choose for comparison purposes suitable points in time that would make the analysis worthwhile. A major change in local government was the re-organisation that took place in 1974 and some of the indicators of change appeared in the mid 1970's. It appeared reasonable therefore to compare the use of management services before and after local government re-organisation.

Nature of Review

There are two main approaches to a review of an ongoing activity. One approach would have been to seek to examine all local authorities to determine any changes in the use of management services. Such a treatment would have limited the detail that could have been studied but might have produced conclusions that were of relevance to all authorities. This can be regarded as a relatively wide ranging but shallow approach.

The alternative is to restrict the analysis to a small number of authorities but to examine each in greater detail. Conclusions drawn from such a study should be based on a greater understanding of the factors involved but would only be directly relevant to the authorities that had been studied. This limitation might be partly off set by the nature of local government, in that the main types of authorities have predominantly similar powers and similar functions. This approach can be regarded as a narrower but deeper basis for study.

One factor that needs to be taken into account when considering which approach to use is the leadership style of the head of the management services unit. I have observed many persons in this position in industrial as well as public authorities. Although statistical analysis has not been possible there appears to be a positive relationship between the use, growth and size of a management services unit and the positive and extrovert character of its leader. The opposite situation has also been observed. This experience extends over a period of more than 10 years and would be based on observations of at least 25 management services units. Of course, such a sample without analysis is unsuitable as a basis for conclusions. The observations are however in line with what might be expected in any advisory function. In a

wide ranging review, covering the effects of any extreme leadership style would probably be discounted by the large number of management services units that would be examined. In a review based upon only a few authorities this factor would need to be born-in-mind.

The decision as to which approach to take was deferred until after the review of literature on the subject.

A survey of the literature on the way local authorities use their management services function was made in order to ascertain the published level of knowledge.

This was carried out on the following basis:-

- 1) an examination of books on the subjects of management services and local authority administration
- 2) a survey of local authority and management services journals and the publications of organisations with local authority interests such as the Royal Institute of Public Administration, Local Authorities Management Services and Computer Committee (LAMSAC) and INLOGOV
- 3) A study of royal commission reports on local government, and a survey of the Department of the Environment library bulletin
- 4) A review of miscellaneous publications such as consultants reports on individual local authorities and the proceedings of conferences

A bibliography is provided in ~~Appendix~~ p 163d

0.3.1 Books

The examination of books included those published prior to 1974. A frequently expressed opinion was that in order to achieve the necessary improvement in the management of local authorities there should be an increase in the use of management services. Mr. B. J. Ripley in his book 'Administration in Local Authorities' published in 1970 expresses concern at the continued absence of management services from a large number of local authorities. In chapter 1, the Report of the Royal Commission on Local Government in England Research Study No.1 is examined and reveals three factors that are relevant to this point.

Messrs. J. Long and H. Norton of INLOGOV published in 1972 a book entitled 'Setting up the New Local Authorities'. They recommended that the teams of officers who were to be engaged on the creation of the new local authorities should have available advice from management services staff.

Mr. P. G. Richards in his book 'The Reformed Local Government System' 1974 considers the continued quest for increased efficiency. He acknowledges the contributions made by groups of officers working under the auspices of LAMSAC but points out that their work receives very little publicity.

In 1977 Mr. R. S. B. Knowles published his book 'Modern Management in Local Government'. He reports that in 1969 members of the Management Consultants Association received £1 million in fees from local authorities. More recent figures are not available but the two local authorities studied in this report both used external management consultants prior to 1974. Since re-organisation neither of these authorities has used private consultants.

In an attempt to obtain more specific information about the use of management services the book 'Local Government Re-Organisation - the first years of Camden' was reviewed. Whilst noting that the authority used private consultants in 1965, but that by 1970 it employed 51 management services staff, it gives no comprehensive information about the use of management services by the authority.

0.3.2 Local Authority and Management Services Journals

The survey was conducted by the use of indices of abstracts, primarily Anbar Abstracts. Many articles on the role of management services and reports on specific projects were examined. Again no analysis could be found of the way in which any authority had used its management services function. A consideration of several articles from journals is contained in chapter 2 (2.4.1).

Royal Commission on Local Government

These reports provided the most useful single source of information and a consideration of them has been made in Chapter 1.

0.3.3 Consultants and Other Reports

Consultant reports on Liverpool, Oldham, Sunderland, Ashfield and Broxtowe authorities were examined. Only the Broxtowe report provided detailed proposals relating to the use of management services. Its recommendations were adopted and put into effect by the authority. The results are examined in chapter 4.

In 1976 LAMSAC produced 16 tables of statistical analysis in a report entitled Management Services resources in local government. This report examines the extent, organisation and control of management services. It recognises that many different skills are sometimes provided by management

services units, but it does not analyse the nature of the work undertaken.

The Local Government Operational Research Unit is part of the R.I.P.A. It publishes Information Bulletins on a regular basis and reports on the specific projects it does for local authorities.

0.3.4 Conclusion of Review of Literature

This review revealed a problem to be solved and an unexpected gap in the range of topics covered by the literature.

The problem arose from the different meanings given by authors to the term 'management services'. Some authors recognised that they had to define the term and although there was a common core of agreement that it covered work study and organisation and methods, the variations beyond this were considerable. As this term is central to this study, chapter 2 has been devoted to a consideration of its definition and to its possible use in an analytical framework.

Considering the existence of a professional body (the Institute of Management Services) and organisations such as LAMSAC which are directly concerned with the promotion of the use of management services by local authorities, it was initially surprising to be unable to discover any publication that examined how an authority made use of its management services function. There are publications that describe the nature of management services and give detailed examples of specific applications. There are others that explain how management services can help to improve the quality of management and the problems that are involved in their use. LAMSAC have produced reports on

the number of persons employed in the management services function and analysed these figures in different ways. The reports by consultants are for specific authorities and, with one exception, do little more than recommend the organisational position of the management services unit. The exception is the report presented to Broxtowe District Council. There are reports in journals and elsewhere that describe specific assignments that have been undertaken in individual authorities. These are insufficient however to provide a comprehensive picture of how any particular authority uses its management services unit.

Whilst identifying this gap in published information no attempt has been made to determine the reasons for this. It appears however, from observations of the local authority position that the following factors may be relevant:-

- a) the nature of management services recommendations is such that invariably they can be used to imply a situation of some degree of inefficiency. The democratic nature by which local authority councillors are elected would mean that any revelations of inefficiency could be used to the advantage of some candidates who are taking part in the elections
- b) the code of professional ethics of the Institute of Management Services, which is the major institution

of management services staff, in section 5 prohibits, without permission, the disclosure by its members of the results of their professional activities. (See Appendix 4)

The review of literature whilst not revealing information that was directly relevant to this research, did provide interesting observations on the general subject area.

As a result of this review of the literature it was decided to examine as far as possible the way in which local authorities were using their management services functions. Such a review if successful should provide information that does not appear to be generally available.

The purpose in undertaking this research was to develop my knowledge and ability. I was fortunate in being able to do this in a subject area in which I have experience and which is related to my strong interest in the improvement of administrative management.

Because of the major change in local government in 1974 due to its re-organisation and of the indicators of change that appeared both before and after that date, the review period chosen for this research was 1971-1979. The intention being to ignore the management services activities that occurred during the 1974-1976 period, so as to avoid problems associated with the initial operation of the new authorities. In this way it should be possible to compare the management services activities prior to 1974 in the old local authorities with the management services activities in 1976-1979 the new local authorities. Authorities would be chosen that as far as possible covered similar geographical areas.

The review of literature failed to reveal any detailed analysis of the way in which local authorities made use of their management services function. It was decided therefore to study a few authorities in depth in order to establish

this information. The possibility of undertaking a wide ranging and general review was discarded, especially as some work in this area had already been carried out by LAMSAC.

One problem that emerged from the review of literature was the wide variety of meanings given to the term management services in different publications. It was decided to review the question of the definition of 'management services' and this has been carried out in chapter 2.

CHAPTER 1

REPORTS ON THE MANAGEMENT OF LOCAL AUTHORITIES AND THEIR USE OF MANAGEMENT SERVICES 1967-1974

1.1 INTRODUCTION

Changes appear to have taken place in the management services function of local authorities during the period 1971-79. Indicators of these changes lie in the recruitment and training of staff, and in the organisation of the function. In the period 1967-72 however, there were numerous reports on aspects of the management of local authorities that provide the background against which the changes in the management services function have taken place. The re-organisation of local authorities in 1974 was the catalyst that provided the opportunity for the councils of local authorities to re-assess the role of their management services function.

By choosing a review period that extends for 3/5 years on either side of the date of the re-organisation of local authorities, it is assumed that the transient activities concerned with the re-organisation will not obscure any long term changes that have taken place.

1.2 REPORTS ON LOCAL GOVERNMENT 1967-1968

There were three main reports in the period 1967-1968 all of which were fairly critical of the management of local authorities. Extracts from these reports will show the significant factors that gave rise to changes in the use of management services.

1.2.1 Report of the National Board for Prices and Incomes No. 29, 1967

This report (para 56) states that the standard of labour management in local authorities is low. This is particularly important because the role of local authority is such that their activities are labour intensive.

The report goes on to state (para 65) that the knowledge of modern management techniques, is generally absent in small authorities and is limited even in large authorities. The report acknowledges that an increasing number of management services units are in existence to remedy the defects of management, but the rate of growth in the use of management services is too slow to produce the desired impact. The report calls for a greater use of management services.

1.2.2 Report of the Committee on the Management of
Local Government (Maud Report) 1967

At the same time as the previous report, the Maud Report was published. It reviewed in volume 5 the developments in the use of management services, in the context of the performance of managers in local government.

In volume 1 of the report, it recognised that local authorities in this country were ahead of similar authorities in other countries in introducing the use of management services. Never the less many authorities had not yet taken this step, and those that were using management services had frequently restricted their use to the lower levels in the departmental hierarchies.

The report recommends that local authorities should develop the use of management services and the rapidly developing tools of measurement and control in order to improve the performance of management.

1.2.3 Report of the Royal Commission on Local Government in England - Research Study No. 1 Local Government in South East England 1968

This report in assessing the use of management services identified three factors that it considered important to the effective provision of a management services function.

i) Size of Local Authority

In paragraph 106 it states that small authorities are unlikely to have sufficient financial resources to employ management services staff. It identifies populations of 75,000 to 100,000 as being necessary before a local authority would be able to maintain Organisation and Methods/Work Study teams.

Authorities with populations of 200,000 or more would have sufficient resources to be able to support a full range of management services activities including Operational Research and computers. Such an authority would then have a vehicle that could develop the use of the rational and scientific techniques of management.

The structure of local authorities at that time contained many small authorities, and this was one factor that was inhibiting the use and development of management services.

ii) Role of the Clerk to the Local Authority

The report highlights in para 105 that in order for

management services to be fully and effectively used, they need to be deployed on a basis wider than that of an individual department. The report states that the most important single condition for the effective use of management services is that they should be deployed by a 'strong clerk who was playing a central role'. It considered that unless the clerk was willing to exercise a powerful influence at the centre of the local authority and be prepared to initiate organisation reviews, any elaborate provision of management services would be meaningless.

Prior to 1974 most authorities did not employ a 'strong clerk' and where a management services function was employed, the main emphasis was the use of work study staff on a departmental basis.

iii) Integration of Management Services

The report considers (para 104) that there would be increased benefits from providing management services on an integrated basis rather than on a departmental basis. It recognises that the structure and functioning of local authorities at that time (1968) presented difficulties, particularly for the smaller authorities.

1.3 RE-ORGANISATION OF LOCAL AUTHORITIES 1974

1.3.1 Evidence Submitted to the Working Group on Local Authority Management Structures

The local Government Personnel and Management Services Group with over 500 corporate members and a similar number of individual members submitted a memorandum.

In their opinion the initial limitations on the effectiveness of management services was the fragmentation of these services. The worst effects of this were observed in the authorities where the work study and or O & M function is separate from computers, which in turn are separated from establishment. These functions should be grouped together under one officer with a title such as "Personnel and Management Services Officer".

The next limitation on the use of management services was the limited knowledge of elected representatives and chief and senior officers of councils. This resulted in situations where problems are given to the wrong specialists with inadequate terms of reference. Many chief officers do not know how to interpret various management control data that is available.

A further limitation was identified in the restrictions of the superannuation acts which prevent an employee being offered an early retirement on suitable terms.

The evidence submitted by the Society of Town Clerks included a section on the Use and Limitation of Management Services. The definition of management services was admitted to be wider than the orthodox interpretation and comprised all the services which help management to plan, control and improve the activities of the organisation. The comprehensive list given included, corporate planning, corporate planning control, intelligence unit, financial control, manpower planning and control, land and property management, efficiency improvement services and management audit.

The efficiency improvement services were identified as work study, organisation and methods, operational research and computer systems analysis. The principal limitations on the effectiveness of these services were stated to be:-

- a) the problem of obtaining the full and willing co-operation from the departments whose services are subject to scrutiny
- b) the problem of obtaining willing acceptance of changes from those whose work is affected
- c) the restrictions imposed by finance and the availability of staff
- d) the unwillingness or inability of many senior staff of departments to see potential benefits to an authority as a whole, being more important than the particular benefit to their own department.

The evidence stated that work study would be likely to remain the most directly remunerative of the efficiency services because of the scale of operations that it covered and the comparative readiness with which financial benefits could be identified. The achievements of O & M were real although they could not be readily quantified in financial terms. The significant limitation of O & M was that it had not seriously entered the field of professional work (legal, engineering, medical) to question the objectives, methods and efficiency of professionally qualified staff. The operational research function although only in its infancy in local government was considered likely to become an essential tool of management particularly in the field of corporate planning. Computer systems analysis should be closely related to the O & M function and should therefore be integrated with other management services, though it should not be divorced from computer operations.

The evidence stated that management services staff of good quality were a scarce commodity and therefore relatively expensive to recruit and train. It was considered important that the work done by management services units in one authority should be available to other authorities. Although LAMSAC made claims to carry out this function their record was considered to be discouraging and much depended upon the contacts of practitioners with their counterparts in other authorities.

Attention was drawn to the following points:-

- a) the need for high level sponsorship of management services preferably by the Chief Executive
- b) the continuing need for training not only for practitioners of the specialist skills but also for line staff and management generally in the value of efficiency techniques.

1.3.2 New Local Authorities Management and Structure Report 1972

In the period 1967-1972 there were many other reports, by Royal Commission on general matters, and by private consultants for particular local authorities. The government re-organised the size, structure and functions of local authorities in 1974 and based many of the changes on the recommendations in the New Local Authorities Management and Structure (Bains) Report 1972. As a result the size of the smallest local authority unit has been raised, so that in most cases it now has the level of financial resources that would enable it to support at least an O & M and work study activity. There has also been created the positions of a Chief Executive and of a management team which together have many of the responsibilities of a 'strong clerk' as visualised by the Research Study of 1968 and others.

1.4 DEFINITION AND ORGANISATION OF MANAGEMENT SERVICES
FOLLOWING LOCAL AUTHORITY RE-ORGANISATION (1974)

1.4.1 Definition of Management Services

In its references to management services the Bains report reveals the difficulties associated with the use of this phrase. Many authorities identify only Work Study and Organisation and Methods as being management services. Other authorities include other specialisms as part of their management services function. This question of defining management services will be considered in chapter 2.

1.4.2 Organisation of Management Services - Bains Report
Recommendations

With the management services function being defined in different ways it follows that the organisation of this function will also vary in different authorities. The Bains report quotes some of the differing opinions on this matter.

Coventry County Borough Council expressed the view that the concept of a central management services unit was rather old fashioned and had no real place in a corporate management structure. The Local Government Personnel and Management Services group however, considered that an initial limitation on the use of management services was the fragmentation of the various services within an authority.

The evidence to the Bains Report suggests that the management services function is a growing and changing activity that has been developed in different ways by various authorities in order to meet their particular needs. The conclusion to be drawn is that at the time of the Bains Report there was no single formulae for the successful application of management services within all local authorities.

The Bains report recommendations were that the work study activity might be based within departments but that there could also be a small central unit. The Organisation and Methods specialists should all be placed 'under the wing of the head of administration', but would be used as an aid to the Chief Executive and the Management team. Other specialist techniques may be located in the finance department or in other sections of the central administration department.

RECRUITMENT AND TRAINING OF MANAGEMENT SERVICES STAFF
FOLLOWING THE REORGANISATION OF LOCAL AUTHORITIES 1974

The calibre of staff required depends upon the organisation and functions of the management services unit. Each new local authority in 1974 individually decided on the role and place of any management services function that it intended to use. Many authorities, and particularly those with a limited experience of management services, created a centrally based organisation whose head reported directly or indirectly to the Chief Executive. This enhanced status would permit an increase in the variety and significance of the problems presented to the management services units.

The centralised organisation invariably consisted of a hierarchy of positions and this also gave rise to a need for staff with qualifications greater than was necessary prior to 1974. Frequently more than one of the separate techniques of Management Services were to be provided by each member of the function, this too required a more highly qualified person.

In the period 1971-73 the recruitment of work study and Organisation and Methods staff largely followed the pattern of earlier years in both the number of persons recruited and in the qualifications required. Most recruits were expected to be practitioners or were given training

to enable them to become practitioners. Although professional qualifications existed, most local authorities did not regard them as essential for their management services staff.

From 1974 however, the number of persons recruited to this function increased considerably. Recruits were sought who had professional qualifications or who were prepared to study for such qualifications. Major authorities such as Nottinghamshire and Northamptonshire County Councils required new recruits to have at least a University degree. Existing staff in 1974 were frequently re-trained to obtain extra skills, and many courses were provided by public and private educational centres to meet this need.

Apart from the Greater London Council, local authorities in England and Wales are classified into two major groups - metropolitan and non-metropolitan authorities. The metropolitan authorities are divided into County Councils and district councils. All metropolitan authorities are based upon major conurbations such as Birmingham and Manchester.

Non-metropolitan authorities cover the remainder of England and Wales and are similarly divided into county councils and district councils (parish councils have been ignored because their powers and duties are insignificant in relation to this survey). Non metropolitan county councils are invariably responsible for the areas contained within geographical county boundaries. Non-metropolitan district councils are second tier local authorities based within geographical counties and for most of the country are of two main types. The major (by population and financial resource standards) non-metropolitan district councils are based upon cities and frequently had county borough council status prior to re-organisation in 1974. The other minor non-metropolitan district councils are based upon towns and consist of combinations of areas previously covered by one or more of the borough, urban or rural district councils. These minor non-metropolitan

district councils usually cover a larger geographical area than the major councils but serve a smaller population and have smaller financial resources.

1.6.1 Feasability Study

Having decided to study the way in which a local authority uses its management services function it was necessary to decide on the authorities to examine.

Exploratory interviews were planned with two major authorities and three district councils in order to establish the nature of the factors to be analysed. As the information required did not appear to have been published the feasibility study was based on authorities with whom contacts already existed. The major authorities chosen were Nottingham and Leicester cities. The district councils were Ashfield, Broxtowe and Erewash District Councils. A questionnaire (~~Appendix~~ 076) was used as a basis for this study. The authorities all gave every assistance with the study.

Leicester City Council have for many years been regarded as one of the pioneers in the use of management services. They have an extensive management services function that includes personnel, training, computer and operational research activities.

Nottingham City Council has relatively recently developed its management services function which is based almost exclusively on Work Study and Organisation and Methods activities.

By examining these two authorities it became apparent that the history, range of skills and scope of activities were so different from each other that comparisons between them would have little value.

All three district councils were of a similar size and had a similar number and type of staff employed in their management services units. The history of their use of management services was broadly similar. District councils of this type number 296 out of a total of 521 local authorities of all types. The changes due to re-organisation in these authorities were at least as profound as the changes in any other type of authority. These councils are of the size of authority that frequently made little use of management services prior to re-organisation, but by 1976 over half of them had established management services units.

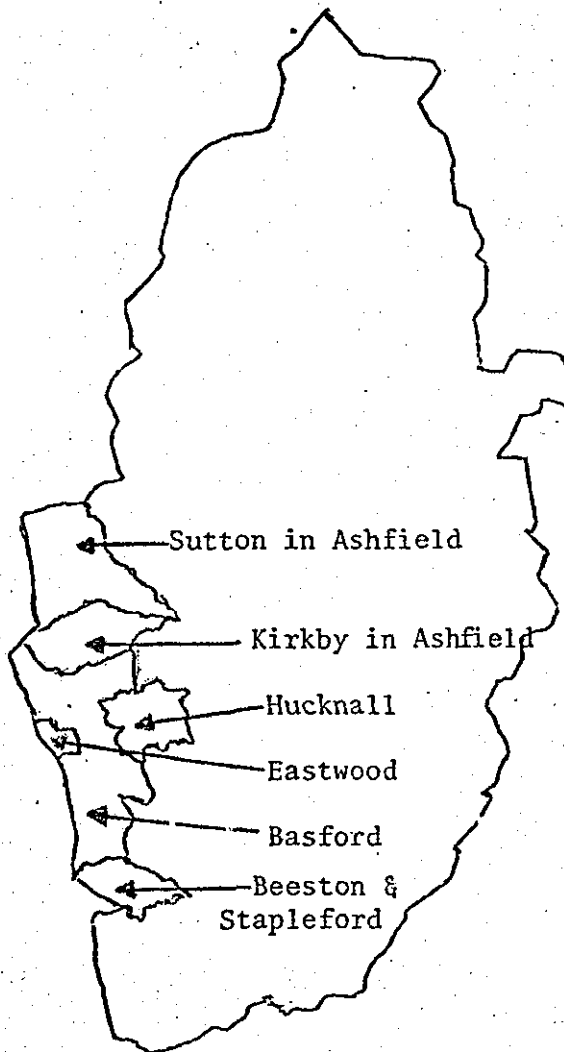
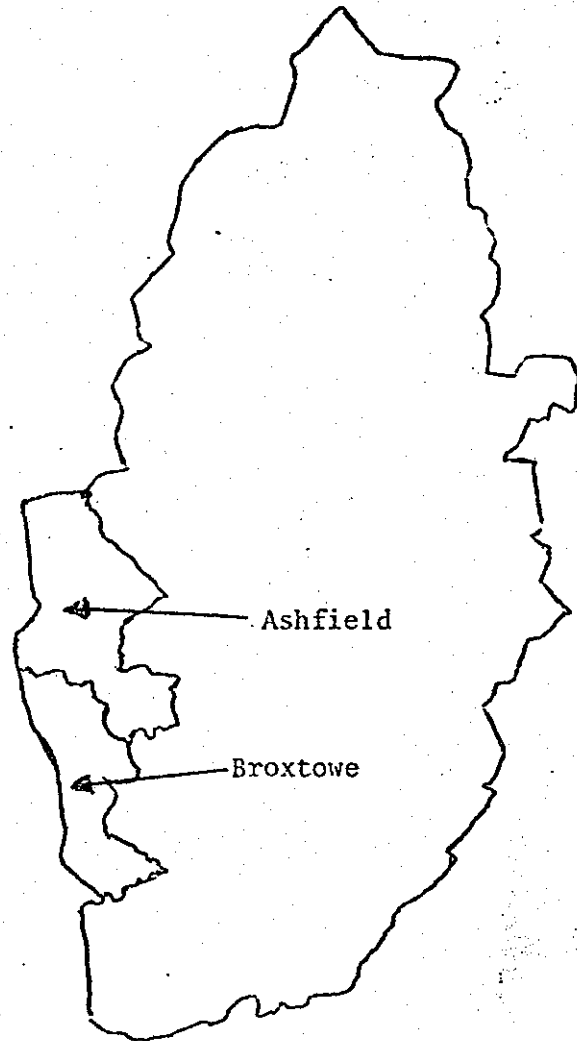
There appeared to be a major change in the use of management services by district councils so it was decided to base the research on this type of authority.

The data to be collected would need to reflect the position both before re-organisation and afterwards, and would probably cover 3 years work of each authority. The size of the data collection appeared to be considerable as each unit may undertake up to 100 projects or more in any one year. Another problem was beginning to emerge and that was the

nature of the framework to be used for analysis.

The question of whether to restrict the study to one authority or to more than one needed to be determined. One authority might be exceptional, so more than one had to be studied. The volume of data for each authority would demand considerable time to collect, verify and analyse so it was decided to restrict the study to two authorities.

The choice of Ashfield and Broxtowe was based upon their both being in Nottinghamshire. In such a situation each district authority could expect to be subject to the same policy of the Nottinghamshire County Council in respect of delegated powers in the management services area.

NOTTINGHAMSHIRE
DISTRICT COUNCILSPre - 1974Post - 1974

In the period prior to the re-organisation of local government in 1974 there was considerable evidence of concern at the efficiency of local government.

The reports of the National Board for Prices and Incomes and the evidence of the Society of Town Clerks to the Bains Committee both highlighted deficiencies in the management of local authorities. All of the reports examined regarded an extension in the use of management services as one way of improving the efficiency of local authorities.

In diagnosing the problems facing local authorities who wanted to introduce or extend the use of management services techniques, the factors of, the fragmentation of these services, the financial strength required by a local authority and the role of the clerk were identified as being important.

The re-organisation of local authorities in 1974 created financially stronger authorities, gave an impetus to the use of chief executives and management teams, and provided the opportunity to re-organise the management services function. There are indications that the smaller authorities in particular had used their re-organisation to introduce changes. Centralised and integrated management

services units were often created and staffed by more highly qualified persons. Before examining the changes in more detail, it is necessary to seek to define what is meant by the term 'management services.'

CHAPTER 2

DEFINITION OF MANAGEMENT SERVICES

2.1 INTRODUCTION

This report seeks to analyse changes in the use of management services, and therefore a clear understanding of the meaning of this term is desirable. This phrase has been in use for many years. It is generally accepted as referring to advisory services that can be called upon to assist a manager in the performance of his tasks. Work study and Organisation and Methods are widely recognised as being part of management services but other specialist techniques such as Operational Research and Systems Analysis are included as part of the management services function by many organisations.

A strict interpretation of the phrase would include every type of specialist advice that a manager may seek to use to help him carry out his responsibilities. Such an interpretation could include the personnel and training functions, and also the services of management accountants and legal advisors. Certainly the latter group of specialists do not regard themselves as being part of a management services function.

In practice, along with many other management terms this phrase although in common usage, does not and has never had a precise definition that is generally accepted. This lack of definition of management terms has arisen in the following manner. The considerable interest in management in the last 30 years is based upon the increasing recognition of the importance of management to society. The continuous changes in the characteristics and needs of society and consequently of the problems that managers are expected to solve, has led to the widespread use of specialist advisors.

As a result of this interest the volume of literature on the subject of management is considerable. Much of it originates from practicing managers and consultants, and only a relatively small amount comes from authors with a strong academic background. The more academically inclined management writers define their terms when using them, and within the context of their writings that definition is appropriate. Unfortunately for many terms, authors do not seek to rationalise the definitions they use, with the definitions of the same terms used by other authors. As a result there are a large number of management terms and phrases that have only a generalised meaning. Management services, despite its continued and widespread use, is one of these terms. This aspect has been discussed in an article published by the Building

Societies Journal and written by the author of this thesis. The article is reproduced as Appendix 2

In 1964 Dr. J. E. Faraday was concerned that organisations might place within their management services units any activity that could not be conveniently placed in any other part of their organisation. However, about the same time Mr. P. E. Randall believed that any specialist activity that helped a manager improve his performance should be called a management service. In 1968 Mr. J. G. Reid sought to establish the specialist techniques that provide the basis of a management services function by examining the work of nine authors who had written extensively on the subject. His findings were that the techniques listed below were all mentioned as being part of management services. The number after the technique denotes how many of the authors whose work was reviewed, considered the technique to be part of management services.

| <u>TECHNIQUE</u> | <u>NO. OF AUTHORS</u> |
|--------------------------|-----------------------|
| Work Study | 9 |
| Organisation and Methods | 8 |
| Operational Research | 7 |
| Data Processing | 4 |
| Ergonomics | 3 |
| Management Information | 2 |
| Personnel/Manpower | 2 |
| Research and Development | 2 |
| Economics Forecasting | 2 |
| Value Analysis | 2 |
| Cybernetics | 1 |
| Market Research | 1 |

TABLE 1

Techniques considered by authors to be part of
Management Services early 1960's

This table indicates that although the top 3 techniques had largely established themselves as a recognised part of a managements services function the opinions expressed by M/s Faraday and Randall had considerable relevance.

In 1978 the question of a precise definition is still unresolved. Mr. N. Harris has been carrying out a research project for Leeds University and Newcastle upon Tyne Polytechnic in order to establish a definition of the term 'management services'. He has examined the works of 10 well established authorities in this field who have identified 25 techniques that are regarded as parts of management services. This compares to the 10 techniques established by Mr. Reid in a survey conducted 10 years earlier. Research and Development and Cybernetics for example have disappeared from the earlier work, and some of the other techniques from that work can only be identified in the 1978 report as being covered by other terms. The analysis of the work of the authors is given in the *following table N°2 p 45*

The 1978 analysis again revealed Work Study, Organisation and Methods, and Operational Research as the most frequently mentioned management services techniques. An addition to this category is systems analysis, which is a reflection of the widespread growth in the use of computers. Again there is a significant gap between the degree of recognition given to the 4 techniques in the most frequently mentioned categories and the remaining 21 techniques.

| <u>Source</u> <u>Technique</u> | BIM Study Group 1963 | Whitmore 1968 | Gilbert 1968 | Hoskyns Group 1969 | Aston 1969 | Candlin 1969 | Freeman 1969 | Faraday 1971 | Mills 1973 | Lines and Metz 1974 | Total |
|---------------------------------------|----------------------|---------------|--------------|--------------------|------------|--------------|--------------|--------------|------------|---------------------|-------|
| Work Study | X | X | X | X | X | X | X | X | X | X | 10 |
| Plant Layout / M H | X | X | | | | | | | | | 2 |
| Value Analysis | | X | | X | | | X | X | X | | 5 |
| O & H | X | X | X | X | X | X | X | X | | | 9 |
| Remuneration | X | X | | | | | X | | X | | 4 |
| Ergonomics | | X | X | | | | | X | | | 3 |
| Operational Research | X | X | X | X | X | X | X | X | X | X | 10 |
| Project Network Analysis | | X | | | | X | X | X | | | 4 |
| Computers / D P | | | | X | X | X | | | X | X | 5 |
| Systems Analysis | X | | X | X | X | X | X | X | | X | 8 |
| System Study / Cybernetics | | X | | | | X | | | X | | 3 |
| Organisation | X | | | | X | X | | | | | 3 |
| Information Systems | X | | | | | | | | X | | 2 |
| Training / Management Development | X | X | | X | X | | | | | | 4 |
| Cost Benefit Analysis | | | | | | | X | | | | 1 |
| Behavioural Science | | | | | X | | | | | X | 2 |
| Economic Planning | X | | | X | X | | | | X | X | 5 |
| Management Auditing | | | | | X | | | | | | 1 |
| Capital Investment Decisions | | | | | X | | | | X | | 2 |
| Business Administration | | | | | | | | | | X | 1 |
| Corporate Planning | | | | X | | | | | | | 1 |
| Cost Accounting | | | | | | | | | | X | 1 |
| Management Accounting | | | | X | | | | | | X | 2 |
| Production Engineering | | | X | | | | | | | X | 2 |
| Market Research | | | | | | | | | | X | 1 |
| <u>Totals</u> | 10 | 10 | 6 | 10 | 11 | 8 | 8 | 7 | 9 | 12 | |

TABLE 2
Techniques considered by authors to be part of Management Services 1963-1974

Mr. Harris uses the techniques identified by his survey of authors as the basis of an analysis of ten organisations in order to assess the recognition of these techniques, as part of a management services function. The table 3 on page 47 shows a significant degree of correlation with table 2 as far as the most widely quoted techniques are concerned.

| <u>Source</u> | | | | | | | | | | | |
|----------------------------------|----------|------------------|--------------------------------------|--------------------------------|---------------------|-----------|-------------|-----------------------|-------------------|-----------|-------|
| <u>Technique</u> | ICI 1965 | Rolls Royce 1965 | Midland Elec. Board (Foster 1971) | Civil Service (Archer 1971) | BOC (Williams 1971) | BTCC 1973 | LAUSAC 1976 | Hospital Service 1976 | Northern Gas 1976 | NEEB 1976 | Total |
| Work Study | X | X | X | X | X | X | X | X | X | X | 10 |
| Plant Layout / M H | | | | X | | | | | | | 1 |
| Value Analysis | X | | | | X | | | | | | 2 |
| O & M | X | X | X | X | X | X | X | X | X | X | 10 |
| Remuneration | X | X | X | X | X | X | X | X | X | X | 10 |
| Ergonomics | X | | | X | | | | | | | 2 |
| Operational Research | X | X | X | X | X | X | X | X | | X | 9 |
| Project Network Techniques | X | | | X | | | X | | | | 3 |
| Computers / DP | X | | | X | X | X | X | X | X | X | 8 |
| Systems Analysis | | | | | X | X | | X | | | 3 |
| System Study / Cybernetics | | | | X | X | | | | | | 2 |
| Organisation | X | | | | | | | | | | 1 |
| Information Systems | | | | X | | | | | X | | 2 |
| Training /Management Development | | | X | X | X | | X | | | | 4 |
| Cost Benefit Analysis | | | | | | | | | | | 0 |
| Behavioural Science | | | | | | | | | | | 0 |
| Statistics / Economic Planning | | | | | | | X | X | | | 2 |
| Management Auditing | X | | | X | X | | | | | | 3 |
| Capital Investment Decisions | | | | | X | | | | | | 1 |
| Business Administration | | | | | | | | | | | 0 |
| Corporate Planning | | | | | | | X | | | X | 2 |
| Cost Accounting | | | | X | X | | | | | | 2 |
| Management Accounting | X | | | X | X | | | | | | 3 |
| Production Engineering | | | | | | | | | | | 0 |
| Market Research | | | | | | | | | | | 0 |
| Personnel | | | | | | | X | | | | 1 |
| <u>Totals</u> | 11 | 4 | 5 | 14 | 13 | 6 | 10 | 7 | 5 | 6 | |

TABLE 3

Techniques considered by organisations to be part of a management services function 1965-1976

The above analysis reveals that Work Study, Organisation and Methods, Operational Research and Systems Analysis techniques are now widely recognised as being a part of management services. It also shows that a further 20 techniques are recognised by some writers or some organisations as appropriate to a management services function. Some of these 20 techniques, such as personnel or accounting based techniques, are more widely used than appears likely from Table C. This is because many organisations that use them do not regard them as part of a management services function.

Despite the almost universal agreement that four techniques are part of management services, the lack of agreement on the remaining 20 techniques undermines the significance that could be given to an analysis based upon a definition of management services.

2.4.1 Developments in the Concept of Management Services

The variety of management services techniques that have been identified in table 3 reflect the different concepts of the role of management services and the differing needs of organisations. The conceptual role of management services is continually changing. It is possible to identify recurring themes in some journal articles on this subject.

Mr. R. Gentle, the Controller of Management Services for the Turner and Newall group of companies in his article The Strategic Role of Management Services published in 1973 stresses the need to perceive a company as a total system. The Management Services role is then to initiate and manage a programme of change and improvement that will enable the organisation to profitably adapt its systems and sub systems to the changing social and technological environment. The management services contribution is identified as being the development of both systems and personnel. This systems approach assumes a co-ordinated management services activity that would include the computer and personnel functions.

A similar attitude from a different point of view was expressed by Sir Stan Yapp the former leader of Birmingham Metropolitan District Council, at the LAMSAC regional conference on the best use of resources in 1978. Whilst replying to a paper on project co-ordination he declared that the remedy for most problems spanned different functions of a council and that he was only interested in solutions to total problems. The author in two articles for differing professional Institutes sought to examine the suitability of the usual management services function to serve the total needs of an organisation (Appendix 2 and 3). The approach used was to consider the probability of sub optimal solutions arising from unco-ordinated management services activities. Consideration

was also given to the different staffing requirements of the advisory and service activities of a management services function. The articles proposed a co-ordination of all the management services functions as a way of providing all embracing solutions to total problems.

Mr. A. Fowler Head of Manpower Services for Hampshire County Council in an article in 1979 entitled Making the Most of Management Services - Local Government argued the case for the organisational integration rather than the separation of the personnel and management services activities. He also expressed the view that a more complete exploitation of the potential of management services may best be achieved by a measure of decentralisation to departmental line managers.

The report of the workshop on Management Services and the Efficient Use of Resources held at the Institute of Local Government Studies in 1978 showed that the work of management services units is expanding. Increasingly such units are involved in reviewing the work of complete departments rather than sections of departments. Such a development may be regarded as a move in the direction of a total systems approach. In addition the workshop report indicated that there was a trend towards the amalgamation of various units (including management services) which can assist management deploy resources more effectively.

A somewhat different approach was considered by Professor J. D. Stewart in his article on Personnel Management in Local Government published in 1972. Having established a major requirement facing local government is to re-act to change, he considered that although change occurs in many areas, the impact is greatest upon the individuals who make up local government. It is they who must adjust their roles. This requires a personnel policy that centres on the adaptation of personnel to the needs of the organisation. Such a policy may be conceived and directed from a central personnel department but responsibility for personnel management lies with the manager in the operating department. This approach suggests that the role of a manager in implementing an organisation development programme could be much greater than when implementing an incentive scheme or new method of work. Whilst this would not make impossible the amalgamation of a personnel and management services activity it may require different approaches to any question of decentralisation.

At the seminar of the Society of Chief Personnel Officers in Local Government in 1977 Professor Stewart enlarged upon the possible division of responsibilities in personnel matters between personnel departments and departmental

managers indicating that even with a restricted role the personnel department had a major need to exert influence on the development of personnel management. He commented that whilst authority is limited by job descriptions, influence knows no such limits.

The possible development of management services in the future appears likely to include changes both in the consolidation of advisory services towards providing an integrated problem solving service, and in the use of this service not just to amend existing practices but to be involved with matters of planning systems and personnel development. The question of decentralising some activities from such a central unit is a matter for debate, but it could well be that managers may well seek to operate or be directly responsible for some activities that at present are carried out by management services units.

Mr. Harris in the report on his project (section 2.3) puts forward a tentative definition of the role of management services, as follows:-

"A function containing those specialist skills appropriate for an organisation at a specific time, which provide a problem solving advisory service to management at all levels. Such advice is aimed at assisting management more effectively to achieve the objectives of the organisation, in particular, profitability, cost effectiveness and productivity."

The emphasis on problem solving as a function of management services, is also claimed by the authors in table 2 above, to be a prime attribute of the 4 most frequently quoted management services techniques.

The significance of problem solving as the prime function of management services is confirmed by two further statements. The British Standards Institute is shortly to publish a new Glossary of Terms in which management services is defined as:-

"Specialist groups/units established within organisations with the aim of assisting and advising on improvements in executive management functions."

Although this definition could be considered to relate

to the training of managers, within the context of the development of management services as quoted in this chapter, it clearly includes the solving of executive, (line) managers problems.

In 1976 the Management Services Officer of Nottinghamshire County Council in a report to that authorities Resources Committee on the role of his unit made the following statement:-

"The term 'Management Services' is differently interpreted in various Local Authorities, Commercial and Industrial Organisations. In some it relates to establishment control. In others it is restricted solely to the application of Work Study or Organisation and Methods techniques with all the limitations which the exclusive application of specific techniques implies. However, within Nottinghamshire County Council the term "Management Services" is used to cover any assistance or advice given to managers to help them in planning, organising, operating or controlling the activities for which they are responsible. Consequently, although Management Services Staff use specific techniques where they are appropriate, the unit offers a general "problem solving" service and undertakes numerous investigations which cannot be classified neatly under the heading of a given technique."

It follows therefore, that as the major role of a management services function is to solve problems, the techniques to be used by management services staff in any given organisation will have a relationship to the problems of that organisation. It may be possible therefore to assess changes in the use of management services by an analysis of the problems solved. This possible framework for analysis will be examined in chapter 3.

2.6

USE OF MANAGEMENT SERVICES TECHNIQUES AS A FRAMEWORK FOR ANALYSIS

The problems that arise when seeking to use management services techniques as a framework for analysis are:-

- a) the capability of a management services practitioner to use a variety of skills in the context of solving a problem
- b) the possibility that problems are solved by the use of management services techniques by line managers or other staff not employed within a management services function.

2.6.1 Skills of Management Services Staff

The most widely held professional qualification is the Diploma of the Institute of Management Services. This qualification provides comprehensive training in Work Study and Organisation and Methods, a lesser level of knowledge in Operational Research, Systems Analysis and an understanding of the nature of Cost Accounting, Value Analysis, Ergonomics, Network Analysis and Personnel. The qualification Diploma in Administrative Management (Organisation and Methods) also provides for knowledge of a variety of techniques but does not include Work Study or Ergonomics.

Some practitioners do not hold either of these qualifications and have obtained their technical knowledge from attending a number of the wide range of non-examination courses in specific techniques.

These skills are used to solve problems and in this context, the practitioner is rarely able to identify the extent and range of the techniques that he has used. Such a situation makes any analysis based solely upon the usage of specific skills of doubtful value.

2.6.2 Problems Solved by Non-Management Services Staff

Many people in organisations, who are not based in the management services function, solve problems. In paragraphs 2.1 and 2.4 above it was indicated that some staff and some organisations do not identify as management services techniques, those problem solving activities that elsewhere would be found to be exercised by management services staff.

It is not unusual for a line manager to take a short course in a specific management services technique and then proceed to the solution of a problem without seeking advice. To make a survey of all problems solved by using management services techniques by anyone in an organisation would require the extensive use of resources beyond those available in the present survey.

2.6.3 Management Services Techniques as a Framework for Analysis

When up to 25 management services skills may be applied:-

- a) from a variety of positions within an organisation
- b) in any combination by one or more persons
- c) in the overall context of solving a problem rather than the requirement to apply a specific skill; the complexities are too great to enable a sufficiently rigorous analysis of the changing situation from 1971-79 to be made primarily on the basis of the nature and extent of the management services specialisms that have been used.

An analysis of any changes in the nature and extent of the use of management services techniques by a management services department would however, be a useful secondary indicator to some other form of assessment of the use of management services.

A precise definition of management services would be very useful although the term is now more widely used the quest for a definition started back in 1964.

Mr. Reid in 1968 analysed the writings of authors on this topic and revealed that a total of 12 techniques had been identified as being part of management services. Not all authors however considered every technique as appropriate. In fact three techniques Work Study, Organisation and Methods and Operational Research were mentioned by most authors as being part of management services. Mr. Harris in 1978 as part of his research project to discover a definition of management services published an analysis of the writings of 10 authors who between them mentioned 25 techniques. This time four techniques were by far the most popular. Three of these were the ones identified in 1968 and they were joined by Systems Analysis. A further analysis of the practice of 10 major organisations gave some support to 20 of the techniques but the four techniques identified by the authors received overwhelming support.

Many of the less popular techniques are in use but are not regarded as part of management services by either the practitioners or their employers. In addition it is not unusual for managers to apply some techniques to a limited extent.

In the course of their work management services practitioners may use one or more techniques with the overall objective of solving a problem. Such vagueness in definition and multiplicity of practice render virtually impossible a framework of analysis based upon the application of management services skills.

Current attempts to define the role of a management services unit identify problem solving as its major contribution.

CHAPTER 3

POSSIBLE FRAMEWORK FOR ANALYSING THE USE OF MANAGEMENT SERVICES

3.1 INTRODUCTION

In the search for a more detailed bases upon which to analyse the changes in the role of the management services function, one can either go for a detailed approach and examine all the problems solved within a local authority or examine:-

the objectives and structure of the management services function as determined by the local authority OR

the skills used by management services staff OR

the work carried out by the management services units OR even

the extent to which the authorities sought to apply an organisational development approach to changing the performance of their staff.

In chapter 2 the role of a management services function was defined as providing a problem solving service. It is not, and never has been the only source of problem solving activities within a local authority. In the previous chapter it was shown that some 'management services' type skills, are frequently not located within management services units. Line managers also solve some of their own problems, or seek the assistance of external consultants.

This variety of sources of problem solving expertise could form the basis of assessing changes in the contribution made by one of the sources i.e. the management services function. It if were possible to measure the quantity of problems solved by a local authority over given periods of time, then the relative proportions of problems solved by the management services function would be a measure of changes in its use. Unfortunately the variety of problems and their solution by large numbers of staff, sometimes as part of their daily work makes it impossible to quantify all the problems that have been solved.

So assessing the proportion of problems solved by a management services function is though a desirable criteria, not a feasible proposition. Changes in the size of the

size of the management services unit and in the use of external management consultants would provide a broad measure of changes in the volume of work undertaken. Such a measure may be appropriate to a national review of management services activities, but a more detailed basis for analysis is needed for a survey of just two authorities.

OBJECTIVES AND STRUCTURE OF THE MANAGEMENT SERVICES
FUNCTION

As was shown in Chapter 1.2.3 (i) the size of the population within the area of an authority has a major influence on its financial capability to support a management services function. A population of 75,000 being considered the minimum necessary to support a work study and organisation and methods activity. Where such functions exists (and out of a total of 296 English shire districts, 226 have one such function) the objectives set for it will to some extent determine the number of staff and or consultants employed. The position of the function in the structure of the local authority may vary as indicated in chapter 1.4.2.

Although the objectives and structure of functions are changed infrequently, a comparison of the situation before and after such a catalytic activity as the re-organisation of local authorities could have some value. Changes revealed by such an analysis may well reflect the intention to change the role of management services.

Local authorities make considerable use of incentive schemes in the payment of many of their weekly paid employees, and these schemes are usually designed and maintained by management services staff. Changes in the number of weekly

paid employees could have some influence upon the size of the management services units.

An analysis based upon the factors discussed in this section may well support conclusions that could be drawn from a more detailed analysis of management services activities.

Chapter 1.1 indicated that there appeared to be changes in the skills being recruited into management services sections. Since re-organisation it will probably be impossible to obtain information about the skills of consultants that were employed prior to re-organisation. But an analysis of the qualifications of management services employees should be possible. Whilst the possession of a professional qualification will be an easily recognised situation, the value to be given to varying periods of experience and other types of training is likely to be a highly subjective assessment.

An analysis based upon qualifications of management services employees may reveal information that would support conclusions drawn from the analysis described in chapter 3.3.

An analysis of the work carried out by a Management Services Unit over the period covered by this survey should reveal any changes in the nature of that work. The analysis could be based on the amount of work carried out for the various departments of the authority. This however would only reveal the extent to which certain departments were able to obtain the services of the Management Services Unit in helping to solve their problems.

It would be more pertinent to this survey to consider the type of problem solved by the Management Services Units. Such an analysis should reveal if the Units had undertaken different categories of work. Such an analysis when supplemented by a survey of any changes in the objectives, structure and staffing of the units should expose the major changes that may have taken place over the period under review.

The type of problems referred to Management Services Units by chief officers relate to the management of their departments. It should be possible therefore to determine to which of the functions of management the problems relate.

3.5.1 Management Functions

Although there is no general agreement amongst authors on a precise definition of management there is a widespread acceptance of the concept that management activities can be classified into:- planning, organising, controlling and motivating. This analysis is based upon the purpose of management activities and could be used as a framework to analyse problems. Occasionally some problems may relate to more than one category of management functions but this is not expected to present any major difficulties. As such it should not materially affect the use of this framework.

Of more importance is the fact that an analysis based upon the four management activities would not reveal the significance of any particular problem. Planning for instance, may well be part of the duties of a working chargehand or a clerk, or of a chief officer or a member of the council. Similarly the activities of organising, controlling or motivating may be undertaken at widely different levels within the hierarchy of a local authority.

In order to analyse the situation further it would be desirable to not only identify the type of management activity to which a problem relates, but also categorise the significance of the problem. The writings of R. N. Anthony and his colleagues of the Harvard Business School

define a framework of analysis that can be of value.

3.5.2 Use of R. N. Anthony's Framework

The framework described in Anthony's book Management Planning and Control Systems which was initially published in 1965 has not been changed in any fundamental way in the more recent editions. This framework classifies the activities and decisions of managers and has been used extensively by researchers into management. The framework consists of three categories which are:-

Strategic Planning

Strategic planning is the process of deciding on objectives of the organisation, on changes in these objectives, on the resources used to attain these objectives, and on the policies that are to govern the acquisition, use and disposition of these resources. In local government terms, these activities will be undertaken by the members with the assistance of the chief executive and the management team. The activities will be the setting of objectives, determining council strategies for the achievement of objectives and the reviewing of performance.

Management Control

Management control is the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organisations objectives.

In local government terms these activities are undertaken by chief officers and their assistants in the controlling of their departments. The activities will be the preparation of and implementation of the annual plans and budgets, the internal structure of and control over, their departments activities.

Operational Control

Operational control is the process of assuring that specific tasks are carried out effectively and efficiently.

In local government terms, these activities are undertaken by foremen and section leaders. The activities will consist of planning and controlling the activities of the employees for whom they are responsible in order to carry out the work of the local authority.

R. N. Anthony's framework is based upon activities and decisions, but it is equally applicable to problems since the solving of problems involves decision making.

The use of an analysis of the work of management services units based upon the four management functions and Anthony's framework for analysing decisions, would be expected to reveal changes in the nature and significance of management services activities.

3.6

ORGANISATIONAL DEVELOPMENT APPROACH

This approach is based upon the concept of stimulating managers to seek to match their performance to the needs of the organisation. Such an approach may be introduced and guided by either personnel managers or consultants, and requires managers themselves to play the major part in introducing change.

The term organisational development whilst having as one of its major aims a review of the factors relating to the 'people' aspects of an organisation, is also intended to take into account a wide range of other considerations. Such considerations could include such items as diverse as work flow, organisation structure, information processing methods, and team building.

A case history of the use by East Lindsey District Council of an organisational development programme has been prepared by Mr. G. C. Battye of Leicester Polytechnic and published by the Local Government Training Board. This authority used joint working groups of members and officers with the active assistance of the research team from Leicester Polytechnic. On a comprehensive scale the use of a specialist to help with the programme would be essential, but within a department it would be feasible for an enthusiastic manager to use this technique.

This approach to improving the performance of an organisation is markedly different to that of management services. Instead of managers seeking to create improvements in their own department, the management services approach is to study a problem or a department. The management services staff carry out their review and submit their proposals as advice to management. Whilst the organisational development approach, develops the staff in order that they can adjust to meet changing needs, the management services approach is primarily concerned with correcting a situation that is unsatisfactory.

To identify the existence and extent of an organisational development approach within an organisation would require a different approach from that used to study the work of a management services unit. No attempt has been made therefore to detect the use of organisational development techniques by the authorities studied in this report.

The framework that is expected to reveal any changes that may have taken place in the nature or significance of the problems that have been reviewed by management services units will be that described in 3.5 above. This framework is of most importance and as such will be referred to as the 'prime framework'.

The second framework to be used will seek to identify changes in the structure and objectives of management services units. This framework will be based upon section 3.3 above and whilst it may only indicate the intention of the local authority it could reveal information that may support conclusions that could be drawn from the use of the prime framework. This framework will be referred to as the 'structure analysis'.

The final framework to be used will be based upon section 3.4 above. The analysis of the skills of management services staff may reveal that changes have taken place, and if this occurs it may be useful in supporting any conclusions that may be drawn from the use of the prime framework. This framework will be referred to as the 'skills analysis'.

3.8 SUMMARY

With the role of management services being defined as seeking solutions to the problems of management, the possibility of using this as a basis for the framework for analysis was examined. Problems are solved by all levels of management as well as being solved by their staff advisors. Any attempt to determine all the problems solved by a local authority in order to calculate the proportion solved by the management services unit would, even if feasible, be beyond the resources available for this research.

In seeking to identify changes in the use of management services, an analysis of the nature of the problems that were solved for managers may prove to be of value. By using the four functions of management (planning, organising, controlling and motivating) as a basis for analysis a change in the nature of problems solved should be revealed. As these functions are carried out at various levels in the hierarchy of a local authority, the analysis could be further refined if not only the nature of the problem, but also an indication of its importance could be considered. To include this further element in the framework for analysis, use will be made of R. N. Anthony's division of management decisions into strategic planning, management control and operational control.

There may therefore be scope for constructing a framework by which to analyse the problems solved by a management services unit. The re-organisation of local government in 1974 provided opportunities for the re-organisation of the management services units.

An examination of changes in the skills of the management services staff employed by an authority, and the organisation of the management services unit would provide secondary frameworks for analyses.

CHAPTER 4

METHOD OF ANALYSIS

4.1 INTRODUCTION

The prime framework is expected to reveal changes in the use of management services between the period prior to re-organisation and the years up to 1979. The structure analysis will examine the organisation structure of management services units, their place within the local authority at the relevant times, and the objectives set for these units. The skills analysis will be used to examine the experience and qualifications of the staff over the period under review.

The purpose of this study is to identify changes in the use of the management services function over the re-organisation period and the use of the prime framework will be the major activity. However it is proposed to initially to consider the use of the structure analysis and the skills analysis. This is because the setting of objectives for a function and the allocation of resources to that function in order that the objectives can be achieved, sets the role of that function within the organisation. If there are major changes in either the structure, objectives or skills the identification of such changes could be of value when considering the results of using the prime framework.

4.2 SURVEY INSTRUMENT

Information was collected from the two authorities in the following manner. The officer responsible for the management services function was interviewed using the following questionnaire in order to provide a structure. This required 2 or more separate interviews and led to the preparation by this officer of further information. Further interviews were carried out with selected staff of the management services units to provide more detailed information particularly about the pre 1974 situation.

QUESTIONNAIRE

LOCAL AUTHORITY

- 1) Name
- 2) Population
- 3) Rateable Value
- 4) No. of Staff Employed
- 5) Area (size)

HEAD OF MANAGEMENT SERVICES

- iii) Regular reviews of all activities

| Pre 1974 | 1974 | 1977 | Post 1977 |
|-------------|------|------|--------------|
| | | | |

| | Pre 1974 | 1974 | 1977 | Post 1977 |
|---|-------------|------|------|--------------|
| iv) Problem solving | | | | |
| v) Introduction of new techniques (Job evaluation, computers, M.B.O) | | | | |
| vi) Introduction of Incentive schemes | | | | |
| vii) Other | | | | |
| (b) Who requests the reviews:- | | | | |
| i) A committee | | | | |
| ii) Chief Executive | | | | |
| iii) Management Team | | | | |
| iv) User department | | | | |
| v) Management Services Unit | | | | |
| vi) Other | | | | |
| (c) Does the unit submit its reports to any person other than the person requesting the review? | | | | |
| 4 Does the unit have any special relationship with:- | | | | |
| i) <u>Project Co-ordination</u> (Innovation, Monitoring of Performance) | | | | |
| ii) <u>Personnel and Training</u> (Staff Levels - Performance) | | | | |
| iii) <u>Computer Services</u> (Systems Analysis) | | | | |
| iv) <u>Treasurer's Department</u> (Performance Reports) | | | | |
| v) <u>Management Team</u> (New Requirements, Performance Reports) | | | | |

- 5 Which of the following skills have been used by Authority:-

| | Provided By | |
|------------------------|-------------|-------------|
| | Own Staff | Consultants |
| Organisation & Methods | | |
| Work Study | | |
| Operational Research | | |
| Personnel & Training | | |
| Project Co-ordination | | |
| Job Evaluation | | |
| Computing | | |
| Management Accounting | | |
| Other | | |

| Pre 1974 | 1974 | 1977 | Post 1977 |
|----------|------|------|-----------|
| | | | |

- 6 (a) Use of Consultants

| Type of Review | Consultant | Considered | | | Year |
|----------------|------------|------------|----------|---------|------|
| | | Success | Marginal | Failure | |
| | | | | | |

- (b) What is policy regarding use of consultants?

- 7 (a) Organisation of Management Services Staff 1977

| | Centralised | Centralised & Combined | De-Centralised & Combined | De-Centralised | *In Depts. |
|------------------------|-------------|------------------------|---------------------------|----------------|------------|
| Organisation & Methods | | | | | |
| Work Study | | | | | |
| Operational Research | | | | | |
| Personnel Training | | | | | |
| Project Co-ordination | | | | | |
| Job Evaluation | | | | | |
| Computing Service | | | | | |
| Computing Systems | | | | | |
| Analysis | | | | | |
| Management Accounting | | | | | |
| Other | | | | | |

*Show if combined

(b) Organisation of 7(a) in:-

- i) Pre 1974
- ii) 1974
- iii) The future

8 What is the establishment of the Management Services function:-

Management Services
 Organisation & Methods
 Work Study
 Operational Research
 Other

9 Are Management Services Staff organised:-

- (a)
 - i) To service specific departments
 - ii) To serve specific projects
 - iii) Staff in user departments as
 - a) Operating units
 - b) Advisors
- (b) Do you keep records of man hours used on various projects or types of activity?
 Is an abstract available?

10 Level of skill of Management Services Staff

- i) Nos. Professionally Qualified
 - a) Management Services
 - b) Organisation & Methods
 - c) Work Study
 - d) Operational Research
 - e) Management
 - f) Other Qualification
- ii) What was average number of years of Management Services experience of Staff?
- iii) What experience is considered desirable in new recruits to Management Services?

Management Services
 Organisation & Methods
 Work Study
 Operational Research
 Other

| Age | Academic Qualifications | Work Experience |
|-----|-------------------------|-----------------|
| | | |

| Pre 1974 | 1974 | 1977 | Post 1977 |
|----------|------|------|-----------|
| | | | |

- iv) What training opportunities are provided for Staff?
- v) What is normal career path for Management Services Staff?
- vi) What factors determine the size of the Management Services unit?

| Pre 1974 | 1974 | 1977 | Post 1977 |
|-------------|------|------|--------------|
|-------------|------|------|--------------|

11 Performance Review

Is there any function outside Service Departments that carries out continuous reviews of performance (other than audit)?

If YES

Are Management Services used to determine:-

- i) Measures of effectiveness (output standards)
- ii) Measures of efficiency (input standards)
- iii) Any other standards
- iv) Design of information systems
- v) Other

12 i) Is the performance of Management Services unit regularly reviewed?

ii) What form does the review take?

13 How do you bring to the attention of potential users the services available from the Management Services unit?

4.3 ANALYSIS DOCUMENTS

The collection of information about the work of the management services units produced such a variety of facts that the initial analysis had to be based on a more detailed classification than had been originally envisaged. The following forms that were used for this initial analysis were based upon the concepts underlying the prime framework. The use of these forms for the initial analysis enabled the work of the management services units to be classified with greater accuracy. Subsequently it was possible to summarise the information of these working documents so that it could be presented in the form of the prime framework.

The information that was collected to form the basis of the structure analysis and the skills analysis did not require extensive processing before it could be presented. The collection of this information will be described in chapter 4.4 and 4.6 and the presentation of the information will be made in chapters 5.2 and 5.3 and 6.2 and 6.3.

Strategic Planning

| Planning | | Organising | | | | | Controlling |
|--------------|----------------------------|---------------------|-------------------------|---|--|------------------------------------|---|
| Create Plans | Design of Reporting System | Evaluation of Plans | Evaluation of Equipment | Identification of Equipment Replacement Needs | Co-ordination of Inter-Departmental Activities | Analysis of Operational Activities | Establishment of Equipment Replacement Criteria |
| | | | | | | | |

Management Control

| Planning | | | | | | | | Organising | | |
|------------------------|----------------|-----------------|-----------------------------|------------------|------------------------------|--------------------------|------------------------------|-------------------------|-------------------------------|----------------------------|
| Organisation Structure | | | Design of Operating Systems | | | Design of Reward Systems | | Evaluation of Equipment | Negotiating with Trade Unions | Human Resource Development |
| Design of Structure | Design of Jobs | Staffing Levels | Operation Programmes | Clerical Systems | Management Reporting Systems | Payment by Results | Excluding Payment by Results | | | |
| | | | | | | | | | | |

Operational Control

| Organising | | | Controlling | |
|-----------------|----------------|----------------------|---|----------------------------------|
| Scheduling Work | Assessing Work | Calculation of Wages | Calculation of Performance Levels and Reporting to Management | Analysis of Exceptional Activity |
| | | | | |

4.4 STRUCTURE ANALYSIS

This analysis will be made under three main categories:-

- a) An assessment of the financial strength of the local authorities to consider how this factor may permit or inhibit the use of a management services function.
- b) An assessment of the objectives set by the local authorities for their management services functions.
- c) A review of the reporting position of the management services units within the authorities and the internal structure of these units.

4.4.1 Financial strength of authorities

In chapter 1.2.3(1) it was observed that the Royal Commission on Local Government in England had reported that the population of a local authority area, which is the basis of the financial strength of the authority, was a factor that could restrict the use of a management services function.

Authorities with populations of less than 75,000 were considered to be unlikely to be able to afford the cost of a full time management services unit. Where the

population was between 75,000 and 200,000 the authority was considered to have sufficient financial resources to support Work Study and Organisation and Methods teams. When a local authority had a population in its area of over 200,000 it was considered to be financially capable of supporting a full range of management services activities.

Information was collected from the 1971 census about the population of the towns and parishes in the areas served by the local authorities before and after re-organisation. Information about the product of a penny rate for these areas was obtained from reports by the local authorities.

4.4.2 Objectives of the Management Services Function

Interviews were held with employees of the local authorities who had been in post prior to 1974 in order to determine the objectives that had been set for the management services functions at that time.

The use of the questionnaire (4.2) provided information about the objectives set for these units after 1974.

4.4.3 Structure and Reporting Position of the Management Services Function

In chapter 1.3.1 it was observed that the Local Government Personnel and Management Services Group in their evidence

to the Bains committee considered that the fragmentation of a management services function was one of the factors that limited its effectiveness. The evidence submitted by the Society of Town Clerks to the Bains committee included the opinion that in order to be effective management services units needed a high level of sponsorship which should preferably be by the Chief Executive.

The management services function prior to 1974 was provided by both consultants and council employees. Information about this situation was collected from council employees who were in post at the relevant time. The information about the position after 1974 was collected by using the questionnaire (4.2).

SKILLS ANALYSIS

The purpose of this analysis is to identify changes that may have occurred in the skills of the persons used by the local authorities to provide the management services function. In section 3.7 it was observed that an analysis would be made to establish if the local authorities had extended their objectives for this function or had changed its organisational position. An attempt will also be made to determine if the work carried out by the new management services units was in some ways different in the late 1970's from what it had been prior to local government re-organisation in 1974. If these changes have taken place it would appear likely that the people now providing the management services activity may have different skills, as the abilities of the staff could be expected to relate to the objectives of the function. Another relevant factor would be the decision of both local authorities to not use management services consultants after 1974.

The analysis of skills has presented two problems:-

- 1) the impossibility of tracing the individual consultants who worked for the local authorities prior to 1974 (with the exception of those employed at Beeston and Stapleford UDC) and therefore identifying their personal skills.

- 2) the difficulty of identifying management services skills, as considered in chapter 2.6.

Although most of the consultants used cannot be traced the skills of those employed by the local authorities can be considered. The identification of management services skills can in broad terms be related to the training received. The professional training in this area is obtained through studying for the examinations of the Institute of Management Services or Institute of Administrative Management which provides for examinations in organisation and methods but not in work study.

Professional training in the use of computers is available from the British Computer Society. Individual qualifications in such specialised topics as operational research, ergonomics can be obtained from Universities, and from colleges through the schemes for National Certificates and Diplomas. To supplement this range of qualifications there are available a large number of short courses taking from a few days to a few weeks that will provide knowledge of a specific skill. The professional training provides knowledge of a range of relevant subjects and is easy to identify. Training by short courses is very variable and would be supplemented to a greater degree than other training by guided experience from senior colleagues in the working environment. It is most unlikely that any person would be able to make a useful contribution without any training at all.

The analysis will be based upon the extent of the professional or academic training received by the staff and no attempt will be made to evaluate other less comprehensive forms of training although it is recognised that such training in one form or another will probably have been received.

PRIME FRAMEWORK - INTRODUCTION

The basis of the analysis is to consider all of the work of the management services units of each authority viewing this work as a problem solving activity. The recommendations on the solutions of the problems will have been submitted to the appropriate managers within the local authority who will then decide the action that is to be taken. The nature and importance of the decision will be used to analyse the work of the management services units.

The analysis will be based upon the decisions for the last year before local government re-organisation 1973/4, and for the years 1976-1979. The intervening years have been ignored in order to avoid the unusual activities that may have resulted from the re-organisation of the authorities.

No account has been taken of whether or not the management decision is in accordance with the recommendation of the management services unit. As these units have continued under the same leadership for most of the period 1974/80 and have contained the same number of staff it is presumed that their work has been of an acceptable standard.

If the analysis reveals major differences in the pattern of work between 1977/8 and 1978/9 a further study to seek the reasons for such a difference will be undertaken.

Minor differences may be due to the nature of the problems that arise, the relative competence of the manager or the management services unit to solve a specific problem or the availability of the necessary time for the manager or the unit to devote to the problem. Minor differences between 1977/8 and 1978/9 will then be ignored.

4.6.1 Prime Framework - Analysis by Management Functions

The purpose of this analysis is to classify the decisions according to the nature of the management functions to which they relate. The management functions that will be used are planning, organising, controlling and motivating, and are defined as follows:-

Planning

The planning function refers to the setting of objectives and the forecasting of requirements to meet these objectives. The definition of the planning activity is intended to include the creation or amendment of the structure of an organisation, and the determination of methods of working. The main feature of these two aspects are that the decisions taken have a long term significance, certainly over a number of years.

At the strategic planning level the decisions taken will relate to the formulation of policies, the creation of long term plans, major aspects of organisation structure,

the design of systems for co-ordinating the work of various departments and the systems by which reports are presented to the council and its committees.

At the management control level the planning function will relate to changes within departments in the organisation structure, the design of methods of working, changes in reward systems and the design of reporting systems.

By attributing to planning the characteristics of annual or long term changes in the organisation structure, methods of operation or the determination of what the authority should seek to achieve, it does not appear likely that activities of this type will take place at the operational control level. The scheduling of personnel, equipment and materials on a weekly or monthly basis to carry out the work of the local authority could be regarded as planning but for the purpose of analysis in this survey these activities will be classified as organising.

Organising

The organising function is defined as the carrying out of the work of the authority in the current situation, but will exclude control activities.

At the strategic planning level this function can be

identified as, the evaluation and approval of plans, and decisions on current major activities taken at member level within the local authority. At the management control level, these activities will take place within the departments and will include the implementation of plans the selection and training of staff, negotiations with trade unions, assessment of equipment requirements and determining priorities in exceptional situations. At the operational control level this function will be the carrying out of work by employees, the calculation of wages, the ordering of supplies of materials and other activities relating to the carrying out of the work of the authority.

Controlling

This function is concerned with the feedback of information to permit the checking of performance against plans and the identification of reasons for unexpected results. At the strategic planning level some authorities have formed a Performance Review Committee to carry out this function, whilst others rely on departmental and general purpose committees for this same purpose. In this situation control will be an assessment of the achievement of objectives and will be at less frequent intervals than at other levels.

At the management control level, control will be exercised within departments and will be concerned with the spending of budgets and the performance of sections of the department.

At the operational control level the control features will be the routine calculation of performance levels and the analysis of exceptional results based on a short time scale.

Motivation

This is a personal management function and refers to actions designed to secure a willing performance from employees. These actions are concerned with the exercise of leadership and problems in this area are more likely to be referred to a personnel unit than a management services unit. Both of the authorities covered by this survey have appointed personnel officers.

The use of an incentive based reward system has a motivating element. The introduction of such systems has been included in planning because of the relative long term aspect of such schemes. The activity of continually creating new values in order that incentive schemes can be related to new work has been included in the organising activity because it can be regarded as a maintenance function.

4.6.2 Prime Framework - Analysis by Importance of Decisions

R. N. Anthony's framework for classifying the decisions and activities of managers will be used in order to identify any changes that may have taken place in the

importance of the work of the management services units. Degrees of importance being designated according to the hierarchical level in an organisation at which the categories of decision are normally taken. Whilst recognising that all decisions are important and that in any specific situation a decision at any level might be vitally important, a traditional approach has been used. This approach ranks as most important strategic planning decisions, followed by management control and then operational control. These types of decisions will normally be taken in local authorities by councillors and the management team, departmental chief officers and their assistants, and foremen and superintendants. There is therefore a general relationship between the type of decision and the hierarchical levels within an organisation.

Strategic Planning

This category is concerned with the determination of policies and objectives and the acquisition and use of resources for the organisation as a whole. Also to be included will be those decisions that relate to more than one department. Major questions on the organisation structure will also be included under this heading, but organisation changes that relate to only one department and are not major changes will be placed under management control. These decisions will normally relate to the

period 1-5 years ahead and will be taken at member level with help from the Chief Executive and management team.

Any of these decisions in this area may result from the reference of a problem to a management services unit for advice. It is expected however that within the context of local government at district council level in the period under review, the contribution of a management services unit will be mainly concerned with the use of resources, and the provision of an evaluation service.

Management Control

This category relates to the acquisition and use of resources at departmental level. It will include the submission of annual budgets to achieve departmental objectives and will include the appointment of staff and purchasing of equipment. Also included will be the design and operation of systems that will provide information to control the operation of a department.

The decisions will normally relate to a time span of between one month and $1\frac{1}{2}$ years, and will be taken by the chief officer of a department and his senior assistants.

Operational Control

This category relates to the carrying out of the work of the local authority. It will include the scheduling of

personnel, equipment and the purchasing of materials.

The monitoring of the performance achieved will be included in this category.

The decisions will normally relate to immediate actions and plans up to one month ahead. The decisions will be taken by supervisors, foremen or superintendants.

Allocation of Time

An initial problem in using the prime framework was the identification of an activity as a single unit regardless of the amount of time spent upon it. Because problems may take any time from 1 man day to several man years or more, further information was required. Two columns have been added to the prime framework and these show the man days and percentage of management services time devoted to each level of decision.

PRIME FRAMEWORK

| ANTHONY'S LEVELS OF DECISIONS | MANAGEMENT FUNCTIONS | | | | MANAGEMENT SERVICES | |
|--|----------------------|------------|-------------|------------|-----------------------|------|
| | PLANNING | ORGANISING | CONTROLLING | MOTIVATING | UNIT TIME MAN DAYS | SAGE |
| <u>STRATEGIC PLANNING</u> Time span-mostly more than 1 year Inter-departmental Decisions at Chief Executive or member level | | | | | | |
| <u>MANAGEMENT CONTROL</u> Time span - monthly/annual/1½ years Departmental Decisions at Chief Officer Level | | | | | | |
| <u>OPERATIONAL CONTROL</u> Time span - daily/weekly/monthly Sections within Departments Decisions at Supervisor Level | | | | | | |

TABLE 4

The financial strength aspect of the structure analysis will be based upon information extracted from census figures to show the population served by the authorities, and on information from the local authorities showing the product of a penny rate. The information needed to assess the objectives of the management services units, their structure and reporting position will be obtained from the staff of the local authorities. Its compilation is not expected to involve any detailed analysis.

The skills analysis will be based upon the extent of professional or academic training received by the staff. An assessment of the ~~extent~~ and quality of special training courses and in service training is not expected to be sufficiently precise and non-subjective to be included in this analysis. The information will be collected from the staff of the local authorities.

The main method of analysis will be based upon information collected from the management services staff of the present local authorities. The main heads of analysis of the prime framework have been defined. A six page questionnaire will be used in order to structure the

interviews. The volume and variety of information to be collected is such that an initial analysis will be necessary before the information can be adequately related to the prime framework. The forms used for this analysis are contained within this chapter.

CHAPTER 5

BROXTOWE DISTRICT COUNCIL

5.1 INTRODUCTION

Broxtowe District Council was created in 1974 on the re-organisation of local authorities. It can be seen from the maps of Nottinghamshire District Councils pre and post 1974 in chapter 1.6.2 that Broxtowe adjoins the borders of Nottinghamshire to the west of the county town.

Its main centre of population is based upon the urban areas of Beeston and Stapleford which are part of the industrial area which stretches westward from Nottingham towards Derby. Seventy five per cent of the geographical area of Broxtowe District Council lies to the north of Beeston and Stapleford. This area is largely rural in character and contains only 30% of the population of the district. This rural area is surrounded on the western, northern and to some extent on the eastern side by small industrial towns.

5.2 STRUCTURE ANALYSIS - FINANCIAL STRENGTH

Broxtowe District Council consists of an area previously contained in 3 smaller local authorities:-

Beeston and Stapleford Urban District Council

Eastwood Urban District Council and

8 parishes of Basford Rural District Council

The following table compares the populations and products of a penny rate of the Broxtowe District Council with the local authorities who were responsible for the same geographical area before local government re-organisation in 1974.

| BROXTOWE DISTRICT AREA | | |
|-------------------------------------|---------------|-------------------------|
| LOCAL AUTHORITY | POPULATION | PRODUCT OF A PENNY RATE |
| PRE-RE-ORGANISATION 1973/4 | | £ |
| Beeston and Stapleford U.D.C. | 63,517 | 71,998 |
| Basford R.D.C. (8 parishes only) | 23,876 | 25,469 |
| Eastwood U.D.C. | <u>10,350</u> | <u>9,956</u> |
| | 97,743 | £ 107,423 |
| POST-RE-ORGANISATION 1976/7 | | |
| Broxtowe District Council | 102,600 | £ 107,600 |

The Financial strength of the councils in Broxtowe District Area

TABLE 5

The table shows that none of the local authorities in the Broxtowe District area prior to 1974 had a population of 75,000 or more, and would not therefore be expected to have had the financial strength to support a full time management services unit. After re-organisation the new Broxtowe District Council had a population of over 100,000 and would be financially strong enough to support a Work Study and Organisation and Methods team.

5.2.1 Structure Analysis - Objectives of Management Services Functions

The following table shows the objectives that were set for the management services functions in the Broxtowe area both prior to, and after, local authority re-organisation.

| <u>BROXTOWE DISTRICT AREA</u> | |
|---|--|
| <u>MANAGEMENT SERVICES FUNCTION - OBJECTIVES</u> | |
| <u>PRIOR TO RE-ORGANISATION</u> | <u>AFTER RE-ORGANISATION</u> |
| 1) To design implement and maintain incentive based payment schemes for weekly paid staff where appropriate | 1) To design, implement and maintain incentive based payment schemes for weekly paid staff where appropriate |
| 2) To calculate weekly earnings and determine values for new work | 2) To calculate weekly bonus earnings and determine values for new work |
| | 3) To produce control information |
| | 4) To carry out work study and organisation and methods assignments |
| | 5) To undertake special projects |

The management services function objectives for councils in the Broxtowe District area

TABLE 6

The above table shows that the objectives prior to re-organisation were retained after re-organisation and were enlarged. The objectives prior to re-organisation were directed towards securing an improvement in productivity in line with the Report of the National Board for Prices and Incomes No.29. 1967 (chapter 1.2.1). The enlarged objectives after re-organisation would be commensurate with the employment of a full time work study and organisation and methods team.

5.2.2 Structure Analysis - Structure and reporting position of the management services function

The increased financial strength of Broxtowe District Council after 1974 had made possible the more extensive objectives that had been set for the management services function after that date. The following table compares the structure and reporting position of the management services function before and after re-organisation.

| <u>BROXTOWE DISTRICT AREA</u> | |
|--|--|
| <u>MANAGEMENT SERVICES FUNCTION</u> | |
| <u>PRIOR TO RE-ORGANISATION</u> | <u>AFTER RE-ORGANISATION</u> |
| <u>REPORTING POSITION</u> | |
| Responsibility for the function was vested in departmental chief officers. Consultants were appointed to design and implement incentive schemes. | Responsibility for the function was vested in a Management Services Officer who reported to the Chief Executive and the Management Team. |
| <u>INTERNAL STRUCTURE</u> | |
| Staff were employed, within departments to calculate weekly bonus earnings and to determine values for new work. | Staff were employed to form a management services unit. Departmental staff who had been predominantly engaged on the calculation of weekly bonus earnings and the determination of values for new work were transferred to the management services unit. |
| <u>Beeston and Stapleford UDC</u> | <u>Broxtowe District Council</u> |
| Consultants plus 6 staff in departments | 11 staff in a central management services unit |
| <u>Basford RDC</u> | |
| Consultants only | Consultants not employed |
| <u>Eastwood UDC</u> | |
| No management services function | |

The reporting position and internal structure of the management services function in the Broxtowe District area

TABLE 7

The above table shows that after re-organisation the Broxtowe District Council employed its own staff to provide a management services function throughout the authority, and no longer employed consultants. It

transferred its management services staff from the responsibility of departmental chief officers to a central unit whose management services officer reported directly to the chief executive.

5.3 SKILLS ANALYSIS

The analysis of skills is based solely on professional or academic qualifications, although it is recognised that training in the form of specialised short courses and on the job training does take place. The variable nature and quality of short courses and the subjective nature of any assessment of in service training provide an ill defined basis that would be unsuitable for analysis.

The 1973/74 figures in the table below only shows local authority employees and does not include consultants.

| <u>QUALIFICATIONS OF MANAGEMENT SERVICES STAFF - BROXTOWE DISTRICT AREA</u> | | |
|---|------------------------------------|------------------------------|
| QUALIFICATION | PRIOR TO RE-ORGANISATION (1973/74) | AFTER RE-ORGANISATION (1978) |
| Diploma in Management studies | - | 1 |
| Diploma in Administrative Management | - | - |
| Diploma in Management Services | - | 3 |
| HNC Bus.Studies | - | 1 |
| HNC Computer Studies | - | - |
| Studying for Diploma Management Services | - | 1 |
| Staff without professional quals. | 6 | 5 |
| Total | 6 | 11 |

Qualification of Management Services Staff - Broxtowe

TABLE 8

The 2 consultants employed at Beeston and Stapleford UDC were part of the Trentside Management Services team. They did not have any professional or academic qualifications but had been trained on intensive short courses and had a considerable amount of experience in introducing incentive based payment systems. They have not been included in the above table.

The staff employed prior to re-organisation were engaged on the calculation of bonus earnings that were based upon incentive schemes and related matters. These employees were generally older persons who did not have any professional qualifications and had no desire to start studying for such qualifications. After re-organisation the new members of staff were either qualified when appointed or were prepared to accept the opportunities that were provided to undertake courses of study in order to obtain an appropriate qualification.

The management services staff of the new authority includes previous employees of the two urban district councils but does not include any of the employees of Basford RDC.

Detailed records of the management services activities in the 3 authorities prior to 1974 are no longer available. Information about these activities has been obtained from the objectives set for the function at that time, details of how far these objectives had been met by the date of re-organisation and the memory of the present management services staff who had been employed by the previous local authorities.

The objectives for the function prior to 1974 are set out in section 5.2.1 above. The table below shows how far the first objective of introducing incentive based payment schemes had been achieved by the 2 urban district councils at the time of re-organisation. Basford RDC has been excluded from this table because none of its employees were transferred to Broxtowe District Council.

| Weekly Paid Staff | Beeston and Stapleford UDC | Eastwood UDC | Total |
|--|----------------------------------|-----------------|-------|
| Employees paid on an incentive scheme basis | 187 | 33 | 220 |
| Incentive based payment scheme being introduced at time of re- organisation | - | 23 | 23 |
| Employees not paid on an incentive scheme basis | 74 | 27 | 101 |
| Total Number of Employees | 261 | 83 | 344 |

Analysis of employees whose pay was based upon incentive
schemes at inauguration of Broxtowe District Council
April 1974

TABLE 9

At the time of re-organisation a report by P. A. Management Consultants prepared for Broxtowe District Council indicated that 50 employees were engaged on work for which payment by incentive schemes would be appropriate. The remaining 51 jobs were not suitable to being paid on an incentive scheme basis.

Planning and control systems are sometimes designed when incentive based payment schemes are introduced. Such systems relate to short cycle, routine repetitive activities and are used to produce work schedules or operation programmes and may include the reporting of achieved

performance levels as management control information.

The table below shows the number of employees for whose activities such planning systems had been introduced.

| ACTIVITY | BEESTON AND STAPLEFORD | EASTWOOD UDC | TOTAL |
|------------------------------|---------------------------|-----------------|-------|
| Refuse collecting | 41 | 28 | 69 |
| Hand sweeping | 9 | - | 9 |
| Mechanical sweeping | 4 | - | 4 |
| Gulley Emptying | 2 | - | 2 |
| Total number of Employees | 56 | 28 | 84 |

Analysis of employees whose activities were based upon operation programmes designed by management services staff, at the inauguration of Broxtowe District Council April 1974

TABLE 10

The second objective for the management services function prior to 1974 of calculating bonus earnings and determining time/money values for new work, was carried out by staff located within the departments whose employees were paid by this system. For these staff the achievement of this objective was their major task and would occupy most of their time. Due to the changes in circumstances it has not been possible to ascertain what other duties, if any, they performed, so all their time has been allocated to this major task.

The table overleaf shows the use of the prime framework to analyse the management services activity in what is now the Broxtowe area, prior to the re-organisation of local government in 1974.

MANAGEMENT SERVICES ACTIVITY

BROXTOWE AREA PRE 1974

| ANTHONY'S LEVELS OF DECISIONS | PLANNING | TYPE OF MANAGEMENT ACTIVITY | | | M.S.U. TIME 1973/74 | |
|---|---|--|-------------|------------|---------------------|------|
| | | ORGANISING | CONTROLLING | MOTIVATING | MAN DAYS | %AGE |
| <u>STRATEGIC PLANNING</u> Time span-more than 2 years Inter-departmental Decisions at Chief Executive or member level | | | | | | |
| <u>MANAGEMENT CONTROL</u> Time span - yearly Departmental Decisions at Chief Officer Level | <u>Design of Operating Sys- tems</u> Operation Programmes 4 <u>Design of Reward Systems</u> Payment by results 11 | Negotiate with Trade Unions 11 | | | 440 | 25 |
| <u>OPERATIONAL CONTROL</u> Time span - weekly Sections within Departments Decisions at Supervisor Level | | Assessing work- weekly Calculation of bonus earnings- weekly | | | 1320 | 75 |

Comments on Management Services in the Broxtowe Area
Prior to 1974

The analysis of work on the prime framework is a summary of the activities of the management services function from its introduction up to the date of local government re-organisation. The analysis of time relates only to the last year before re-organisation. The framework has distinguished between the activities that are concerned with the creation of systems of work and payment that have a life of several years and the calculation of bonus earnings that is carried out on a weekly basis. The activity of assessing work relates to the provision of time and money values to work that has not previously been measured. Although this is an activity concerned with the extension of the incentive schemes and as such could be classified under management control it has been graded as operational control because it is a continuously occurring activity and has been regarded as a form of maintenance. The activity 'negotiate with trade unions' takes places almost continuously in relation to current problems concerned with the operation of the incentive schemes, but in addition is a major activity in securing

acceptance of new incentive based payment systems. It has been analysed as a 'management control' activity because of the longer term aspect of the system design work and as 'organising' because of the continuous need to maintain satisfactory relationships with the trade unions.

The analysis of management services time relates to 1973/74 only and includes the 2 full-time consultants employed by Trentside Management Services Unit.

Although management services activities at this time were restricted to creating and operating incentive schemes the framework does appear to separate the development work from the maintaining activities without many problems of analysis.

5.4.1 Prime Framework - Broxtowe District Council 1976

This authority has maintained its records of management services activity by calendar years and this basis had been used in this survey. The prime framework that follows has been provided with sub-headings in order to give more information.

The allocation of time to the 3 levels of decision is based upon the broad allocation of duties within the management services unit. The unit has 3 main sections and for most activities staff carry out duties within their section. One section is concerned with the operational control activities. Staff here have mostly been transferred from departments in the authorities prior to re-organisation and tend to be older and not professionally qualified. A second section which is largely concerned with organisation and methods, method study and job design type activities consist of career orientated persons who have or are in the process of studying for professional qualifications. Their work is largely that appearing under management control. The senior members of this section together with the chief management services officer undertake the work classified under strategic planning.

Although this allocation of time is not based upon short interval time records, it is sufficiently accurate for the purposes of this survey.

MANAGEMENT SERVICES ACTIVITY

BROXTOWE DISTRICT COUNCIL 1976

| ANTHONY'S LEVELS OF DECISIONS | TYPE OF MANAGEMENT ACTIVITY | | | | TIME OF M.S.U. | |
|--|---|--|--|------------|----------------|------|
| | PLANNING | ORGANISING | CONTROLLING | MOTIVATING | MAN DAYS | %AGE |
| <u>STRATEGIC PLANNING</u> Time span-more than 2 years Inter-departmental decision at Chief Executive level or member level | Create Plans 2 Design Reporting System 1 | Evaluation of Plans or equipment 6 Co-ordination of inter- departmental activities 1 Analysis of operational activities 2 | Establishing equipment Replacement Criteria 1 | | 360 | 15 |
| <u>MANAGEMENT CONTROL</u> Time span yearly Departmental Decisions at Chief Officer level | <u>Organisation Structure</u> Design of Structure 2 Design of Jobs 4 Staffing Level 9 <u>Design of Operating Systems</u> Operation Programmes 8 Clerical Systems 5 Management Reporting Systems 2 | Evaluation of equipment 1 Human Resource Development 4 | | | | |

contd...

| ANTHONY'S LEVELS OF DECISIONS | TYPE OF MANAGEMENT ACTIVITY | | | | TIME OF M.S.U. | |
|--|---|---|--|------------|----------------|------|
| | PLANNING | ORGANISING | CONTROLLING | MOTIVATING | MAN DAYS | %AGE |
| <u>MANAGEMENT CONTROL</u> | <u>Design of Reward Systems</u> Payment by Results 21 | Negotiate with trade unions 20 | | | 970 | 40 |
| <u>OPERATIONAL CONTROL</u> Time span- weekly Sections within Departments Decisions at Supervisor level | | Scheduling Work 1 Assessing Work Weekly Calculation of bonus earnings - Weekly | Calculation of Performance levels - weekly | | 1490 | 45 |

TABLE 12

Comments on Management Services in Broxtowe District Council - 1976

An interval of $1\frac{3}{4}$ years has elapsed between local government re-organisation and the start of this years survey. The prime analysis shows many activities in different categories.

The strategic planning activities are closely related to the work of committees of members of the authority or to activities concerned with more than one department. Job appraisals are included as a strategic planning activity because they relate to the replacement of staff in first and second tier positions.

Some assignments were originated directly by committees, whilst other activities have been considered by the management team before being passed to the management services unit. Examples of work in this category is the review of vehicles submitted for replacement. Work of this significance is new to the management services unit and is one of major responsibilities of the head of the unit.

The management control section reflects additional work that can be broadly classified as 'organisation and methods'.

The 'organisation structure' section relates mainly to the

changes that have become necessary as a result of the experience of operating the new organisation that was created in 1974. The simplification of clerical methods and design of systems to provide managers with control information is a new activity. The high number of activities classified as 'payment by results' systems relates to a large number of small adjustments to bring about a more uniform incentive payment schemes throughout the authority.

There has been no significant change in the 'operational control' activities. The change in the number of man days required by this section is largely due to economies resulting from the centralisation of the work in the management services unit.

Very little work has been carried out by the management services unit that relates directly to the actual planning or carrying out of the work of the authority. Most of the activities in the management control and strategic planning sections are concerned with the design of systems of work, payment or reporting, and this work takes up slightly more than half of the time of the Management Services Unit.

The use of the framework in analysing this years activities only presented difficulties in deciding between management

control and strategic planning. The problems arose when a committee referred a problem to the management team and then part of it was then referred to the management services unit with the ultimate report being to the chief officer of the Department. Consideration of requests for a vehicle washing plant and power winch were examples of this. In cases of doubt the interpretation of the management services officer on the extent of the interest of members of the authority was taken as the ultimate criteria. Apart from this the framework, with the addition of the sub headings, appears to provide a useful analysis of the management services activity.

5.4.2 Prime Framework Broxtowe District Council 1978

The conditions that applied to the 1976 analysis also apply to the year 1978.

MANAGEMENT SERVICES ACTIVITY

BROXTONE DISTRICT COUNCIL 1978

| ANTHONY'S LEVELS OF DECISIONS | PLANNING | TYPE OF MANAGEMENT ACTIVITY ORGANISING | CONTROLLING | MOTIVATING | M.S.U. TIME MAN DAYS | PAGE |
|---|--|---|--|------------|-------------------------|------|
| <u>STRATEGIC PLANNING</u> Time span-more than 2 years Inter-departmental Decisions at Chief Executive or member level | Create Plans 1 | Co-ordination of inter dept. activities 1 Analysis of Operational Activity 1 | Establishment of equipment replacement criteria 3 | | 120 | 5 |
| <u>MANAGEMENT CONTROL</u> Time span - yearly Departmental Decisions at Chief Officer Level | <u>Design of Operating Systems</u> Operator programmes 11 Clerical Systems 7 Management Reporting Systems 3 <u>Design of reward systems</u> Payment by results 9 | Evaluation of equipment 1 Negotiate with trade unions 9 | | | 1210 | 50 |
| <u>OPERATIONAL CONTROL</u> Time span-weekly Sections within Departments Decisions at Supervisor level | | Assessing Work Weekly Calculation of Wages-Weekly | Calculation of Performance levels - weekly | | 1090 | 45 |

TABLE 13

Comments on Management Services in Broxtowe District Council - 1978

The prime analysis for 1978 reveals in some respects a different situation to that in the 1976 analysis. In 1978 the work classified as strategic planning was mainly concerned with the inter departmental activities of vehicle pooling, the combined duplicating needs of the authority and the possible developments of a piece of land. The previous work on evaluation and analysis at this level was not repeated. In the management control section there were no activities related to the structure of the organisation. Although the number of projects classified as the design of payments by results systems is lower than in 1976, the work involved was of a different nature. In 1976 effort was concentrated on securing uniformity of incentive payment schemes, throughout the authority, whilst in 1978 the main objective was to redesign the schemes because the accuracy of the values had deteriorated.

The work classified under operational control was almost identical with that in the same category in 1976.

All of the frameworks that have been used to analyse the management services function in the Broxtowe area in the period 1971-1979 have shown that the function after local government re-organisation was different from the function before re-organisation.

The structure analysis shows:-

- 1) that the financial strength of the new Broxtowe authority was much greater than that of the previous authorities in the same area, and was sufficient to support a Work Study and Organisation and Methods team.
- 2) that the objectives set for the management services function after re-organisation had been extended and were commensurate with the use of a work study and organisation and methods team.
- 3) that the authority employed its own staff to carry out this function and did not use consultants after 1974. It also concentrated its staff into a central unit that reported directly to the chief executive rather than deploy these persons within the departmental structures.

The skills analysis shows that the number of persons employed in this functional area almost doubled after re-organisation. Prior to re-organisation none of the staff possessed relevant academic or professional qualifications, but by 1978 over half the management services staff had obtained or were studying for such qualifications.

The prime framework for the years prior to 1974, and the years 1976 and 1978 show that the work carried out by this function after local government re-organisation was of a greater variety and included reviews of some of the duties of chief officers and the clerical staff, whereas prior to 1974 it was almost exclusively concerned with the introduction and operation of incentive based payment schemes for operating staff.

CHAPTER 6

ASHFIELD DISTRICT COUNCIL

6.1 INTRODUCTION

Ashfield District Council was created in 1974 on the re-organisation of local government. It can be seen from the maps of Nottinghamshire District Councils pre and post 1974 in chapter 1.6.2 that Ashfield adjoins the borders of Nottinghamshire immediately to the north of Broxtowe District Council.

Its main centres of population are the adjacent industrial towns of Sutton-in-Ashfield and Kirby-in-Ashfield. These towns are part of the industrial area which spreads westward from Mansfield in Nottinghamshire to Alferton in Derbyshire. Ashfield district extends south east from these towns to take in a rural area and the town of Hucknall.

6.2 STRUCTURE ANALYSIS - FINANCIAL STRENGTH

Ashfield District Council consists of an area previously contained in 4 smaller local authorities:-

Sutton-in-Ashfield Urban District Council

Kirkby-in-Ashfield Urban District Council

Hucknall Urban District Council and

3 parishes of Basford Rural District Council

The following table compares the populations and products of a penny rate of the Ashfield District Council with the local authorities who were responsible for the same geographical area before local government re-organisation in 1974.

| ASHFIELD DISTRICT COUNCIL AREA | | |
|-------------------------------------|---------------|-------------------------|
| LOCAL AUTHORITY | POPULATION | PRODUCT OF A PENNY RATE |
| <u>PRE-RE-ORGANISATION 1973/74</u> | | |
| Sutton-in-Ashfield UDC | 40,716 | £ 34,064 |
| Hucknall UDC | 26,374 | 21,228 |
| Basford RDC (3 parishes only) | Not known | Not known |
| Kirkby-in-Ashfield UDC | <u>23,628</u> | <u>17,618</u> |
| | 90,718 | 72,910 |
| <u>POST-RE-ORGANISATION 1976/77</u> | | |
| Ashfield District Council | 103,000 | £90,505 |

The financial strength of the councils in the Ashfield District Area

TABLE 14

The table shows that none of the local authorities in the Ashfield District area prior to re-organisation had a population of 75,000 or more, and would not therefore be expected to have had the financial strength to support a full time management services unit. After re-organisation the new Ashfield District Council had a population of just over 100,000 and would be financially strong enough to support a Work Study and Organisation and Methods team.

6.2.1 Structure Analysis - Objectives of Management Services functions

The following table shows the objectives that were set for the management services functions in the Ashfield area both prior to, and after, local authority re-organisation.

| ASHFIELD DISTRICT AREA | |
|--|--|
| MANAGEMENT SERVICES FUNCTION - OBJECTIVES | |
| PRIOR TO RE-ORGANISATION | AFTER RE-ORGANISATION |
| 1) To design implement and maintain incentive based payment schemes for weekly paid staff where appropriate 2) To calculate weekly bonus earnings and determine values for new work | 1) To design implement and maintain incentive based payment schemes for weekly paid staff where appropriate 2) To calculate weekly bonus earnings and determine values for new work 3) To produce control information 4) To carry out work study and organisation and methods assignments 5) To undertake special projects |

The management services function objectives for councils in the Ashfield District area

TABLE 15

The above table shows that, as also happened in Broxtowe District area, the objectives of the Ashfield District area local authorities prior to re-organisation were retained after re-organisation and were enlarged. The objectives prior to re-organisation were directed towards securing an improvement in productivity in line with the Report of the National Board for Prices and Incomes No.29. 1967 (chapter 1.2.1).

The enlarged objectives after re-organisation would be commensurate with the employment of a full time work study and organisation and methods team.

6.2.2 Structure Analysis - Structure and reporting position of the management services function

The increased financial strength of Ashfield District Council after 1974 had made possible the enhanced objectives that had been set for the management services function after that date. The following table compares the structure and reporting position of the management services function before and after re-organisation.

| ASHFIELD DISTRICT AREA | |
|---|---|
| MANAGEMENT SERVICES FUNCTION | |
| PRIOR TO RE-ORGANISATION | AFTER RE-ORGANISATION |
| REPORTING POSITION | |
| Responsibility for the function was vested in departmental Chief Officers. Consultants were appointed to design and implement incentive schemes | Responsibility for the function was vested in a Management Services Officer who reported to the Chief Executive and the Management Team |
| INTERNAL STRUCTURE | |
| <p>Staff were employed within the departments to calculate weekly bonus earnings and to determine values for new work</p> <p><u>Sutton-in-Ashfield UDC</u></p> <p>Consultants + 7 staff in departments</p> <p><u>Kirkby-in-Ashfield UDC</u></p> <p>Consultants + 2 staff in departments</p> <p><u>Hucknall UDC</u></p> <p>No management services function</p> <p><u>Basford RDC</u></p> <p>Consultants only</p> | <p>Staff were employed to form a management services unit. Departmental staff who had been predominately engaged in the calculation of weekly bonus earnings and the determination of values for new work were transferred to the management services unit</p> <p><u>Ashfield District Council</u></p> <p>12 staff in a central management services unit, Consultants not employed.</p> |

The reporting position and internal structure of the management services function in the Ashfield District area

TABLE 16

The above table shows that after re-organisation the Ashfield District Council employed its own staff to provide a management services function throughout the authority, and no longer employed consultants. It transferred its management services staff from the responsibility of departmental chief officers to a central unit whose management services officer reported directly to the chief executive. The actions taken by the Ashfield District Council were very similar to those taken by the Broxtowe District Council.

6.3 SKILLS ANALYSIS

The analysis of skills is based solely on professional or academic qualifications, although it is recognised that training in the form of short courses and on the job training does take place. The variable nature and quality of short courses and the subjective nature of any assessment of in service training provide an ill defined basis that would be unsuitable for analysis.

The 1973/74 figures in the table below only shows local authority employees and does not include consultants.

| QUALIFICATION | PRIOR TO RE- ORGANISATION (1973/74) | AFTER RE- ORGANISATION (1978) |
|---|---|-------------------------------------|
| Diploma in Management Studies | - | - |
| Diploma in Administrative Management | - | 1 |
| Diploma in Management Services | - | 3 |
| HNC Bus.Studies | - | - |
| HNC Computer Studies | - | 1 |
| Studying for Diploma Management Services | - | 1 |
| Staff without professional qualifications | 9 | 6 |
| Total | 9 | 12 |

Qualifications of Management Staff - Ashfield District Area

TABLE 17

It is not possible to make a direct comparison between the qualifications of the staff employed on management services work before and after re-organisation because it is not now possible to determine the qualifications of all the consultants used prior to 1974. Nearly half the staff of the present management services units have a relevant qualification and the policy at the moment is only to appoint staff who have or are prepared to study to obtain an appropriate professional qualification.

The management services staff of the new authority includes previous employees of the 3 urban district councils and of Nottinghamshire County Council but does not include any employees of Basford RDC.

As with the Broxtowe area, detailed records of the management services activities in the 3 urban district councils prior to 1974 are no longer available.

Information about these activities has been obtained from the objectives set for the function, details of how far these objectives had been met by the date of local government re-organisation, and the memory of the present management services staff who had been employed by the previous local authorities.

The objectives for the function prior to 1974 are set out in section 6.2.1 above. The table overleaf shows how far the first objective of introducing incentive based payment schemes had been achieved by the 3 urban district councils at the time of re-organisation. This table includes the employees of Nottinghamshire County Council Highways department who were transferred to Ashfield District Council when it was created in 1974.

| Weekly paid staff | Sutton UDC | Kirkby UDC | Hucknall UDC | Basford RDC (3 parishes) | Notts County Council | Total |
|---|---------------|---------------|-----------------|--------------------------------|----------------------------|-------|
| Employees paid on an incentive scheme basis | 243 | 50 | 50 | - | 40 | 388 |
| Employees not paid on an incentive scheme basis | 24 | 12 | 3 | 10 | - | 49 |
| Total Number Of Employees | 272 | 62 | 53 | 10 | 40 | 437 |

Analysis of Employees whose Pay was based upon Incentive Schemes at the Inauguration of Ashfield District Council April 1974

TABLE 18

The design of planning and control systems that is sometimes undertaken when incentive based payment schemes are introduced, only took place to a very limited extent if at all. No reliable information could be obtained on this point. The solution of other types of problems was not undertaken.

The second objective for the management services function prior to 1974 of calculating bonus earnings and determining time/money values for new work was carried out by staff located within the departments' whose employees were paid by this system. The position is similar to that at Broxtowe where it is no longer possible to discover if these

staff had any other duties. All their time has therefore been allocated to what would in any case have been their major task.

MANAGEMENT SERVICES ACTIVITY

ASHFIELD AREA PRE 1974

| ANTHONY'S LEVELS OF DECISION | TYPE OF MANAGEMENT ACTIVITY | | | | M.S.U. TIME | |
|---|---|--|-------------|------------|-------------|------|
| | PLANNING | ORGANISING | CONTROLLING | MOTIVATION | MAN DAYS | %AGE |
| <u>STRATEGIC PLANNING</u> Time span-more than 2 years Inter-departmental Decisions at Chief Executive or member level | | | | | | |
| <u>MANAGEMENT CONTROL</u> Time span-yearly Departmental Decisions at Chief Officer Level | <u>Design of Reward Systems</u> Payment by results 13 | Negotiate with trade unions 13 | | | 440 | 15 |
| <u>OPERATIONAL CONTROL</u> Time-span-weekly Section within Departments Decisions at Supervisor level | | Assessing work weekly Calculation of Bonus Earnings Weekly | | | 2440 | 85 |

TABLE 19

Comments on Management Services - Ashfield Area Prior to 1974

The previous table shows the use of the prime framework to analyse the management services activity in what is now the Ashfield area, prior to the organisation of local government in 1974.

As with the Broxtowe analysis for this period the work analysed is a summary of the activities of the management services function from its introduction up to the time of local government re-organisation. The analysis of time relates only to the year before re-organisation.

The framework again distinguishes between the system design activities and the system maintenance activities. The only difficulty with this analysis relates to the allocation of time. With a management services function being provided by 3 small authorities and by part of one department of the County Council all of which have been disbanded or replaced several years ago it is difficult to obtain precise information. The figures used have been collated from several sources and reviewed to produce an agreed estimate. Most of the work in designing incentive based payment systems had been completed. The time of consultants has not been included in the analysis of time.

6.4.1 Prime Framework - Ashfield District Council 1977/78

This authority has maintained its records of management services activity by financial years, and this basis has been used in the survey. Due to a change in the leader of the management services unit the desirable background information about the involvement of councillors and the management team in the work of the management services unit was not available for most of 1976. The periods chosen for review are the financial years 1977/78 and 1978/79. Variations due to the difference in timing between these periods and the calendar years 1976 and 1978 chosen for the review of Broxtowe District Council management services activities are expected to be minor.

MANAGEMENT SERVICES ACTIVITY

ASHFIELD DISTRICT COUNCIL 1977/78

| ANTHONY'S LEVELS OF DECISIONS | TYPE OF MANAGEMENT ACTIVITY | | | | M.S.U. TIME | |
|--|------------------------------------|---|---------------------------|------------|-------------|------|
| | PLANNING | ORGANISING | CONTROLLING | MOTIVATING | MAN DAYS | %AGE |
| <u>STRATEGIC PLANNING</u> | Create plans 3 | Management team/ Public Relations 2 | Analysis of activity 1 | | | |
| Time span-more than 2 years | Design of reporting system 1 | | | | 720 | 30 |
| Inter departmental Decisions at Chief Executive or member level | | | | | | |
| <u>MANAGEMENT CONTROL</u> | <u>Organisation</u> | Evaluation of equipment 1 | | | | |
| Time span-yearly | <u>Structure</u> | | | | | |
| Departmental | Design of Strucutre 4 | Human Resource Development 1 | | | 1200 | 50 |
| Decisions at Chief Officer Level | Design of Jobs 3 | Negotiating with Trade Unions 4 | | | | |
| | Staffing Level 7 | | | | | |
| | <u>Design of</u> | | | | | |
| | <u>Operational</u> | | | | | |
| | <u>Systems</u> | | | | | |
| | Operation | | | | | |
| | Programmes 10 | | | | | |
| | Clerical | | | | | |
| | Systems 6 | | | | | |
| | Management | | | | | |
| | Reporting | | | | | |
| | Systems 3 | | | | | |
| | <u>Design of Reward</u> | | | | | |
| | <u>Systems</u> | | | | | |
| | Payment by | | | | | |
| | Results 3 | | | | | |
| | Excluding Payment | | | | | |
| | by results 6 | | | | | |

contd.....

| ANTHONY'S LEVELS OF DECISIONS | | | | | M.S.U. TIME | |
|----------------------------------|----------|--|--|------------|-------------|------|
| | PLANNING | ORGANISING | CONTROLLING | MOTIVATING | MAN DAYS | %AGE |
| <u>OPERATIONAL CONTROL</u> | | Assessing work - weekly | | | | |
| Time span-weekly | | | Calculation of Performance Levels - weekly | | | |
| Sections within departments | | Calculation of Bonus earnings - weekly | | | 480 | 20 |
| Decisions at Supervisor level | | | | | | |

TABLE 20

Comments on Management Services 1977/78

The allocation of time to the 3 levels of decision in the first year after re-organisation that has been analysed follows the same pattern as in Broxtowe District Council.

The framework has revealed a wide distribution of activities and of time. The 'strategic' planning activities related to the feasibility of a new weekly market and the planning associated with the joint use with the County Council of a community school complex. This later project included some elements of management control activity such as the design of a departmental organisation structure. The controlling activity was a review of the authorities energy usage and tariff charges. The management control/planning activity reveals considerable organisation and methods work and a significant number of reviews of departmental organisation.

A number of minor activities were not easy to allocate within this framework. One of these was an examination of the implications of the Health and Safety at Work Act in conjunction with the Safety Officer which, because it was basically concerned with the changing of unsafe working practices was allocated to management control - operation programmes. Another activity was described as contributing

to management team discussions. Here the allocation was to strategic planning - organising, although the nature of the items discussed is not known. A final example was the major review of the stores of the technical services department. This has been allocated to management control although in the future this stores may function on an inter-mental basis. These activities whose allocation within the framework was not easy, represented only a small fraction of the 55 separate assignments carried out during the year.

6.4.2 Prime Framework - Ashfield District Council 1978/79

One difficulty arising from analysing the work over a continuous 2 year period is the identification and treatment of those projects whose work has spanned the end of the first year. Regardless of the year in which time was spent on a project, if it has been analysed under 1977/78 it was not also identified as an activity in 1978/79. The time spent has been recorded in the year in which it happened. Out of a total of 85 assignments only 15 were identified as having spanned the end of 1977/78.

MANAGEMENT SERVICES ACTIVITY

ASHFIELD DISTRICT COUNCIL 1978/79

| ANTHONY'S LEVELS OF DECISIONS | TYPE OF MANAGEMENT ACTIVITY | | | | M.S.U. TIME | |
|---|------------------------------------|--|-------------|------------|-------------|------|
| | PLANNING | ORGANISING | CONTROLLING | MOTIVATING | MAN DAYS | PAGE |
| STRATEGIC PLANNING | Create Plans 3 | Evaluation of Plans and Equipment 2 | | | | |
| Time span-more than 2 years | | Co-ordination of inter-departmental activity 1 | | | 480 | 20 |
| Inter-departmental Decisions at Chief Executive or member level | | Analysis of operational activities 2 | | | | |
| <u>MANAGEMENT CONTROL</u> | <u>Organisation Structure</u> | | | | | |
| | Design of Structure 1 | Evaluation of equipment 2 | | | | |
| Time span-yearly | Staffing levels 8 | | | | | |
| Departmental | <u>Design of Operating Systems</u> | | | | | |
| Decisions at Chief Officer Level | Operation Programmes 33 | Human Resource Development 5 | | | 1460 | 60 |
| | Clerical Systems 4 | | | | | |
| | Management Reporting Systems 4 | | | | | |
| | <u>Design of Reward Systems</u> | Negotiating with Trade Unions 1 | | | | |
| | Payment by results 3 | | | | | |
| | Excluding payment by results 1 | | | | | |

| ANTHONY'S LEVELS OF DECISIONS | PLANNING | ORGANISING | CONTROLLING | MOTIVATING | M.S. TIME MAN DAYS | PAGE |
|----------------------------------|----------|--|--|------------|-----------------------|------|
| <u>OPERATIONAL CONTROL</u> | | Assessing work- weekly | Calculation of performance levels-weekly | | | |
| Time span-weekly | | Calculation of Bonus earnings - weekly | | | | |
| Sections within departments | | | | | 480 | 20 |
| Decisions at Supervisor level | | | | | | |

TABLE 21

Comments on Management Services - Ashfield District
Council 1978/79

From this analysis the work and time used in operational control activities is unchanged from the previous year. There is very little difference in the usage of time by each of the other two categories.

The strategic planning - planning section includes feasibility studies for a new tipping site, and the possible provision of free transport to a sports centre. The tipping site project was allocated to strategic planning because it involved more than one department. The other feasibility studies were given the same allocation because they related to policy matters.

The increased emphasis on operation programmes was in part due to a backlog of work. The review of working activities was due to changes in equipment, volume of work, nature of work and new requirements. The volume of organisation and methods work was much reduced from the previous year although the number of projects only changed from 6 to 4.

As with the Broxtowe analysis, all the frameworks that have been used to analyse the management services function in the Ashfield area in the period 1971/79 have shown that the function after local government re-organisation was different from the function before re-organisation.

The structure analysis shows:-

- 1) that the financial strength of the new Ashfield authority was sufficient to support a work study and organisation and methods team, but that was not the situation with the district councils prior to re-organisation.
- 2) that the objectives set for the management services function after re-organisation were appropriate to the employment of a work study and organisation and methods team and were much more comprehensive than prior to re-organisation.
- 3) that consultants were not employed after 1974, and after that date the local authority management services staff were centralised in one unit that reported to the chief executive rather than being based in departments and being responsible to departmental chief officers.

The skills analysis shows that the number of persons employed in this functional area increased over the period under review from 9 to 12. Prior to 1974 none of the 9 employees possessed a relevant academic or professional qualification, but by 1978 half of the management services staff had obtained, or were studying for, such a qualification.

The analysis by the prime framework shows considerable differences in the period 1977/79 compared to the years before 1974. In the early period the management services function ~~was~~ concerned almost exclusively with the introduction and operation of incentive based payment systems for operating staff. In the later periods additional work was carried out on the organisational structure of the authority and some of the work of its chief officers ~~and~~ and clerical staff.

CHAPTER 7

COMMENTS AND CONCLUSIONS

7.1 INTRODUCTION

This section will consist of three parts. Initially consideration will be given to the usefulness of the prime framework that was developed in order to analyse the work of the management services function. More detailed attention will be given to this framework because it was specially developed for this survey. Its strengths and weaknesses will be examined, and other possible uses will be considered.

Then the results of all the analyses undertaken in this survey will be reviewed. The context in which local government was operating at the time of the survey will be taken into account and an assessment will be made of the changes in the use of management services by the two local authorities.

Finally this assessment will be considered as part of the long recognised need (as revealed in the reports in chapter 1) for local government to achieve improvements in its working practices.

The purpose of the prime framework was to separate the various types of work undertaken by management services units into distinctive categories in order to ascertain if there had been major changes over the period 1971-1979.

The use of the categories of importance clearly separated projects into three main groups. The nature of the work in each group is distinctively different. As with any system of analysis of management activities there are some activities that do not fall clearly into one category. Such activities have appeared within this framework but the proportion of them to the total number of activities analysed is small, and the importance of this problem of analysis is not great.

Five examples where the use of the categories in the framework presented some difficulty will now be examined:-

1) Liaison with trade unions

As mentioned in section 5.4 this relationship covers both day to day problems and major negotiations over incentive schemes. Neither authority could make any worthwhile estimate of the proportion of time spent on each activity so they have been combined in the framework as a management control-organising activity.

2) Assessing the time values for new work

These values represent an extension of an existing incentive scheme. As such they could be analysed into the same category as the design of incentive schemes. Because this activity is continuous it has been considered as a form of maintenance and allocated to operational control-organising.

3) Source of assignments

Occasionally it was not easy to separate activities between management control and strategic planning where both members, the management team and individual chief officers were closely involved. Allocations within the framework were made on the merits of each activity. The source of assignments was used in conjunction with the nature of the assignment as an indicator of its importance.

4) Time taken by Projects

The information available did not show an allocation of management services time to each project. The framework gives the numbers of projects of each type but does not distinguish between major and minor projects. This weakness has been partly relieved by the allocation of management services time by category of decisions. This

allocation of time was made possible because in both local authorities, the individual members of the management services units concentrated on certain types of activities. For instance some members were solely concerned with the work relating to the payments due under the incentive schemes. Other members carried out method study or organisation and methods assignments. Only team leaders and the management services officer were concerned with the work for chief officers and more senior persons in the local government hierarchy.

5) General Activities

There was only one activity that could not be reasonably allocated within the framework. This was the review at Ashfield of the changes required as a result of the Health and Safety at Work Act. Most reviews carried out by the management services units were of specific activities and this made the allocation relatively easy. There were two general reviews of broad areas of work and these were the types of activities that could be expected to cover several categories of the prime framework. The review at Ashfield of the stores of the technical services department could well have led to changes in management control of the department, but also to changes in the policy of the council in relation to the provision of stores facilities throughout the authority. The policy options may well be identified by the management services unit and would be

considered by the departmental chief officer, the chief executive, the management team and the chairman of council committees before being formulated for presentation to the council. In the framework the activity has been shown as management control because insufficient information is available to justify any other allocation. In the allocation of the time of the management services leader, an attempt has been made to reflect the work on policy matters by the allocation given to the category strategic planning. A similar situation arose at Broxtowe with the review of the usage of all the authorities vehicles. This was treated in a similar manner.

7.2.1 Possible Uses for the Prime Framework

As a broad indicator of change the framework has been of value. With more information relating to the usage of time by the function under review it would be possible to provide a more detailed analysis. It appears probable that an analysis of any advisory function that served a whole organisation could be made by using this framework. For example activities of a personnel/training function could be studied and compared with either itself over a period of time or with other personnel/training functions in other organisations. The framework should be able to separate work such as manpower planning, annual pay negotiations with trade unions and recruiting and training staff, into different categories.

Where an advisory function provides a specific service such as legal advice, or where it serves one level in the organisation hierarchy, such as corporate planning the framework in its present form would have only a limited value.

It may well be possible to create further sub-heads of analysis within the existing prime framework in order to enable it to be used for the analysis of advisory functions that have a more restricted area of application. Another possible use of the framework is where a new advisory service is to be introduced into an organisation. An analysis of the anticipated work of the unit needs to be made as a pre-requisite to the recruitment of staff.

7.3

REVIEW OF THE ANALYSIS OF THE MANAGEMENT SERVICES FUNCTIONS

In view of the similarities between the management services function in the Broxtowe and Ashfield areas the assessments of the analysis will cover both authorities. Consideration will first be given to the interpretation of the structure and skills analysis. In this way the following factors that affect the use of a management services function can be reviewed:-

- 1) the financial resources necessary to support a management services function
- 2) the objectives set for the function
- 3) the organisation of the function
- 4) the skills that have been used to provide the function

The actual work of the function will then be reviewed in order to appreciate any changes that may have taken place during the 1971-1979 period. Finally an assessment will be made as to where the hypothesis can be supported.

7.3.1 Structure and Skills Analysis

1) Financial Resources

Both of the analysis in chapter 5.2 (Broxtowe) and 6.2 (Ashfield) reveal a very similar situation. Prior to local government re-organisation none of the authorities

in the areas had sufficient population to support a work study and organisation and methods team, if the population and financial standards suggested in the Report of the Royal Commission on Local Government in England - Research Study No.1 (chapter 1.2.3) are accepted. The largest local authority was Beeston and Stapleford Urban District Council with a population of 63,517, which was 16% below the minimum level considered necessary to support the creation of an internal management services unit. This authority contracted with the Trentside Management Services Unit for consultancy services on an annual basis.

The other district councils, apart from the two smallest, also used consultants to provide a management services function. These small authorities were Hucknall Urban District Council with a population of 26,374 and Eastwood Urban District Council with a population of 10,350, neither of whom used any specialist management services skills.

After 1974 the new authorities of Broxtowe District Council and Ashfield District Council both had populations of over 100,000 and by the standards quoted above would have the financial strength to support an internal management services unit. This situation whilst not in itself confirming that a change in the use of a management

services by the local authorities in the period 1971-1979 had taken place, was a necessary condition before an enlargement of the function could take place.

2) Objectives set for the Management Services Function

All of the authorities covered by this review who have used a management services function have set the same objectives. As can be seen from chapters 5.2.1 and 6.2.1 the objectives set after 1974 were more comprehensive than those set before 1974. The additional objectives were:-

- 1) to carry out work study and organisation and methods assignments
- 2) to produce control information
- 3) to carry out special projects

These enlarged objectives are a clear indication that both Broxtowe and Ashfield District Councils after their creation in 1974 intended to extend the scope of their management services functions.

3) Organisation of the Management Services Function

Where a management services function was used prior to 1974 the authorities placed responsibility for it with departmental chief officers. The usual procedure as can be seen from chapters 5.2.2 and 6.2.2 was for consultants

to be used to design and implement incentive based payment schemes and for the councils to employ staff to maintain the schemes and evaluate bonus earnings.

After 1974 both the local authorities made no further use of consultants and employed their own staff to provide a management services function. Responsibility for this function was transferred from departmental chief officers and vested in the chief executive. The staff who were to carry out the function were transferred to a central unit which reported directly to the chief executive.

This creation of a central unit has made feasible the employment of persons with special skills and the creation of project teams who can concentrate on specific problems, sometimes of an inter departmental nature under the direct guidance of the chief executive and the management team. These organisational changes are another indicator, which when considered with the changed objectives in section 2 above, point towards the intention by both district councils that the management services function should be capable of a wider range of activities than could be undertaken prior to 1974.

4) Skills employed in the Management Services Function

The analysis of the skills of the persons employed by both authorities in their management services function was shown in chapters 5.2 and 6.2.

The present emphasis on the possession of a range of academic and/or professional qualifications by the management services staff is a requirement that did not exist prior to 1974. The creation of central units enabled a career structure of salary grades to be created and this enabled more highly qualified staff to be employed. The employment of the enhanced range of skills now to be found in both of the management services has been dependent upon the preceeding 3 factors considered in this section.

These factors taken together indicate the intention of both Broxtowe and Ashfield District Councils not only to create a more highly skilled management services unit than existed before 1974, but that this unit should undertake a wider range of work and be more responsive to the needs of the authority as seen by the chief executive and the management team.

7.3.2 Review of the Analysis of the work of the Management Services Units

i) Analysis of Time

The preceeding section 7.3.1 indicated the intention of both local authorities that the management services function post 1974 should be different from the function pre 1974. The following summary of the analysis of the work of the units is an attempt to assess if this change has taken place. The figures in the tables below have been taken from the tables in chapters 5.4 (Broxtowe) and 6.4 (Ashfield).

| BROXTOWE AREA | | | | | | |
|---------------------|--------------------------|------|-----------------------|------|----------|------|
| | PRIOR TO RE-ORGANISATION | | AFTER RE-ORGANISATION | | | |
| | 1973/74 | | 1976 | | 1978 | |
| | Man Days | %age | Man Days | %age | Man Days | %age |
| | | | | | | |
| Strategic Planning | - | - | 360 | 15 | 120 | 5 |
| Management Control | 440 | 25 | 970 | 40 | 1210 | 50 |
| Operational Control | 1320 | 75 | 1090 | 45 | 1090 | 45 |
| Total Man Days | 1760 | - | 2420 | - | 2420 | - |

Summary of Analysis of Time - Broxtowe District Area
TABLE 22

| ASHFIELD AREA | | | | | | | |
|---------------------|--------------------------|------|-----------------------|------|----------|------|----|
| | PRIOR TO RE-ORGANISATION | | AFTER RE-ORGANISATION | | | | |
| | 1973/74 | | 1977/78 | | 1978/79 | | |
| | Man Days | %age | Man Days | %age | Man Days | %age | |
| | Strategic Planning | - | - | 720 | 30 | 480 | 20 |
| | Management Control | 440 | 15 | 1200 | 50 | 1460 | 60 |
| Operational Control | 2440 | 85 | 480 | 20 | 480 | 20 | |
| Total Man Days | 2880 | - | 2400 | - | 2420 | - | |

Summary of Analysis of Time - Ashfield District Area
TABLE 23

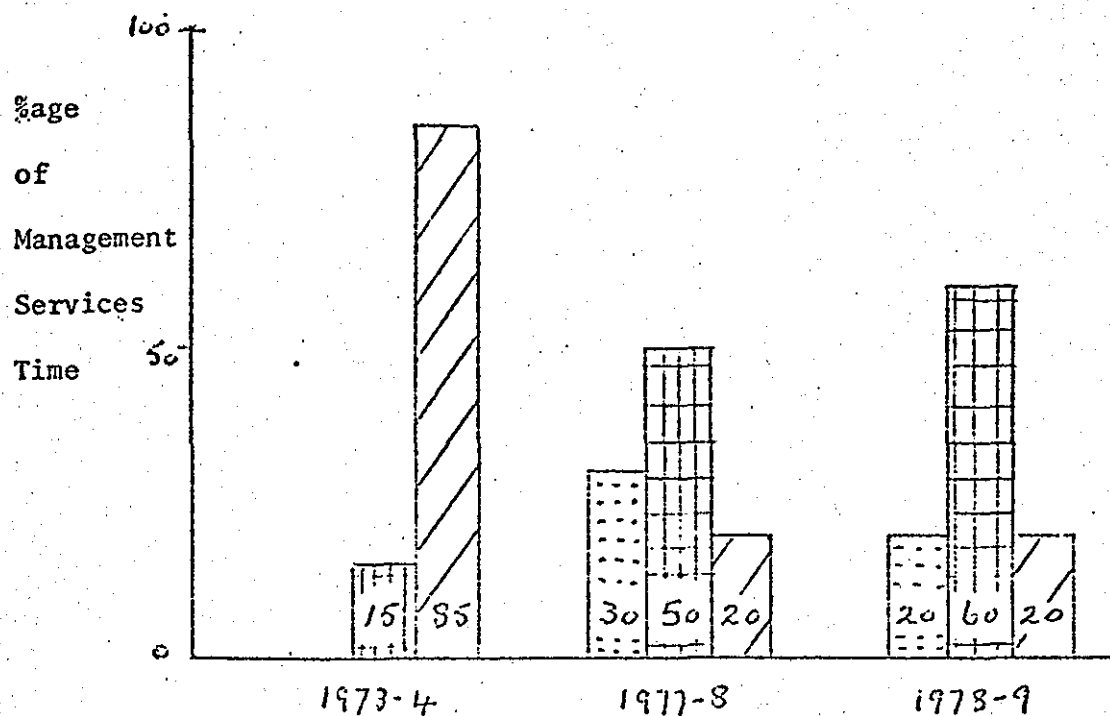
The distribution of man days between the three levels of importance varies from year to year within each authority. Since re-organisation both authorities continue to employ a similar number of persons in their management services units but do not deploy these people in the same way as before. The figures in both of the tables do show a marked difference between the usage of time prior to re-organisation and after re-organisation. The histograms that follow show the position pictorially.

Even when due allowance is made for the absence of the time of the consultants from the 1973/74 figures, the tables for those years still show an absence of any strategic planning activity. The use of time by the staff of the management services units is different after local government re-organisation compared to the pre 1974 situation and reflects the changes in the objectives of the units as indicated in section 7.3.1 above.

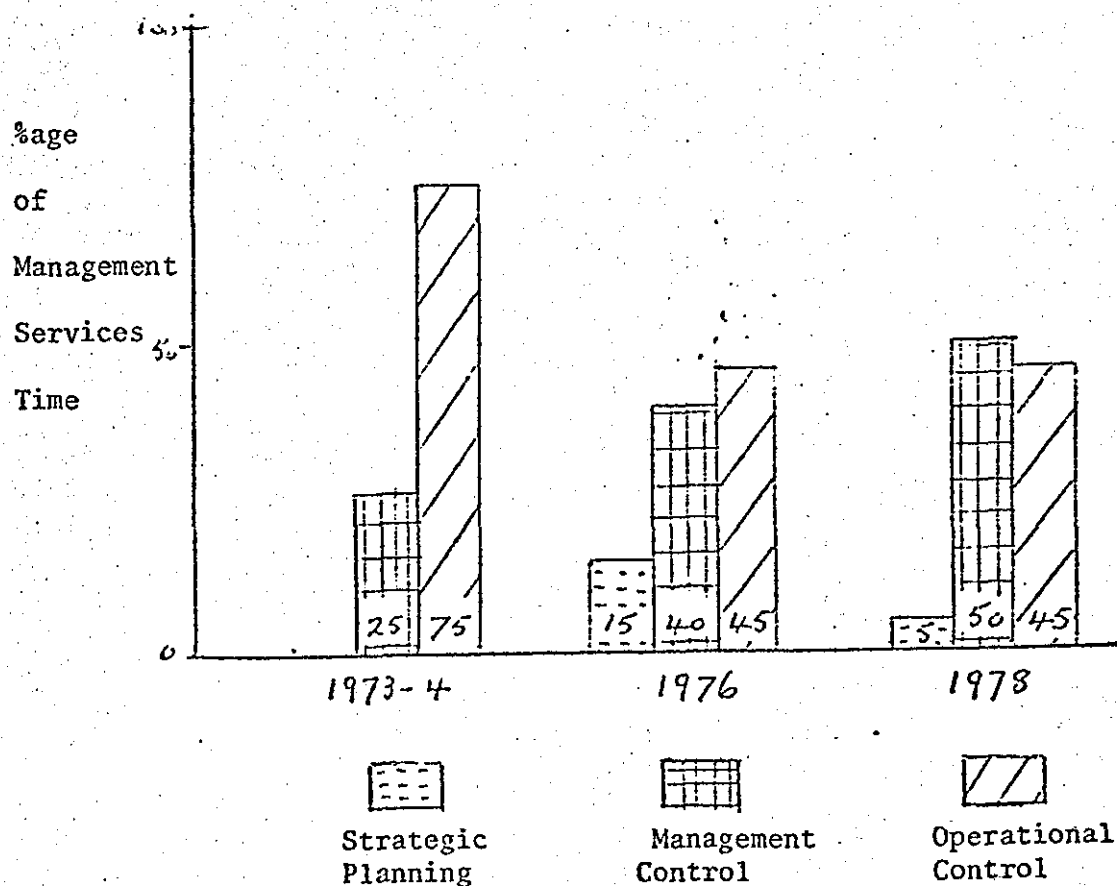
A statistical analysis of the use of time is included as appendix 1. It reveals a statistically significant difference in the use of time between all the periods reviewed. Between the post re-organisation periods there has been no significant changes in the proportion of time devoted to operational control activities.

CHART OF ANALYSIS OF TIME

BROXTOWE DISTRICT COUNCIL



ASHFIELD DISTRICT COUNCIL



ii) Analysis of Activities

The tables in section 5.4 and 6.4 that show the management services activities, indicate a considerable difference between the nature of the activities carried out pre 1974 and post 1974. The following table shows the activities of both Broxtowe and Ashfield management services functions comparing the pre 1974 position with the post 1974 position.

| <u>STRATEGIC PLANNING</u> | |
|---|---|
| <u>PRE 1974</u> | <u>POST 1974</u> |
| NONE | Create Plans Design Reporting System Evaluation of Plans or Equipment Co-ordination of inter departmental activities Analysis of operational activities Establishing equipment replacement criteria Management team/public relations |
| <u>MANAGEMENT CONTROL</u> | |
| Design of Operation Programmes Design of Reward Systems Negotiate with Trade Unions | Design of Operation Programmes Design of Reward Systems Negotiate with Trade Unions Design of Organisation Structure Design of jobs Determining staffing levels Design of clerical systems Design of management reporting systems Evaluation of equipment Human resource development |
| <u>OPERATIONAL CONTROL</u> | |
| Assessing work Calculation of bonus earnings | Assessing work Calculation of bonus earnings |

Analysis of Activities of the Management Services Functions

TABLE 24

The above table shows the wide range of additional activities that have been undertaken by the management services units of both of these two local authorities in the post 1974 period compared to the pre 1974 period. These additional activities appear to be the consequence of the factors considered in 7.3.1 above and correspond with the change in the use of time identified in the previous section.

The changes between 1971 and 1979 in the activities of Broxtowe District Council and Ashfield District Council management services units are very similar and were therefore combined in order to simplify the above table. There have been of course some differences in the detailed approach of the two authorities and these will now be examined.

Development of Management Services Function - Broxtowe

Prior to local government re-organisation in 1974 the only management services function by the 3 local authorities covering the Broxtowe area was to introduce and operate incentive based payment schemes in order to increase the productivity of weekly paid staff. The design of the schemes was carried out by consultants and the payments to be made were determined by staff based in the employing department.

On the creation of Broxtowe District Council the initial requirement was to introduce, as far as national pay policies would allow, standard working and payment schemes throughout the new authority.

In the 1975/77 period the authority placed emphasis upon a review of some aspects of the administrative organisation and systems. In 1976 in particular emphasis was placed upon the need to make reductions in the number of staff employed and committee members requested specific reviews for this purpose. Another major activity was the review of requests for new vehicles and this work has now led to a system of pooling vehicles throughout the authority.

In more recent years emphasis has been placed on the need to provide the senior managers with information that would enable them to be more effective. From 1978 the national pay policy has allowed wages to be based on productivity schemes and the re-structuring of the present incentive payment schemes is to be given priority.

Throughout the period under review the requirement to maintain the incentive payment schemes and to calculate bonus payments has remained unchanged.

Development of Management Services Function - Ashfield

Upon re-organisation Ashfield amalgamated the work from four smaller authorities and from the County Council which compares to initially only 1 large and 2 small authorities at Broxtowe. The requirement to standardise incentive schemes was the same. During the period 1974-76 work on incentive schemes was minimised and emphasis was placed on administrative activities, organisation structure and staffing. In this later matter all vacancies require the approval of the management services officer before they can be filled.

During the period 1977/79 the bonus earnings as a result of the incentive payment schemes have been getting out of control, due to changes in methods, equipment and types of work. Now that productivity bargaining is permitted by the government pay policy emphasis is being placed on the re-designing of incentive schemes. **Control** systems are also being developed, initially by providing Chief Officers with performance levels calculated from bonus earnings, but in the future it is planned to include other cost information and budget figures. Ultimately if this approach is continued it will require the budgets to be based upon more detailed appraisals of probable costs.

Conclusion

The prime analysis reveals and the secondary analyses support, the clear conclusion that was obtained from the several interviews with the staff of the units. This conclusion is that since 1974 the units regard themselves, and are regarded by councillors, their chief officers, and the management teams, as a means by which improvements are being made in the working of the local authorities. This is a markedly different situation to pre 1974 when external consultants were used only to introduce incentive payment schemes.

A consideration of the observations and conclusions drawn from all the analyses carried out in this survey, supports the original hypothesis that changes have taken place in the management services function in the areas of Broxtowe District Council and Ashfield District Council over the period 1971 to 1979.

The nature of management services activity is to analyse an existing situation and propose an improvement. The disadvantage of this approach is that line managers are not stimulated to create effective working situations in the first place. Such stimulation is now described by the general term 'organisational development'. To bring about changes and improvements through organisational development involves the use of personnel officers or persons with expertise in the application of ideas based upon studies of human behaviour in organisations. Such changes may be taking place but as this research has been restricted to the management services function it has not been revealed. The management services functions in these two authorities are largely based upon work study and organisation and methods techniques. Further research into the work of the Personnel Officers of these authorities could be made by using a development of the prime framework that was used for this research.

The management services units reviewed have moved into the area of evaluating ideas that could be formed into plans, but have not been concerned to any significant extent with other aspects of corporate planning, research or intelligence functions. In small authorities these functions are carried out by members and the management team.

The lack of activity in this area may be due to:-

- a) shortage of time of the management services units.
They each have a considerable number of problems awaiting to be solved.
- b) lack of ability amongst the senior members of the management services team or evidence of special skills. The reduction in the time spent on strategic planning in the final years under review appears to be solely due to the result of the priority given to seeking improvements in productivity through revised incentive schemes.
- c) lack of an appreciation by members and the management team of the contribution that could be made by the management services function. Since re-organisation many new and significant problems have been given to the management services units to solve, and there is no evidence to show that the solutions did not meet with the normal level of acceptability. In fact the continued reference of this type of problem to management services units indicates that performance in this area is acceptable. Both units are now working in new areas, Ashfield are seeking to develop a more comprehensive performance reporting system that can be linked to budgets, while Broxtowe are carrying out a feasibility study on methods of motivating staff other than incentive schemes.

The future for any management advisory activity within an organisation depends partly upon the need for its particular skills, but to an overwhelming extent upon the personal ability of the leader of that activity to establish its value in the opinions of senior management. The nature of management services as a problem solving activity is so general that it should find a continuing need in an ever changing society. The skills required by such a unit will need to change to meet the needs of the organisation it serves. Since re-organisation there have been major changes of skill, and a possible need to become involved in organisational development activities or corporate planning can be envisaged.

Management Services activities arising from the implementation of the Local Government Planning and Land Act 1981

The work of the planning departments of district councils has increased as a result of the above Act. At Ashfield District Council the policy of reducing the appointment of extra staff resulted in the methods of work of the planning department being reviewed by the management services department. It was decided that the introduction of word processing equipment would assist with the additional work.

At Mansfield District Council a similar situation is being resolved by the use of a mini computer.

The provisions of the above Act relating to the accountability of direct labour organisations have resulted in a problem being referred to the management services unit of Ashfield District Council. The organisation of the Housing department maintenance personnel is being examined with a view to it being restructured into a formal direct labour department. When this question has been resolved the impact of this decision on the Technical Services department who plan and control the maintenance of highways will be examined.

At Charnwood District Council the same provisions of this Act have resulted in the appointment of 3 extra management services officers for a 6 months period, to investigate the methods of work in the direct labour department.

These developments support the contention that by providing a problem solving service, management services staff will have a continuing role to play by being directed towards those problems in local government that result from changes in society.

Possible Uses for the Prime Framework (7.2.1)

As a broad indicator of change the framework has been of value. With more information relating to the usage of time by the function under review it would be possible to provide a more detailed analysis. It appears probable that any analysis of any advisory function that served a whole organisation could be made by using this framework. For example activities of a personnel/training function could be studied and compared with either itself over a period of time or with other personnel/training functions in other organisations. The framework should be able to separate work such as manpower planning, annual pay negotiations with trade unions and recruiting and training staff, into different categories.

Where an advisory function provides a specific service such as legal advice, or where it serves one level in the organisation hierarchy, such as corporate planning the framework in its present form would have only a limited value.

It may well be possible to create further sub-heads of analysis within the existing prime framework in order to enable it to be used for the analysis of advisory functions that have a more restricted area of application. Another

possible use of the framework is where a new advisory service is to be introduced into an organisation. An analysis of the anticipated work of the unit needs to be made as a pre-requisite to the recruitment of staff.

Financial Resources Necessary to Support a Management Services Function (7.3.1)

After 1974 the new authorities of Broxtowe District Council and Ashfield District Council both had populations of over 100,000 and by the standards quoted would have the financial strength to support an internal management services unit.* This situation whilst not in itself confirming that a change in the use of a management services by the local authorities in the period 1971-1979 had taken place, was a necessary condition before an enlargement of the function could take place.

*Report of the Royal Commission on Local Government in England - Research Study No.1.

Objectives Set for the Management Services Function (7.3.1)

All of the authorities covered by this review who have used a management services function have set the same objectives. As can be seen from chapters 5.2.1 and 6.2.1 the objectives set after 1974 were more comprehensive than those set before 1974. The additional objectives were:-

- 1) to carry out work study and organisation and methods assignments
- 2) to produce control information
- 3) to carry out special projects

These enlarged objectives are a clear indication that both Broxtowe and Ashfield District Councils after their creation in 1974 intended to extend the scope of their management services functions.

Organisation of the Management Services Function (7.3.1)

After 1974 both the local authorities made no further use of consultants and employed their own staff to provide a management services function. Responsibility for this function was transferred from departmental chief officers and vested in the chief executive. The staff who were to carry out the function were transferred to a central unit which reported directly to the chief executive.

Skills used to provide the Management Services Function (7.3.1)

The present emphasis on the possession of a range of academic and/or professional qualifications by the management services staff is a requirement that did not exist prior to 1974.

Work of the Management Services Units (7.3.2)

The use of time by the staff of the management services units is different after local government re-organisation compared to the usage before re-organisation, and reflects the changes in the objectives of the units.

There is a considerable difference between the nature of most of the activities carried out by the units after 1974 compared to the nature of most of the activities prior to 1974.

The Future of the Management Services Function (7.4)

The future for any management advisory activity within an organisation depends partly upon the need for its particular skills, but to an overwhelming extent upon the personal ability of the leader of that activity to establish its value in the opinions of senior management. The nature of management services as a problem solving activity is so general that it should find a continuing need in an ever changing society. The skills required by such a unit will need to change to meet the needs of the organisation it serves. Since re-organisation there have been major changes of skill, and a possible need to become involved in organisational development activities or corporate planning can be envisaged.

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APPENDIX 1

STATISTICAL ANALYSIS

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STATISTICAL ANALYSIS

Tests will be made of the significance of the changes in the analysis of the usage of time (man days figures are from the table in 7.3.2).

1 Broxtowe District Council

Each of the 3 periods for which an analysis of man days has been made will be compared with the other periods.

Null Hypothesis - The proportion of man days is independent of time

Alternative Hypothesis - There is an association between the year and how people spent their time

a) 1973/74 compared to 1976

| Classification | Man Days | | | |
|---------------------|----------|------|------|------|
| | 1973/74 | | 1976 | |
| | O | E | O | E |
| Strategic Planning | 0 | 151 | 360 | 209 |
| Management Control | 440 | 594 | 970 | 816 |
| Operational Control | 1320 | 1015 | 1090 | 1395 |
| Total | 1760 | 1760 | 2420 | 2420 |

$$\chi^2 = \frac{(0 - 151)^2}{151} + \frac{(360 - 209)^2}{209} + \frac{(440 - 594)^2}{594} + \frac{(970 - 816)^2}{816} + \frac{(1320 - 1015)^2}{1015} + \frac{(1090 - 1395)^2}{1395}$$

$$\chi^2 = 151 + 109 + 40 + 29 + 92 + 67$$

$$\chi^2 = 488$$

b) 1973/74 compared to 1978

| Classification | MAN DAYS | | | |
|---------------------|----------|------|------|------|
| | 1973/74 | | 1978 | |
| | O | E | O | E |
| Strategic Planning | 0 | 50 | 120 | 70 |
| Management Control | 440 | 695 | 1210 | 955 |
| Operational Control | 1320 | 1015 | 1090 | 1395 |
| Total | 1760 | 1760 | 2420 | 2420 |

$$\chi^2 = \frac{(0 - 50)^2}{50} + \frac{(120 - 70)^2}{70} + \frac{(440 - 695)^2}{695} + \frac{(1210 - 955)^2}{955} + \frac{(1320 - 1015)^2}{1015} + \frac{(1090 - 1395)^2}{1395}$$

$$\chi^2 = 50 + 38 + 94 + 68 + 92 + 67$$

$$\underline{\chi^2 = 409}$$

c) 1976 compared to 1978

| Classification | MAN DAYS | | | |
|---------------------|----------|------|------|------|
| | 1976 | | 1978 | |
| | O | E | O | E |
| Strategic Planning | 360 | 240 | 120 | 240 |
| Management Control | 970 | 1090 | 1210 | 1090 |
| Operational Control | 1090 | 1090 | 1090 | 1090 |
| Total | 2420 | 2420 | 2420 | 2420 |

$$\chi^2 = \frac{(360 - 240)^2}{240} + \frac{(120 - 240)^2}{240} + \frac{(970 - 1090)^2}{1090} + \frac{(1210 - 1090)^2}{1090} +$$

$$\frac{(1090 - 1090)^2}{1090} \times \frac{(1090 - 1090)^2}{1090}$$

$$\chi^2 = 60 + 60 + 13 + 13 + 0 + 0$$

$$\chi^2 = 146$$

$$\text{Alpha} = 0.01$$

Referring to the table of the χ^2 distribution at $(m - 1) (n - 1)$ there are 2 degrees of freedom

The critical value at a 0.01 level of confidence is found to be 9.21

The calculated values of χ^2 for Broxtowe District Council are 488, 409 and 146

The null hypothesis is therefore rejected

Conclusion

The classification of man days into Strategic Planning, Management Control and Operational Control in Broxtowe District Council is not independent of the split to 1973/74, 1976 and 1978.

2 Ashfield District Council

Each of the 3 periods for which an analysis of man days has been made will be compared with the other periods.

Null hypothesis

- The proportion of man days is independent of time

Alternative hypothesis

- There is an association between the year and the way people spend their time

a) 1973/74 compared to 1977/78

| Classification | MAN DAYS | | | |
|---------------------|----------|------|---------|------|
| | 1973/74 | | 1977/78 | |
| | O | E | O | E |
| Strategic Planning | 0 | 393 | 720 | 327 |
| Management Control | 440 | 894 | 1200 | 746 |
| Operational Control | 2440 | 1593 | 480 | 1327 |
| Total | 2880 | 2880 | 2400 | 2400 |

$$\chi^2 = \frac{(0 - 393)^2}{393} + \frac{(720 - 327)^2}{327} + \frac{(440 - 894)^2}{894} + \frac{(1200 - 746)^2}{746} + \frac{(2440 - 1593)^2}{1593} + \frac{(480 - 1327)^2}{1327}$$

$$\chi^2 = 393 + 472 + 231 + 276 + 450 + 541$$

$$\underline{\chi^2 = 2363}$$

b) 1973/74 compared to 1978/79

| Classification | MAN DAYS | | | |
|---------------------|----------|------|---------|------|
| | 1973/74 | | 1978/79 | |
| | O | E | O | E |
| Strategic Planning | 0 | 261 | 480 | 219 |
| Management Control | 440 | 1032 | 1460 | 868 |
| Operational Control | 2440 | 1587 | 480 | 1333 |
| Total | 2880 | 2880 | 2420 | 2420 |

$$\chi^2 = \frac{(0 - 261)^2}{261} + \frac{(480 - 219)^2}{219} + \frac{(440 - 1032)^2}{1032} + \frac{(1460 - 868)^2}{868} + \frac{(2440 - 1587)^2}{1587} + \frac{(480 - 1333)^2}{1333}$$

$$\chi^2 = 261 + 311 + 339 + 404 + 458 + 546$$

$$\underline{\chi^2 = 2319}$$

c) 1977/78 compared to 1978/79

| Classification | MAN DAYS | | | |
|---------------------|----------|------|---------|------|
| | 1977/78 | | 1978/79 | |
| | O | E | O | E |
| Strategic Planning | 720 | 598 | 480 | 602 |
| Management Control | 1200 | 1324 | 1460 | 1336 |
| Operational Control | 480 | 478 | 480 | 482 |
| Total | 2400 | 2400 | 2420 | 2420 |

$$\chi^2 = \frac{(720 - 598)^2}{598} + \frac{(480 - 602)^2}{602} + \frac{(1200 - 1324)^2}{1324} + \frac{(1460 - 1336)^2}{1336} + \frac{(480 - 478)^2}{478} + \frac{(480 - 482)^2}{482}$$

$$\chi^2 = 25 + 25 + 12 + 12 + 0 + 0$$

$$\underline{\chi^2 = 74}$$

Alpha = 0.01

Referring to the table of the χ^2 distribution at $(m - 1) (n - 1)$ there are 2 degrees of freedom

The critical value at a 0.01 level of confidence is found to be 9.21

The calculated value of χ^2 for Ashfield District Council are 2363, 2319 and 74

The null hypothesis is therefore rejected

Conclusion

The classification of man days into Strategic Planning, Management Control and Operational Control in Ashfield District Council is not independent of the split into 1973/74, 1977/78 and 1978/79.

Post Local Government Re-organisation

In tables 1c and 2c above the classification into man days for the two periods after re-organisation have been compared. It is noticeable that for both Broxtowe District Council and Ashfield District Council the contributions to χ^2 values from the operational control classification are all zero.

The significant changes in the use of peoples time in both authorities for the periods under review have only occurred in the Strategic Planning and Management Control classifications.

