



The 'death of improvement': An exploration of the legacy of performance and service improvement reform in English local authorities, 1997-2017

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Submitted by

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Abstract:

When Tony Blair's 'New Labour' administration took control in 1997, it sought to establish a programme of organizational, performance, and democratic reform. Initially badged as the 'modernizing government' programme, it was later developed in the *Best Value* regime for local government, which imposed a centrally-controlled performance regime on all local authorities. This was characterized by a managerialist regime of external inspections, league tables, and reliance on extensive performance management, overseen by the Audit Commission. One of the first acts of the 2010 Coalition government was to dismantle this regime, along with announcing the abolition of the Audit Commission.

This research sought to examine the legacy of the 1997-2010 performance regime on six English local authority case studies, identified via a deviant case analysis. An examination of the literature developed a conceptual model of seven dimensions of reform, and the research used an exploratory approach to examine the legacy of the performance regimes through a range of qualitative interviews and focus groups. The inductive analysis of interview data found that financial austerity dominated the local government environment, and the impacts of these cuts were felt across the entire group of case studies.

These savings requirements had effectively broken the expectation of continuous improvement explicit in the Best Value duty – what we refer to here as 'the death of improvement'. Authorities were reducing staffing, which resulted in the loss of expertise and skills. They were also scaling back many universal services through 'managed decline', and deregulation of performance regimes was stimulating divergent responses to performance management arrangements, as well as influencing the relationship between politicians and performance management, and central performance staff and departmental staff. There were challenges raised around the residual inspections, largely restricted to social care and education, and how these interacted with central performance team models.

The discussion develops a three-part model of 'performance as a system of governance', which integrates three key areas of theoretical and empirical development: performance management frameworks, accountability, and value for money. This allows four main contributions to knowledge:

- The concept of ‘public value for money’,
- Further development of our understanding of multiple forms of accountability
- A new model of performance management zones that articulates different roles for performance management at points within the organization
- A categorisation of the main changes in reform paradigms

It concludes that understanding the values underpinning public sector reforms through a range of interpretive lenses is essential to fully comprehending the impact of reforms at three levels: *conceptualization*, *operationalization*, and *implementation*.

The legacy of Comprehensive Performance Assessment and Comprehensive Area Assessment can be seen in the increased capacity and capability of local authorities to engage with performance management, and data and evidence-driven policy making. Yet, these capabilities may not have prepared authorities sufficiently for the demands of significant budget cuts driven by the post-2010 political environment.

Keywords: *Performance management, public services, local government, Public Value, New Public Management, New Public Governance, Public Administration, accountability, value for money*

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Glossary and abbreviations:

Items in *italics and underlined* are terms also found in the glossary

Table 1: Glossary and abbreviations. Source: author

Abbr.	Term:	Meaning:
	3Es	<u>Economy</u> , <u>efficiency</u> , and <u>effectiveness</u> . A fourth E is added by some (e.g. Stoker 2006) – <u>equity</u>
AC	Audit Commission	The body charged with auditing and inspecting local government during the period 1983-2015. Its dissolution was announced by Eric Pickles in 2010, and it was finally wound up on 31 March 2015. It was the primary body for inspecting local government for the period of this thesis, i.e. 1997-2010
ADASS	Association of Directors of Adult Social Care	Networking charity that aims to support local authorities and influence national policy on social care. Membership aimed at current or former statutory <u>DASS</u> role holders, but activities are open to all staff in social care roles.
ADCS	Association of Directors of Children's Services	Membership organization that aims to support local authorities and provide a collective voice to influence national policy on children's services, including education and social care. Membership aimed at current or former statutory <u>DCS</u> role holders and their management teams.
BV	Best Value	The improvement and modernization regime implemented by New Labour in the <i>Local Government Act 1999</i> and which describes the statutory duty to improve.
BVPI	Best Value Performance Indicators	Mandatory performance indicators that all local authorities had to monitor and report <u>outturns</u> to government annually as part of the <u>Best Value</u> regime. BVPIs were replaced by the <u>National Indicator Set</u> in 2009.
BVPP	Best Value Performance Plan	Part of the <u>Best Value</u> regime, this was an annual document required to be published by local authorities giving the last three years' performance data, plus an indication of the authority's future plans, actions and targets.
	Cabinet	The senior decision-making body of the local authority's political structure. Chaired by the leader of the council, it comprises the senior <u>elected members</u> of the council with specific responsibilities for services, priorities, or departments, called <u>portfolio holders</u> or <u>cabinet members</u> . The 'leader and cabinet' model was a key part of New Labour's approach to democratic renewal.

	Cabinet members	An <u>elected member</u> with specific delegated responsibility for a portfolio of services or priority areas. Also called <u>portfolio holder</u> or senior member.
CAA	Comprehensive Area Assessment	Overall assessment regime primarily aimed at local government but extended to the relationship with partners, focusing at priorities and achievements in a local area. CAA replaced <u>Comprehensive Performance Assessment</u>
CPA	Comprehensive Performance Assessment	The overall council assessment regime aimed at local government, involving corporate and service block assessments of performance indicators and inspections.
Cllr.	Councillor	Term used to describe an <u>elected member</u> of the local authority.
CQC	Care Quality Commission	Inspection and regulation agency for hospitals, dentists, ambulances, care homes (local authority and independent) and other services that support people with social care, mental health and other independence needs.
CQSW	Certificate of Qualification in Social Work	The required professional accreditation status to work as a social worker in the UK.
DASS	Director of Adult Social Services	Statutory local authority role and the legally accountable person for adult social care. Must be a registered social worker (i.e. hold <u>CQSW</u> status).
DCLG	Department for Communities and Local Government	Department of government with responsibility for local government. Previously called Department for Environment, Transport and the Regions (DETR) 1997-2000, Department for Transport, Local Government, and Regions (DTLR), in 2000. Between 2000 and 2007 it was known as Office of the Deputy Prime Minister (ODPM), and became Department for Communities and Local Government (DCLG) in 2007.
DCS	Director of Children's Services	Statutory local authority role responsible for children's services, i.e. education and social care. Usually either a teacher or a qualified social worker.
EVR EVS	Early voluntary redundancy / severance	A voluntary agreement to take early severance or redundancy, usually with enhanced terms and as part of a cost-cutting approach to reducing staffing levels.
	Economy	One of the <u>3Es</u> , economy relates to minimising the <u>inputs</u> required to deliver a service or product
	Effectiveness	One of the <u>3Es</u> , effectiveness is more difficult to translate into quantifiable terms. It refers to achieving the best <u>outputs</u> or <u>outcomes</u> for the resources used to deliver a service or product.
	Efficiency	One of the <u>3Es</u> , efficiency is the translation of <u>inputs</u> into <u>outputs</u> with the least loss or waste in the process

	Elected member	An elected representative, also known as <u>ward member, councillor</u>
	Equity	Here, used as a fourth component of the <u>3Es</u> to suggest a refocus on fairness and social justice in service delivery.
GCSE	General Certificate of Secondary Education	The name given to the national examination given in England, Wales, and Northern Ireland at 16. Replaced by Ordinary Levels (O-Levels) in 2015.
	Government Offices for the Regions	Regional bodies representing central government and government departments in England. Disbanded in 2011, these bodies were the point of contact for negotiating <u>local public service agreements</u> , <u>local area agreements</u> and <u>local strategic partnerships</u>
I&DeA	Improvement and Development Agency	Part of the LGA, a collaborative partnership organization focused on accelerating the speed of improvement activities
	Input	Part of the <u>input, output, and outcome</u> equation related to the <u>3Es</u> . Inputs are the resources used to deliver services. This is largely used to describe the finances used to deliver services.
LAA	Local Area Agreements	Successor programme to <u>LPSA</u> , running from 2004-2010. They were also a contractual-type mechanism offering financial reward for achieving a <u>stretch</u> performance level. These agreements were negotiated by <u>Government Offices in the Regions</u> . In theory, these were much more locally determined policy goals (though still requiring central government agreement).
LGA	Local Government Association	A politically-led, representative and cross-party membership organization representing local councils and advocating for authorities with parliament
LGMA	Local Government Modernization Agenda	A name given to the overall programme of organizational and democratic reform implemented by the New Labour administrations of 1997-2010.
LPSA	Local Public Service Agreements	Successor programme to <u>PSA</u> . They were also a contractual-type mechanism offering financial reward for achieving a <u>stretch</u> performance level. These agreements were negotiated by <u>Government Offices in the Regions</u> but represented more locally determined policy goals (though still requiring central government agreement).
LSP	Local Strategic Partnerships	Sometimes called a 'partnership of partnerships', an LSP was a partnership of a local authority with the other public sector organizations and voluntary and community bodies in the local authority geographical area. They were made statutory in the Local Government and Public Involvement in Health Act

		2007, and subsequently made non-statutory in the Localism Act 2011. There was no statutory format, although they were expected to coordinate and bring together existing partnerships such as the Crime and Disorder Reduction Partnerships, and the Children and Young People Partnerships. They were also used by <u>Government Offices in the Regions</u> to negotiate <u>LAAs</u> and <u>LPSAs</u> .
MAA	Multi-Area Agreements	Similar to <u>Local Area Agreements</u> , but negotiated on a multi-authority basis, generally around core cities.
NDPB	Non-departmental public body	An agency of government that is not aligned to a specific department, such as the Audit Commission and is accountable to parliament. These are often referred (though inaccurately) as <u>QUANGOs</u> , or quasi-autonomous non-governmental organizations
NIS	National indicator set	A set of 192 statutory performance indicators that replaced the much larger <u>Best Value Performance Indicators</u> after the Local Government and Public Involvement in Health Act 2007, but were abandoned by the Coalition Government in 2010.
Ofsted	Office for Standards in Education, Children's Services and Skills	Inspection and regulatory body for education and children's services, covering local authorities, schools, colleges, nurseries, childminders, fostering and adoption agencies and teacher training.
	Outcome	A performance indicator or measure at a high level of abstraction that describes a (usually longer-term) result, e.g. all age, all-cause mortality levels, educational attainment, resident satisfaction with cleanliness of streets etc. Sometimes described as the result of <u>effective</u> performance.
	Output	A performance indicator or measure that describes the result of a process, or the 'work done', e.g. miles of street cleaned, number of people attending smoking cessation classes.
	Outturn	The performance level achieved at a specific point, usually annual but can be more or less frequent - sometimes quarterly, monthly etc.
O&SC	Overview and Scrutiny committee	A committee of non-executive (i.e. backbench) councillors with a specific remit, usually linked to council objectives. Membership is mixed between the party in control and opposition members, in set ratios related to overall control. O&SCs are expected to generate a series of reviews, and have the power to 'call in' or inspect and challenge a <u>cabinet</u> decision.
PI	Performance indicator	A single performance measure – these can be at a high level of abstraction (e.g. employment level) or a low

		level (e.g. % of minor planning applications determined within eight weeks).
PM	Performance management	Recording and reviewing performance indicators and then taking corrective action or generating improvement activity and decisions.
PMF	Performance management framework	The overarching 'system' of performance management, usually including business planning, performance reporting, generating improvement and performance measurement.
PMS	Performance management system	Sometimes used in the literature to describe a PMF, but also used to describe a computer system that houses performance data and generates performance reports.
PMeas	Performance measurement (sometimes performance monitoring)	The act of recording and reviewing performance but decoupled from either corrective action or improvement activity.
	Portfolio holder	An <u>elected member</u> with specific delegated responsibility for a portfolio of services or priority areas. Also called <u>cabinet member</u> or senior member.
PSA	Public Service Agreements	A contractual-type mechanism where a financial performance reward was made for achieving a <u>stretch</u> performance level. These agreements were negotiated by <u>Government Offices in the Regions</u> but represented national performance / policy targets.
QUANGO	Quasi-autonomous non-governmental organizations	Used as an umbrella term for organizations to which government has devolved responsibility, but which is partly controlled and / or financed by government.
	Stretch	A term used to denote an increase in performance beyond what should have been expected.
	Ward member	An <u>elected member</u> without portfolio responsibility. They are representatives of their electoral ward (each ward is represented by three <u>councillors</u> , and has an average population of 5,500)

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Chapter 1. Introduction

1.1 Introduction

The purpose of this research is to contribute to the theory and knowledge of public service reform and the management of performance and improvement by examining the residual approaches to service and performance improvement used by selected English public sector bodies, considering a post-2010, austerity environment.

The history of reform efforts across the public sector is complex, varied and full of contention, and has provided a rich seam of material for academic study, from analysing broad shifts in approach, to developing and testing normative or instructive models (e.g. Boyne, 1996; Hood, 1995; Pollitt, 2013a). The sheer volume, variety, and range of these reforms, and in particular those aimed at improving the management capacity and capabilities of public sector organizations has left a broad body of material for those organizations to draw upon. Whilst the history of public sector reform is as old as the sector itself (Wilson and Game, 2011), recently many of the reforms were informed by the principles of what is commonly known as ‘New Public Management’ (hereafter referred to as NPM); approaches to service and performance improvement are considered to be fundamental parts of the NPM paradigm (Ferlie et al., 1996; Hood, 1991; Osborne, 2010b). Debates now consider whether we are in a post-NPM environment, or whether emergent models of New Public Governance (Osborne, 2010a) are becoming dominant. Others still have considered whether the field of study contains sufficient theoretical development (Ashworth et al., 2013).

The field of public service reform is also characterised by a plethora of different interpretive lenses, often informed by the discipline of the researcher, i.e. Public Administration (e.g. Bevir and Rhodes, 2003; Dunleavy and Hood, 1994; Dunsire, 1995; Henry, 1975) or public management (e.g. Christensen and Lægreid, 2011; Ferlie et al., 1996; Osborne and McLaughlin, 2002; Verbeeten and Spekle, 2015). The primary research presented here will contribute to knowledge by synthesising a conceptual model from the broader literature and investigating how change and reform was constructed, performed, and given meaning in a group of English local authorities. The primary research question therefore concerns the legacy of New Labour’s performance management frameworks on local government.

Both pre-1997 Conservative and post-1997 Labour administrations made much use of mandatory reforms, as well as recommended or 'best practice' approaches aimed at stimulating change. Neither should we overlook the impact of self-directed change from within individual organizations. As critics have noted (e.g. Pollitt and Bouckaert, 2000; Pollitt and Dan, 2011; Rashman and Radnor, 2005), much of this was implemented without any significant attempt to systematically document, justify or demonstrate the benefits expected or demanded, or the business case for change, and presented in a way that minimised the P/political implications and consequences.

Academics have argued that this complexity, and the manner in which reforming efforts were rolled out from the centre, has left public bodies in an almost constant state of flux (Kingdom, 2000; Lowndes, 1999; Pollitt, 2013a; Pollitt and Bouckaert, 2000; Stoker, 2002). Some have identified the political drivers (Entwistle and Laffin, 2005; Lee, 2008), and others have attempted to isolate the specific practices involved, often with comparison to private sector ones such as total quality management (Boyne et al., 2002; Furterer and Elshennawy, 2005; Pollitt, 1996), customer focus (Drewry, 2005; Farrell, 2010), or performance management (de Lancer Jules, 2011; Higgins et al., 2004; Talbot, 2005). Others have examined the development of the audit and assessment culture that became prominent over the last twenty or thirty years (e.g. Downe and Martin, 2006; du Gay and Pryke, 2002; Faucher-King and Le Galès, 2010; Power, 1994, 1997; Rashman and Radnor, 2005). Many have commented on the role of markets (e.g. Boyne et al., 1999; Entwistle and Martin, 2005; Stoker, 2004a), and also the part played by communities and the government / governance interface (e.g. Bevir and Rhodes, 2003; McLaughlin et al., 2002; Osborne, 2010b; Skelcher, 2004).

Overall, there is general agreement that there has been a significant body of reform specifically aiming at performance and service improvement, despite the rationale and benefits of such reforms not always being explicit, leading to the claim that these changes have often been "change for change's sake" (Keen and Scase, 1996), and driven by 'faddish' trends in management (Hood, 1991). This research will analyse these reforms to construct a conceptual model for understanding their legacy in local authorities, part of the group of "Best Value Authorities" set out in legislation (DETR, 1999) – i.e. the primary public service delivery organizations in an area, including local councils, NHS bodies, police, and fire and rescue services. The focus of this research will be on local authorities as they represent the most significant public service bodies

at the local level, that is, with the largest direct budgets and most immediately recognisable to individuals. Local authorities have been subject to significant levels of reform over the last 30 or more years, including being the main focus of research into NPM (e.g. Bevan and Hood, 2006a; Boyne, 1996; Game, 2002; Haubrich and McLean, 2006; Hoggett, 1996; Pollitt, 1996).

It can be argued, then, that the history of public sector reform has been dominated by the twin driving discourses of markets and communities, with a perpetual undercurrent of governance, politics, and political control. There is common agreement that whilst the Conservative administrations under Thatcher and Major began the process, the Blair and Brown Labour administrations continued to put markets conspicuously at the core of their public sector reforms and indeed at the heart of the 'third way' (e.g. Entwistle and Laffin, 2005; Giddens, 1998; Pollitt and Dan, 2011; Rashman and Radnor, 2005; Stoker, 1997, 2004a). Pollitt and Bouckaert refer to this as a reform 'trajectory' (2000), a series of planned reforms with a starting point, a desired end state, and a number of stages along the way. Fairclough (2000, p.9) deconstructs the "third way" as a reconciliation of historically incompatible opposites from 'old' politics; essentially Labour attempting to redefine and take ownership of the centre ground of politics in part by adopting the doctrine of marketization initiated by the Conservatives (Beech, 2008), using a range of tools, assessment regimes and other mechanisms to deliver that agenda. Added to this, some academics argue that we are moving to a post-NPM world and one where community governance is at the fore (Dunleavy et al., 2006b; Osborne, 2010b; Wiesel and Modell, 2014), or suggest that convergence around a set of NPM principles is a myth (Goldfinch and Wallis, 2010).

Legislation brought in by the Conservative and Liberal Democrat government in the early phase of coalition (DCLG, 2011b), however, largely removed the raft of imposed corporate-level performance and service improvement capacity mechanisms such as the Comprehensive Area Assessment, Local Area Agreements, the *oneplace* website (Audit Commission, 2010), the National Indicator Set, and the inspection role of the Audit Commission. Whilst the rhetoric suggests this was to preserve the broad principles of reform intentions (Pickles, 2013), it clearly removed most of the compulsory tools and methods that the previous New Labour administrations had put in place. Walker (2011) argues that the abolition of the Audit Commission was primarily due to political motivations. It is interesting to note that whilst the abolition of

the commission was announced early in the coalition, 13 August 2010, it took four years until the approval of the Local Audit and Accountability Act 2014 to formally timetable the commission's demise.

Such types of structured reform have been linked to strengthening the improvement capacity of local authorities (Higgins et al., 2004; Rashman and Radnor, 2005), and the removal of the inspection and improvement regimes without any substantial replacement has left a significant policy vacuum, whilst the statutory Best Value duty remains in force as an expectation on service delivery (DCLG, 2015b).

As some of the political rhetoric would have us believe, local government at least has now had “pointless town hall red tape targets” stripped away (DCLG, 2010b) as well as promising that councils now have “unprecedented freedoms over how to prioritise their money” (DCLG, 2010a). They (and their statutory partners, e.g. NHS, police, fire and rescue services etc.) are in theory free to choose whatever tools they like; the reality, however, appears to have been quite different.

Given the de facto removal of most mandatory elements, we could therefore logically presume that what remains, i.e. those approaches that organizations retain should, in theory, be those that they consider useful. Yet this assumes a rational position on the part of local decision-makers that may not be found in the reality of public management. Research has demonstrated that not all tools are easy to implement effectively (Furterer and Elshennawy, 2005; Pidd, 2008; Radnor et al., 2012; Radnor and Osborne, 2013; Radnor and Walley, 2008). The legacy of stripping away these performance mechanisms therefore deserves closer analysis, which is one of the objectives of this research, articulated through the research questions in section 2.10, p.64.

This research questions Pollitt and Bouckaert's view that “politico-administrative regimes” (Pollitt and Bouckaert, 2000) are not useful units of analysis for understanding the “tides of reform” (Talbot, 2005), arguing that a more sophisticated understanding of the values, tensions, relationships and mechanisms used by each of the regimes is essential to unpacking the rationales and discourses used by existing public sector bodies in how they conceive and support specific improvement activities.

Appraisals of these reforms so far within public services leave questions unanswered. How do organizations engage with reforms at a conceptual, operational and

implementation level? How do reforms take account of differing theoretical and operational foundations of changes and integrate them into their internal narratives of performance, i.e. how do they discuss and justify particular methods, approaches, or tools? What does this tell us about the relationships within and between organizations regarding the governance and management of improvement? What is it like to operate in this environment now, given the impact of reform policy in the 1997-2010 Labour administration period, and the relative absence of it in the post-2010, austerity climate Coalition government?

This research explores some of the historical background to the major flows in reform efforts, outlines some of the key debates, and proposes a conceptual model in section 2.9.4 for how efforts could be categorised and analysed, to address the primary research question, that of what legacy we can observe of the 1997-2010 reforms at an organizational level.

1.2 Reflexivity and objectivity

NB: Owing to the reflexive nature of the discussion, and to avoid the artificiality of referring to myself as 'the researcher', I have written portions of this section in the first person.

Hoshmand (1999) argues that there are difficulties in uniting qualitative research behind homogenous or unified practices. Cassell and Symon (2004) suggest that it is desirable to inculcate a sense of reflexivity in qualitative organizational research, to encourage researchers to account for not only for their epistemological and ontological positions but also their disciplinary practice and assumptions (2004, p.6). Given the nature of this research, it is essential to consider how my disciplinary background might affect the methods used, data gathered, and analysis developed.

I was head of policy and performance in three large, unitary local authorities covering the period of 1998-2010. Thus, I have a level of personal experience and engagement with the processes of the 1997-2010 performance and improvement regime that is the subject of this research. Whilst this gives me first-hand knowledge of the policies, and provides a degree of credibility with participants, it should also be recognised that my experience is in three out of 152 unitary authorities, and thus is specific and limited. Whilst accepting the role of researcher as "key instrument" (Cresswell, 2013), I have attempted to take account of the different experiences of other participants during the

same period of time in terms of the local context of their organizations, their background and roles, and their own worldviews, and how these may differ from mine, as well as how my actions and values inform interactions with participants. This is particularly important in research where the researcher is closely involved with the organization, as with case studies (Stake, 1995).

This research explored the perceptions of 35 staff at a senior level within the six case study organizations. These participants represented different areas of responsibility with the local authority, and included politicians, staff in corporate roles, and departmental service staff. Differences of view emerged between cases and within cases; this was to be expected. The experiences of staff in corporate roles regarding the operation of the assessment regimes is bound to be different to those of departmental staff, who had responsibilities to different central government departments and 'front line' service responsibilities. As interpretive research, the inductive analysis was receptive to differences, tensions and contradictions in how different participants viewed the same phenomena. The credibility brought by my professional background therefore aided the elicitation of these different responses through sharing of common experiences (Radnor, 2001; Robson, 2011).

However, for clarity, this research was not normative, in that it did not seek to make judgements on the appropriateness of a case study organization's approach or their performance in delivering services but rather explored the internal logic or legitimacy presented, and how this may have been affected by national policy and local circumstances.

This does not mean that theorisation could not take place; that was certainly a goal of this research and is supported as a credible process (Eisenhardt, 1989; Eisenhardt and Graebner, 2007). Chapter 7 outlines the theoretical development of three main areas arising from the research findings: new performance management models, multiple forms of accountability, and value for money.

Chapter 2. Literature review and conceptual background

2.1 Introduction and structure of the chapter

This chapter adopts a narrative review approach to considering the context in which the research operates (section 2.2). The purpose of this section is to locate the research: from Public Administration to (New) Public Management and beyond, and to articulate the overarching context in which the research has developed (section 2.3), and how this context has influenced the current position of the organizations that participated in the primary data gathering. It also explores the main dimensions of reform that have affected local government in section 2.4, as well as examining the language used to discuss reforms (section 2.5), and questions the intentionality of some of the major changes in section 2.6.

The research considers the foundation of the assessment and improvement regimes, and addresses the central research question: How has the legacy of the 1997-2010 UK administrations' approaches to performance and service improvement affected post-2010 English public services? Therefore, another key element of the literature review is the exploration of the multiple uses of performance management in section 2.7.

To bring coherence to the divergent perspectives, this chapter will attempt to synthesise three main analytical and conceptual stages. These are presented in three forms:

- The first, section 2.9, presents *Table 3: Summary analysis of major reform phases* on page 52 draws together a summary of the historical apparatuses – that is, it articulates the key relationships, discourses, events, tools, and other concerns, drawing upon the chronological analysis presented in section 2.8.
- The second, on page 62, *Figure 2: Conceptual model of dimensions of reform* synthesises the different views presented of conceptions of reform efforts into a conceptual model for understanding the nature and impact of efforts at the organizational unit of analysis level in section 2.9.3.
- The third, *Figure 1: Timeline analysis of reforms* on page 56, recounts and integrates the key chronological events such as elections and pieces of legislation, along with an overlay of the analytical terms emerging from the previous two components.

2.2 Recent background of reform scholarship

The history of public sector (reform) scholarship has been dominated by the importing of private sector concepts, practices and thinking into the public sector (Keenan, 2000; Pollitt, 1990; Pollitt, 2013a), and in particular economic theories and concepts such as rational choice theory (Faucher-King and Le Galès, 2010; Stoker and Marsh, 2002), which by definition brings into question the role of the market and private sector in service delivery. Overall, these practices are commonly referred to with the label ‘New Public Management’ (NPM), conceived as an alternative to the previously dominant understanding of how public services have been governed and managed, usually referred to as Public Administration (Dunleavy and Hood, 1994). After a brief discussion of the context of Public Administration and (New) Public Management, the focus here will be on the reforms generated by successive governments, how these are conceived, and locating them within the overall context of public management, rather than a more general discussion of the differences between Public Administration and New Public Management, and whether reforms fit into either paradigm.

In the early 1990s, Hood located New Public Management as one of five ‘megatrends’ that together could loosely be described as reforms (Hood, 1991), the effects of which would go beyond public management, i.e. the development of automation as a feature of service delivery. Much has been written about some of these broad shifts in reform approaches (e.g. Boyne et al., 1999; Dunleavy et al., 2006b; Ferlie et al., 1996; Kingdom, 2000; Osborne, 2010b; Stoker, 2004a; Stoker and Wilson, 2004), and these discussions generally consider the transition from Public Administration to (New) Public Management. Osborne and Gaebler’s book *Reinventing Government* (1992) is also credited with energising the debate around the nature of public service management (Dunleavy and Hood, 1994; Kingdom, 2000) by focusing on the private sector, entrepreneurial aspects of management. Kingdom goes on to argue that this is a symptom of an economic and political shift: after the 1980s, “the post-war Keynesian orthodoxies were challenged in the rise of neo-liberalism under the government of Margaret Thatcher.” (Kingdom, 2000). It can be argued, though, that the extent to which Osborne and Gaebler (and those they influence) were seen as either political or simply practical, can also serve as a proxy for critical perspective.

2.3 Administration, management, and governance

Niskanen (1971) was among the earliest academics to formally (i.e. econometrically) advance an economic theory of bureaucratic behaviour. He is commonly held to be one of the main instigators of the shift away from established notions of Public Administration and public service and towards the marketized, consumerist and individualistic view that is firmly embedded in British policy today, and is considered a basic component of New Public Management (Frederickson and Smith, 2003; Hood, 1991). Although sometimes overlooked now, Tiebout also plays a role in informing thinking around the relationship between citizens and the state, and the impact of choice and customer / citizen mobility on public service delivery (Frederickson and Smith, 2003; John, 1997; Tiebout, 1956). Even if some of Tiebout's assertions and assumptions have been challenged (Howell-Moroney, 2008), interestingly he concludes that voters should be forced to reveal (their) public preferences, and that local government is a sector where resource allocation based on those public preferences "need not take a back seat to the private sector" (Tiebout, 1956); the debate about private versus public is far from being a recent one.

Prior to the influence of this American philosophy of public services, 'Public Administration' was considered hegemonic in academic circles, being viewed as a bureaucratic and political model (Meier and Hill, 2005). Rhodes (1997) argues that the organising perspective of the "Westminster model" was a fundamental part of mainstream political science in understanding how public services were governed. It focused on electoral and democratic sovereignty, and political control of the neutral executive (civil service), rather than the physical delivery of services.

This view of public services as bureaucratic and monolithic organizations is common in political discourse, enhancing the attractiveness of the importation of private sector practices, particularly given the strength of the rhetoric around the perceived weaknesses of public servants, characterised by politicians' distrust (Aucoin, 2010).

In the middle of the 1990s, Frederickson (1996) uses Osborne and Gaebler's (1992) concept of "reinventing government" as his label for NPM, and declares the problem of the "bureaucratic paradigm" to be at the heart of both reinventing government and the emergence of *New Public Administration*. This term originates as far back as the 1920s (Lynn, 2010) and is not much in vogue at present, at least within UK, US, and

European contexts. Frederickson observes that much of the debate is reduced to binary dichotomies such as “steering rather than rowing, empowering rather than serving” (Frederickson, 1996), although Frederickson himself is perhaps guilty of the same tendency.

Many academics (e.g. Dunleavy and Hood, 1994; Ferlie et al., 2005; Frederickson, 1996; Hood, 1991; Pollitt, 2013a) agree that the 1980s saw the start of this shift away from the dominance of Public Administration, which gathered pace in the 1990s, and is generally held to include: (Hood, 1991)

- The reliance on the ‘rule of law’
- Administration that focuses on set rules
- A key role for bureaucracy in making policy and a split between the political and administrative functions within organizations
- Incremental budgeting
- The dominance of professions

This is Hood’s (1991) summation of the main facets of PA; there are others, but Hood’s is often cited as a useful starting point. There is also fairly clear agreement that the shift was towards what was being called New Public Management (NPM). Again, whilst there are multiple (sometimes competing) definitions of NPM, Hood’s definition is commonly accepted as the best starting point for NPM. It states that NPM’s main *doctrinal* components are:

- Professional management (for which we can read the culture of managerialism, an attack on professions, and the move to externally made policy decisions)
- Performance management as an explicit approach
- More focus on the control of outputs
- The breaking up of ‘monolithic’ units in the public sector
- An increase in the role of competition (e.g. opening public services up to competition from other sectors)
- An increasing privileging of private sector management practices
- Tighter resource controls and budgetary management, with a view to an overall smaller state
- The rise to prominence of the 3Es (economy, efficiency, and effectiveness)

There is a certain symmetry in using Hood’s definitions of both sides of the terrain, given his coining of the NPM label. This research does not aim to challenge those classifications as some have, but rather includes them as part of the broader context.

As earlier, despite numerous attempts at a comprehensive definition of NPM (Dunleavy and Hood, 1994; Ferlie et al., 1996; Hood, 1991; McLaughlin et al., 2002; Rashman and Radnor, 2005; Rhodes, 1997), the nature of NPM makes this challenging, as does the fact that the public sector is not an homogeneous block. However, a synthesis of Hood's starting point and various other efforts can highlight a continuity of reforms behind much of both Conservative and Labour thinking around public services over the last 30 years: competition and choice (Boyne, 1996; Rhodes, 1997), the importance of private sector behaviours and tools (Dunleavy and Hood, 1994; Ferlie et al., 1996), individualist consumerism (Stoker, 2004a), and the need to 'do more with less' (Chandler, 2000; Talbot, 2005), or the efficiency argument (Boyne, 1996; Stoker, 1997; Wilson and Game, 2011).

Public Administration and bureaucracy – in the academic sense – are perhaps better codified (e.g. Aucoin, 2010; Frederickson, 1996; Hood, 1991), but remain fuzzy concepts, whose demise has been predicted several times (Meier and Hill, 2005). Politics, administration, governance, and management are thus broadly distinguishable from one another – albeit sometimes by defining themselves via their oppositional position to one another – but are difficult to separate when it comes to understanding the reality of reforms' impacts on public services. This poses the question: how can we synthesise a way of examining these reforms that allow these multiple rationalities to be explored?

2.4 Structuring an understanding of the reforms

There are numerous and varied ways of characterising, understanding and evaluating public service / management reforms, and in part these are guided by the overall disciplines within public service scholarship, as outlined in section 2.3: Public Administration, New Public Management, and New Public Governance. Whilst these schools of thought provide useful structure and allow alignment of key concepts, in doing so they also risk bounding the scope of inquiry into reforms. Section 2.8 develops a chronological understanding of the reforms, and the concluding sections, 2.9, 2.9.3, and 2.10 draws together the different perspectives and develops the conceptual model, summary analysis and key research questions.

This section, therefore, contributes to that overall picture through a narrative review of some of the literature and discusses some of the most common connections between

reforms. To do so, it identifies commonalities within some of the literature and then synthesises a conceptual model for better understanding the nature and effect of reforms at the organizational level. This conceptual model is presented in Figure 2: Conceptual model of dimensions of reform, on page 62, section 2.9.4. This model contains seven identified dimensions of reforms, i.e. thematic continuities or lever points that attempts to unite views from the differing scholarly perspectives, i.e. PA, NPM, and NPG. These dimensions emerged from the literature, and are presented in more detail in the following parts of this section, but are summarised here: Instrumental, Structural, Market / role, People- or staff-centred, Democratic / decisional / community, Institutional, and Financial.

Pollitt and Bouckaert (2000) define public management reforms as “deliberate changes to the structures and processes of public sector organizations with the objective of getting them (in some sense) to run better”, whilst accepting that even this is still an inadequate definition. This sees an instrumental and structural approach to service delivery, with a focus on efficiency, driving primarily towards the instrumental and structural dimensions. That is, changes that are focused on the use of a tool or a structural change to an organization such as a restructure, as the primary mechanisms for effecting change (Andrews and Boyne, 2012).

Christensen and Laegreid (2002) discuss three differing ways of conceiving reforms: the first, at the meso level, as response to external pressures; the second and third, at the macro level, being a consequence of different “historical-institutional” contexts, and as a consequence of differing national constitutions and “politico-administrative structures” (2002, pp.2-3). In the model this research proposes in Figure 2: Conceptual model of dimensions of reform, these levels relate primarily to the institutional and democratic dimensions of change. Stewart starts from a position of privileging historical influences on the current state of public services and articulates four “carriers of history” for local government: buildings; ways of working; culture and beliefs, and legislation (Stewart, 2000), which correspond to a combination of structural, instrumental, and people-centred dimensions. Chandler (2000, 2009) takes a more traditionally bureaucratic and structural view as his starting point for understanding the ebbs and flows of changes within the public sector (we can use local government as a proxy here for the sector, as it is has the longest history and is the most democratic in terms of governance). Chandler’s focus arises from a

consideration of the legal roles, finance and organizational structure, and sees “stewardship” as the defining characteristic of the relationship between central government and local government (Chandler, 2009), whilst also emphasising the significance of the democratic mechanisms. Chandler’s view is largely asset or resource based, and sees the management of financial and building assets as the lever for delivering improved services, from the perspective of the ultimate ownership of these resources being with the people. Instrumental approaches can often lend themselves to a compliance-driven audit approach to the use of assets and resources. This is observable through the use of organizational assessments such as Best Value reviews, and the Comprehensive Performance Assessment, which contained a series of sub-elements, including the use of resources assessment.

Aligning primarily with the democratic dimension, Driver (2006) argues for the primacy of the political dimensions to understanding reform, pinning much of the New Labour reforms to attempts to deal with the Conservative legacy, and referencing the power of the market, nested within the key discourse of ‘modernization’; a term also much used by Fairclough (2000) and Newman, who argues its main function is to legitimise change (Newman, 2001). One of the proponents of a focus on the institutional dimension, Newman also identifies several tensions within the New Labour approach: the conflict between partnership and principal / agent discourses (Newman, 2001, pp.84-5), and draws together views of the participation agenda for public services, linking these to an institutional view of networks within a pluralist policy-making model (Newman, 2001, 2002) that argues for the importance of understanding citizen engagement as a driver for democratic and participatory governance reforms.

A number of academics (e.g. Aucoin, 2010; Bevir and Rhodes, 2003; Lowndes, 1999; Lynn, 2010; Rhodes, 1996; Skelcher, 2004) develop the political debate into one of governance and governance structures, thus often linking democracy, engagement, and citizens / consumers / clients / service users, as they are variously described in the literature. Some argue, however, that governance should no longer be seen as synonymous with government (Hughes, 2010; Rhodes, 1997). Peters (2010) sees “meta-governance” or “the governance of governance” as an alternative model for NPM, and sees performance management as one of the instruments for meta-governance. Although Peters makes this argument in Osborne’s *New Public Governance*, the argument for the importance of meta-governance may be challenged

when examining the policy for public services from 2010 onwards, as several of the instruments Peters discusses have been removed, e.g. performance and partnership requirements, by legislation in the early period of Coalition government (DCLG, 2011b; Parker, 2011).

Taking a broadly systems theoretical approach, Kooiman (2010) sees the whole discussion of governance as one that reflects the inherent acceptance of the pluralist nature of policy-making, and that governance needs to be effective, efficient, legitimate and interactive (Kooiman, 2010), whether it controls decisions, resources, operations or even improvement itself.

Osborne (2010b) has also been influential in outlining a growing move towards what he terms 'New Public Governance', although he notes that this is not being proposed as a new normative model that replaces New Public Management or Public Administration. Rather, it could be considered a way of analysing and developing the processes of public service strategy and delivery. NPG is more open to a plural and pluralist approach that might address some of the key weaknesses of both Public Administration and New Public Management outlined above. This corresponds primarily to the democratic dimension within this thesis's conceptual model, and raises the question of whether these new governance methods have played a role in influencing the governance of improvement. Later discussions in section 6.3.4, page 188, extend this question to one of 'governing austerity'. Governance as a principle also rests of those for whom governance is operated, i.e. the community or individuals who use or receive public services; this relates to the community dimension.

The market dimension is less noticeable in the debate about contextualising and understanding reforming practices. Whilst highly visible in the policy arena, it does not play as significant a role within the academic sphere, and the focus is more often on empirical analysis of comparative costs or quality (Stolt et al., 2011), market characteristics (Hefetz and Warner, 2011), competitive tendering (Andrews et al., 2011; Boyne et al., 1999) or comparative performance (Walker et al., 2011; Walker et al., 2010) as well as exploring collaboration (Entwistle and Martin, 2005) and practical guidance.

This section has articulated the background literature used to establish dimensions of reform upon which the conceptual model has been developed. These are:

- Instrumental
- Structural
- Market / role
- People- or staff-centred
- Democratic / decisional / community
- Institutional
- Financial

The complex nature of public service scholarship means that it is not a simple task to isolate individual scholars within single dimensions, and thus these seven have emerged from a reading across multi-perspective accounts of public sector reform.

2.5 The power of words: the language of change and reform

The ideological struggle represented by the administration versus management debate also continued on a linguistic front. Chandler perceives a form of nominative determinism at play, and suggests that the coining of the phrase ‘public management’ brought about (or perhaps if we adopt a more cautious analysis, accelerated) the adoption of ‘management’, i.e. private sector processes and tools (Chandler, 2000). Whilst it might seem easy to dismiss the notion of labels having a causal effect on actions, we can observe the same principle at play when Michael Gove renamed the “Department for Children, Schools and Families” (DCSF) to the more conservative and traditional “Department for Education” (DfE) in 2010, a few days into the new administration (Shepherd, 2010). Fairclough (2001) suggests that discourse defines an object as it describes it.

This positive labelling of efforts (such as improvement, not change, modernization, not reform, etc.) endured, however, and Entwistle and Laffin (2005, p.215) show how this ‘motherhood and apple pie’ explanation of reforms was used to effectively neuter union opposition to changes through creating an unsupportable dichotomy of ‘in favour of improving services’ against ‘not in favour of improving services’.

As will be argued later in more detail, once we move beyond discussion of the overarching reform shifts, the discourse around performance reforms risks being one of simplistic, anecdotal views that tools used in the private sector must be both inherently worthwhile and of practical use in the public sector (Boyne, 2002; Osborne and Gaebler, 1992; Osborne and Plastrik, 1997). This ignores the very different

natures found of the two sectors (Allison, 1986; Andrews et al., 2011). Whilst the discourse remains stubbornly scientifically and economically rational, we should recognise that is not the case in reality, as experienced by public sector organizations (or perhaps any sector, for that matter).

As Pollitt and Bouckaert put it: “[...] management is not some neutral, technical process, but [...] suffused with value laden choices and influenced by broader ideologies (Pollitt and Bouckaert, 2004, p.14). On reflection, then, reforms are open to interpretation and this raises the question: How have public sector organizations discussed and created meaning and legitimacy for themselves in their selection and use of improvement tools?

This tension between the common acceptance of management as a neutral or positive process, and the inevitably political nature of public sector reform provides a backdrop to the questions arising from this research and suggests the need to consider how public bodies navigate this tension, and whether there are observable mechanisms they use to support their selection of improvement philosophies and tools.

2.6 Chaos and co-ordination

A common theme in the academic literature on the public sector is that of diverse reforms (Martin et al., 2013; Pollitt, 2013a), or even incoherent reforms, such as Stoker’s (2002) ‘reform by lottery claim’, Hood’s (1998) ‘contrived randomness’, or Parker’s (2011) invocation of Schumpeter’s (1947) ‘creative destruction’; all of which suggest a lack of a robust theoretical framework to reform efforts. Pollitt and Bouckaert (2000) also suggest that the degree of ‘intentionality’ of many reforms should be sceptically viewed, or at least the extent to which some of the effects were unintended should be considered. In addition, public services have been subject to the same emergence of ‘disruptive’ or revolutionary technologies like the internet or mobile devices as other sectors (Christensen et al., 2000).

Control of public resources and how they are allocated is perhaps the key mechanism for exercising political control and distinctiveness. It may therefore be pertinent to ask: how much of the reform imposed on the sector has been subject to ideological intentions from political parties, whether in power or opposition? Whilst this ideological may be an inevitable, and perhaps legitimate, product of an adversarial political system, we could also pose the question of whether public services could realistically

achieve what the rhetoric around ‘transformation’ promises; this may form part of future research.

What emerges from the literature is that reform approaches vary from the ethereal to the long-lasting, but the temptation to tweak, improve or ‘radically transform’ public services is a constant. Therefore, despite this apparent chaos and lack of consistency or even, as Pollitt and Dan (2013) argue, quantifiable impact, reform efforts continue to play an important part in the lives of public sector policy-makers, practitioners, and academics alike.

Clarke and Newman (1997) explicitly identify managerialism as an ideology, and Osborne and Gaebler’s *Reinventing Government* (1992) is often viewed as a key milestone in the transmission of the private sector, entrepreneurial capitalist ideology. The philosophical and theoretical components of reform are important in understanding why and how organizations adapt and respond to reforms.

2.7 Performance management

The primary research question addresses the legacy of the New Labour performance management frameworks. For clarity, performance management is being used in the broadest sense here of measuring and acting on data gathered from services and service users, rather than the human resource management interpretation of performance management, i.e. managing individual staff performance (Gould-Williams, 2011)

Performance management has been a fixture in public sector reform for many years (Johnsen, 2005; Neely, 1999; OECD, 2004), and has been considered a key part of managerialist, New Public Management (NPM) reforms (Ferlie et al., 1996). In fact performance management is sometimes treated as being as metonymical for NPM – the part standing in for the whole (Bouckaert and Halligan, 2007).

Neely (1999) discusses this in terms of a “performance revolution”. Whilst NPM reforms have undoubtedly made public services more efficient and more aware of their relationship with the users of their services, market forces alone have not delivered on their promises of a customer revolution, due to a narrow focus on inputs and outputs (Andrews and Entwistle, 2013) and a reliance on efficiency above and beyond other

concerns, such as wider notions of public value (Moore, 1994; Moore, 1995; Radnor et al., 2016). The debate around the utility and relevance of performance management also continues with a focus on the impact of performance management on strategy (Melnik, Bititci et al. 2014, Franco-Santos, Lucianetti et al. 2012).

Initially, much performance management research was (and still is) driven by rational instrumentalism, and thus tended to overlook questions of power and negotiation (Brignall and Modell, 2000). Institutional theory (Ashworth et al., 2007; DiMaggio and Powell, 1983, 1991) has recently been more commonly used to explore notions of stakeholder influence and intra-organizational politics (Brignall and Modell, 2000; Lawton et al., 2000; McKevitt and Lawton, 1996; Oliver, 1991), and there is a more general acceptance of the formal and informal political nature of performance management, and how it influences shape and function in public service management (Moynihan, 2008).

In essence, this creates a series of dividing lines between much of the scholarship – where explanatory, socialised interpretations of responses to performance management (e.g. Hood, 2007b; Pollitt, 2013c; Radnor, 2011) jostle for space with technical, normative definitions (Bourne et al., 2000; Bourne et al., 2003; Kaplan and Norton, 1992), and evaluations of the success or failure of performance management systems (Andrews, 2004; McLean et al., 2007; Verbeeten and Spekle, 2015; Walker and Andrews, 2013).

Behn (2003) developed a framework of eight purposes of measuring performance for public managers, based around classical notions of management (evaluate, budget, promote, learn, control, motive, celebrate, and improve). He goes on to argue that the only purpose for performance measurement is improvement, and that the remaining seven purposes are conceived only as mechanisms for delivering improvement. The view of performance management as rational mechanism for focussing organizational or managerial attention and resources is prevalent amongst much of the literature, particularly that which evaluates the success of performance management systems, and would appear to cast a long shadow over perceptions of performance management in local government.

However, an examination of wider, Public Administration-focused literature suggests that this overlooks the institutional, political, and ritualistic components of performance

management. From an NPM perspective, performance management is a key tool in controlling the expenditure of an organization and in disseminating the strategy. However, literature considering the politics / administration dichotomy common in Public Administration perspectives, suggests that performance management can also be a tool to control the administration, generate democratic accountability or bestow prestige on services or individuals. Performance management may be used for a wide variety of purposes, some of which have been summarised here. This is not an exhaustive list, but presents some of the competing logics and modalities of performance, particularly with reference to public services (See also: Johnsen (2005) for a good discussion of some of these issues).

Table 2: Uses of performance management: perspectives from literature

performance management used for	Description and support from within the literature
Policy deployment	Promoting or provoking the delivery of policy goals / objectives, i.e. from national perspectives (Andrews, 2004; Hood, 2007a)
Evaluation	Programmes or policy objectives – (Heinrich, 2002)
Control of:	<i>Resources</i> (Hoggett, 1996; Sanderson, 2001) <i>Processes</i> (Fisher, 1995) performance management systems as cybernetic system idea <i>People or perhaps managerial effort?</i> (Hood, 2007a) There is an extensive literature around human resources management and performance of individuals (For example, see Gould-Williams (2011) for a review of this literature with regard to public service improvement)
Legitimacy	Demonstrating political or managerial importance or worth (Power, 1997; Sanderson, 2001)
Credibility / prestige	Demonstrating historical performance or external perceptions as indicating current or future value (Behn, 2003; Boyne, 1996; Hartley and Downe, 2007)
Improvement	Instrumentally rationalist mechanisms for improving levels of outputs, efficiency, or economy (Andrews et al., 2006; Bourne et al., 2007; Bourne et al., 2000)
Learning	Mechanisms for drawing knowledge about 'best practice' and other notions of transferability of learning from either outside the organization, or internally (de Lancer Jules, 2011; Hood, 2007a)
Accountability or transparency	Being held to account democratically or managerially for levels of performance achieved, often with regard to expenditure (Behn, 2001; Denhardt and Aristigueta, 2011; Hood, 2007b) What happens when transparency meets blame-avoidance?
Justifying change	In processes, cultures, behaviours, or outcomes – or granting approval (Bouckaert and Peters, 2002; Radnor, 2011)

performance management used for	Description and support from within the literature
Defensively	To protect stakeholder resources or prestige, or to negotiate stakeholder differences (Bevan and Hood, 2006b; Boyne, 2003; Hood, 2007a; Oliver, 1991), as well as for 'gaming' purposes (Hood, 2006; Pollitt, 2013c)
Coercion	Coercively imposed and thus a demanded response (Pollitt and Bouckaert, 2004)
Normative, mimetic force	What is expected of 'good' organisations and copying those (Rashman and Radnor, 2005)
Habit	Carrying on what has been done before (Oliver, 1991)
Ritual	Ritualised practice driven by belief systems (Radnor, 2011; Simons, 1995) or symbolic performance (Pollitt, 2013c) (this is also referred to in this research's findings as "the performance of performance")
Strategy deployment / strategic planning	(Boyne, 2010; Heinrich, 2002; Melnyk et al., 2014; Neely and Bourne, 2000; Simons, 1995) – deciding the measures helps organizations clarify their strategy and measures should be derived from strategy (Bourne et al., 2000) – a somewhat self-fulfilling cycle, perhaps.
Narrative	Telling a story of achievement, failure etc. Newman (2001) cites Corvellec's (1996) term of 'narratives of achievement' as ways in which organisations defend their position to external scrutiny bodies (e.g. the Audit Commission) through what are essentially performative statements of their achievements, rather than robust assessments of their strengths and weaknesses
Ideology	This suggests that, like managerialism, performance management is not neutral, but instead a value-laden term (Clarke and Newman, 1997). Pollitt (2013b) discusses the phenomenon of synecdoche (the part standing in for the whole) whereby performance measures 'stand in' for an understanding of the service as a whole, or indeed the perceptions of customers / clients / citizens etc. What is measured is thus an expression of the organization's values; it could be used to deliver social justice through measuring equity (Moore, 1995; Stoker, 2006), or a marketized ideology through enforced competition (Hefetz and Warner, 2011)
Innovation	Generating 'innovative ideas' in terms of changing delivery, approach or methods (Hartley, 2005; Osborne and Brown, 2011)

Source: Author and works listed.

Some of these aspects of performance management reinterpreted in section 7.1 *Performance management frameworks: models, theories, and practices*, which develops a new, proposed performance management model driven by the empirical findings in section 7.1.3, page 216.

2.8 Historical phases of reforms

Just as the differing viewpoints outlined above give a valuable set of perspectives, so too does a longitudinal view of the major UK public sector reform efforts and the literature surrounding them. Categorising the reforms by political administrations, seems logical given that for decades, each new administration has seemed keen to make a definitive mark on public services; this allows us to observe the significant discursive steps in the history of public sector reform.

We can break these larger steps down and examine the key relationships that typified them, along with the key discourses of the day, and other relevant concerns. This analysis uses the regime (i.e. the duration of a specific political administration marked by the general election, or by change in prime minister such as the 1979-1991 period of Margaret Thatcher) as the unit of analysis. The reason for this is the significance of the prime ministerial role in selecting and controlling the executive in the Westminster model (Rhodes, 1997).

Pollitt and Bouckaert argue for a shift from analysing regimes to looking at trajectories, which they define as being the mechanism for implementing an overall scenario, i.e. a set of reforms with a planned starting point, a desired end state and stops along the way (the trajectory) (Pollitt and Bouckaert, 2000). This research synthesises a view of the overall terrain that blends the interpretive lenses, historical analyses and a sense of Talbot's "tides of reform" (Talbot, 2010).

Whilst inspiration for public sector reforms can be traced back to the 19th century and the concept of the 'minimal state' (Osborne and McLaughlin, 2002), those initiated by Margaret Thatcher are often held to be a watershed in the history of such reforms for English local government (Gamble, 2006). Much has been written about the Thatcher years (e.g. Heffernan, 2001; McLaughlin et al., 2002; Stoker, 1997; Wilson and Game, 2011), so here the focus will sharpen to cover primarily the New Labour administrations and the current coalition government, whilst using post-1979 historical issues as context. This section also identifies the guiding orientation and highlights some of the key debates, discourses, and influences; these are then aggregated into a summary analysis in table 1.

2.8.1 1979-1990 Conservative: Margaret Thatcher

If we could classify one single relationship as being the primary one for each epoch, then for the 1979-1990 phase arguably it is the relationship between the public sector and the market (Stoker, 2004a; Wilson and Game, 2011). Conservative policy, driven enthusiastically by Thatcher, focused on imposing commercial competencies to the delivery of public services (Boyne, 1996), thus diminishing the scope (as rational choice theory would have it) for inefficient public servants to feather their own nests at the expense of the public, and moving away from the influence of hierarchical public services (Painter, 2011). The market would therefore be the saviour of clumsy and overbearing services, eventually through mechanisms like compulsory competitive tendering (CCT) (Boyne et al., 1999), as well as financial controls like grant settlements. Debates exist as to whether the primary aim of this was reducing the amount of public expenditure, improving the quality of service provision, or dismantling the state's bureaucratic apparatus (e.g. Boyne, 1998; Dunleavy et al., 2006b; Grimshaw et al., 2002; Wilson et al., 2011); a mixture of these three is likely, and the exact ratio is probably guided by political persuasion. Whether ideologically motivated or not, the rhetoric behind the marketization and privatization of the public sector was ostensibly about how the (financial) efficiency drive of market forces could generate services more clearly targeted on individual needs (as opposed to needs designated by public servants), and thus increase the significance of choice. Despite this, for many services, it remained a fairly illusory state of affairs, and consumer choice was pragmatically speaking, limited (Farrell, 2010; Grimshaw et al., 2002). The rhetoric gives rise to the notion of the 'self-interested public servant', and reforms attempted to address the power of this group, and in particular unions, supported by a focus on private sector practices like the 'flexible work-force', as well as in changes to employment law (Towers, 1989).

This period witnessed fragmentation within the previously monolithic state apparatus, and increasingly saw policy creation, service delivery and funding as separate issues (Cole, 2000; Wilson and Game, 2011) with rate-capping and grant settlements used as tools to control local authority spending (Wilson and Game, 2011). The government created a huge number of quasi non-governmental organizations (QUANGOs), which not only fragmented the decision-making, accountability and delivery aspects of many public services, but also packaged them into more discrete units for potential

outsourcing, as well as providing a layer of insulation between Whitehall and residents / citizens / consumers (Kingdom, 2000).

2.8.2 1990-1997 Conservative: John Major

This period saw Margaret Thatcher ousted and John Major became prime minister. Constrained by a small and diminishing majority, and still dealing with the backlash of the leadership change, Major's reforms were more modest in nature and a subtler consolidation of Thatcher's ideas and ideologies using Whitehall mechanisms. Whilst they provided a broad continuity of thinking, there were some distinctive developments. The primary relationship became that of the state and citizens, sometimes referred to as the *public service orientation* (Wilson and Game, 2011). This began to strengthen notions of individualization, minimum standards, and a focus on listening to consumers (still using the language of the market and the private sector), typified by Major's White Paper: *The Citizen's Charter* (1991), recognised as the earliest UK legislative example of charters. This changed the dynamic of the relationship between service and 'customer' by introducing the expectation of delivery, and of redress if that delivery failed to meet specified standards. Whilst the word 'customer' is noticeable, this actually frames public servants as being there to meet the needs of citizens, and this has been characterised as 'citizen-servant' in the analysis. Whilst subject to some mockery for 'faux-populist' initiatives such as the 'Cones Hotline' (Moran, 2005), *The Citizens Charter* also introduced more serious initiatives such as a range of performance indicators (Boyne, 1997; Drewry, 2005), sparking a focus on outcome measures specifically (Smith, 1993).

Whilst the ambition to bring citizens and services closer together was broadly admirable, the mechanisms around the charters themselves proved to be largely unsuccessful (Drewry, 2005). The 1990s also saw significant and contentious changes in the National Health Service driven by the 1989 white paper: *Working for Patients* and the 1990 *NHS and Community Care Act*. This created a split between purchaser and provider (Ahmed and Cadenhead, 1998; Cribb, 2008) and established of GPs as potential fund holders (Klein, 2010), which, when combined, led to the creation of the internal or quasi-market for health.

A citizen or customer focus was not the only tool being promoted, and private sector total quality management approaches (TQM), including business planning and

benchmarking (Magd and Curry, 2003) and process improvement / redesign (MacIntosh, 2003; Pollitt, 1996), and strategy & measurement systems like the balanced scorecard (Kaplan and Norton, 1992) appeared within the sector (Reeves and Bednar, 1994).

2.8.3 1997-2007 – New Labour: Tony Blair

This era has been called ‘a decade of unprecedented change’ (Downe and Martin, 2006), which, from the perspective of the public sector, appears a reasonable statement. The defining relationship during this period for reform was between policy networks and policy implementers, where a buoyant incoming Labour administration had a significant political mandate to enact widespread change, badged as ‘modernization’ (DETR, 1999); Newman (2001) considers this a loaded term used to legitimize change, a view supported by Fairclough (2000), and discussed in forthcoming research (Glennon et al., Forthcoming).

A clear focus emerged on tackling deprivation and ‘wicked’¹ social issues (Rittel and Webber, 1973), and ‘creating levers’ to do so – another popular phrase that emphasises the role of policy-makers and implementers, rather than the market-driven forces preferred by Major and Thatcher. Compulsory Competitive Tendering, highly unpopular with most Labour councils, was in name abolished, and the presumption that the state should withdraw from services dissipated (Entwistle and Laffin, 2005). Nevertheless, the broad market-efficiency and consumerist approaches to ‘business-like’ public services continued unabated (Boyne et al., 1999; Entwistle and Martin, 2005), albeit repackaged as Best Value (hereafter referred to as BV) (DETR, 1999). Later replaced by a raft of organizational assessments, Best Value continued the push for efficiency via the mechanism of market-testing, a continuing trend also observable in other countries (Bovaird and Halachmi, 2001). Best Value required authorities covered by the legislation (mainly local authorities, parks, transport, waste and policy authorities, and fire and rescue services) to secure ‘continuous improvement’ by carrying out a rolling series of service reviews and by benchmarking their performance (DETR, 1999). The programme was self-generated and self-managed, although it expanded the scope of reviews to all services, rather than CCT’s ‘defined activities’,

¹ Whilst this seems a very value-laden term, this was a popular phrase within the policy guidance and legislation of the time, referring to the multi-causal deprivation issues affecting communities and areas.

and a regime of inspection and intervention (Martin, 2000). In addition, local authorities had to produce a series of statutory products – including Best Value Performance Plans (BVPP) and a range of Best Value performance indicators, called BVPIs. Academics have argued that the instruments and requirements contained within Best Value thus make it a total quality management approach (e.g. Boyne et al., 2002; Higgins et al., 2004).

A review of Best Value (Centre for Local & Regional Government Research, 2006) suggested that the programme had not been fully effective in driving continuous improvement, in part due to a lack of managerial and political commitment, and perhaps also due to the potential for ‘gaming’ performance (Bevan and Hood, 2006b; Hood, 2006; Radnor, 2011). Earlier phases of the review had been fairly critical, although the final review in 2006 was a largely more positive affair, perhaps influenced by having already won the battle around Best Value’s faults. Best Value reviews were replaced in 2007 by Comprehensive Performance Assessment (CPA) (DCLG, 2007) – a more rigidly structured organizational assessment drawing on performance information, narrative and quantitative evidence, and inspection results.

Downe and Martin (2006) see this as a decisive shift in the modernization agenda. CPA was thus born out of the need to resurrect a failing intervention regime, which had not taken account of overall organizational performance and instead had immediately attempted to improve things at service level (Downe and Martin, 2006).

This ‘upwards’ movement in assessing the point at which performance was assessed facilitated making judgements on partnership working, and put the local strategic partnership in a leading position in local governance (Geddes et al., 2007). Local Strategic Partnerships (LSPs, or sometimes known as ‘partnerships of partnerships’) were intended to pull together statutory organizations, private sector businesses and the community and voluntary sector into a series of partnerships with specific goals in order to improve outcomes for local people (DCLG, 2007). This approach generated a huge array of partnerships, networks and bodies that Skelcher (2004, p.33) suggests causes a “congested state”. Wilson (2004a) also suggests that the plurality of the complex relationships between local and central government (and the partners) does not translate into a genuinely pluralist power or decision-making structure. This is perhaps unsurprising when we explore the complexity of partnerships and

representation at the local level, as well as the continued controlling tendency of the administration. Financial instruments such as public service agreements (PSA) were developed; these were contractual style arrangements between the Treasury and departments, with financial bonuses for achieving national policy outcomes. These were then replicated between government departments and local delivering bodies such as councils and NHS bodies via later iterations such as local public service agreements (LPSA). These 'performance contracts' strengthened the sense of centralised control (Micheli and Neely, 2010), whilst the rhetoric still exhorted organizations to network in order to address social issues, with LSPs given a dominant role within the legislation (Alonso et al., 2013; DCLG, 2007). CPA was accompanied by an expectation of external discussions of performance management and improvement, at 'service', 'organizational', and 'partnership' level, as well as national accountability and comparative performance rankings. Local authorities were given one of five reductive performance labels (poor, weak, fair, good, or excellent), and hospitals given similar star ratings – both a form of commensuration (Espeland and Stevens, 1998) where complex judgements are reduced to more simplistic, quantitative scores or labels. This brings into question whether these processes were genuine attempts to develop accountability mechanisms or simply rituals to give the overall judgements legitimacy.

At the same time, a Department of Health White Paper *Saving Lives: Our Healthier Nation* (1999) highlighted the importance of health inequalities (Dawson and Dargie, 2002), something which was to play a significant part of later reforms around partnership working, and Labour's NHS plan (2000) formalised for the first time the ability to buy services from the private sector (Cribb, 2008). Labour had previously promised to remove the internal market in the NHS; what actually replaced it was less significant a change than announcements had suggested (Klein, 2010).

Whilst the statutory assessment mechanisms came to dominate the improvement policy landscape, a wide range of other tools were being maintained or introduced, such as benchmarking, either self-driven (Magd and Curry, 2003) or regulated through the Beacon Council scheme (Rashman and Radnor, 2005), Best Value (Centre for Local & Regional Government Research, 2006), business process improvement / redesign (MacIntosh, 2003), and Lean (Radnor and Walley, 2008). The late 1990s also saw an explosion in the number of academic publications focused on

performance management (Neely, 2005), along with the creation of a significant number of performance indicators across the public sector (Micheli and Neely, 2010).

2.8.4 2007-2010 – New Labour: Gordon Brown

In some ways reminiscent of the enforced handover from Thatcher to Major, the manner of Brown's succession to power was to substantially influence his political mandate. As Chancellor of the Exchequer, Brown had exerted considerable control over public sector spending and priorities, leading to tensions between the Treasury, Cabinet Office, and the other main government departments.

Whilst Brown appeared largely to focus on international affairs, such as climate change and international development, his period of leadership arguably began to deviate from some elements of the Blair trajectory. Partnerships and collaboration were by then primary in the public sector policy model, including integration at strategic and service level, and partnerships and communities formed the primary relationship during this period. This included integration between health and social care and health and wellbeing partnerships, section 31 agreements). Brown oversaw the transition from Comprehensive Performance Assessment to Comprehensive Area Assessment, which aimed to evaluate the performance of all key public services in a local area – reinforcing a sense of partnership working. This multi-agency assessment was accompanied by the dissolution of the Best Value Performance Indicator regime, which was replaced by the National Indicator Set, announced as part of 2007's Comprehensive Spending Review. A more pluralist approach to setting and managing local priorities was taken, and communities arguably had a stronger profile in local democracy and its relationship with other public service providers, although this may overstate the reality of community engagement's reach into policy setting (Dereli, 2011).

2008 marked the beginning of the global financial crisis, and this came to dominate Brown's premiership amid criticisms of him breaking his own rules (Smith, 2010), culminating in losing the 2010 election. This had the consequence that some key reforms either never came to fruition or were stopped prematurely. Given the weight of this, and the way in which Brown assumed power, was the direction of travel in terms of reform instruments a less instrumental and more participative one? If so, then we could question whether breaking up the huge assessment framework for

public services began to demonstrate increased trust in local public services, or simply an unfinished pathway to a different form of control? Making a case for either interpretation is certainly possible.

2.8.5 2010-2015 – Coalition government: David Cameron

The 2010 general election saw no party able to form a majority government. The Conservatives, as the party with the largest number of seats, eventually formed a coalition with the Liberal Democrats, and after substantial policy negotiation a coalition manifesto was produced (Cabinet Office, 2010). This document promised, amongst other things, that the government would “give people the power to call the shots over the decisions that affect their lives”, firmly placing the emphasis on individuals and their contact with public services (Cabinet Office, 2010). Yet, whilst a clear manifesto emerged, it needs to be recognised that this was a product of compromise and negotiation, and may well represent a position where both parties felt there were unsatisfactory elements (Quinn et al., 2011).

The defining relationship for this period was between the state and individuals. The white paper *Open Public Services* (Cabinet Office, 2011) promised an era of personalized public services. It outlined a surprisingly adversarial attitude towards those services, however, and the foreword promised that publishing data on service performance was the only way to “wrest power out of the hands of highly paid officials and give it back to the people” (2011, p.5). The prevailing narrative of the coalition government, or at least with regard to public services, is one of tight financial constraint and significant political and economic uncertainty (Taylor-Gooby and Stoker, 2011). The espoused need to rein in the budget deficit, and the resulting discourse of austerity has been used to justify expanding the contestability of public services, although this was not without issues, such as the probation service (Gale, 2012), or forestry and national parks (Hodge and Adams, 2013). Overall public expenditure was reduced, including public budgets, both in terms of staffing salary freezes and reduced operating budgets. Reductions in ‘red tape’ and bureaucracy were proposed that aimed to remove barriers to economic success for SMEs and other businesses. This was combined with an emphasis on the community and voluntary sector, particularly linked to ‘payment by results’ (Baines and Davies, 2011; Painter, 2012). Under this regime, public servants themselves were expected to act entrepreneurially, and to consider

actions like starting a public service mutual, or the so-called 'John Lewis' model (Cabinet Office, 2014b).

In reality, this included more straightforwardly hierarchical changes, including a simplified planning process, as well as the significant structural and institutional changes such as the dissolution of the Audit Commission, Government Offices in the Regions, Regional Development Agencies, the so-called 'bonfire of the quangos' (The Guardian, 2012), Strategic Health Authorities and Primary Care Trusts were abolished, and replaced with Clinical Commissioning Groups (CCGs).

Council tax increases were initially frozen, then this was lifted after 2012/13, and authorities were allowed an increase, capped at 2% unless they held a local referendum. Further efforts were made to streamline financial mechanisms, such as the introduction of Universal Credit and the Better Care Fund (formerly the Integration Transformation Fund), which aimed to provide better integration between health and social care.

There were democratic changes too, with the introduction of directly elected police and crime commissioners, although these elections suffered from extremely low turnouts, with a national average of 14.7% in 2012 (Lister and Rowe, 2015). Local government witnessed changes with more directly-elected mayors, the development of sub-regional governance arrangements, the ability for local government to move back to the 'old' committee system, as well as the disassembling of the performance apparatus for local government and LSPs.

As is discussed in the findings, the scope of these democratic changes, as well as the deregulation, created challenges in how organizations performed the ritual of demonstrating accountability and legitimacy without an organizational assessment. Whilst little formal evidence exists, it does not appear that the 'armchair auditors' have proved to be a suitable replacement for central regulation (Ferry et al., 2015), although it could also be argued that the presence of such regulation previously had not prevented system failure in some public services.

2.8.6 Key agencies:

Another significant component of the last three decades or so of public sector reform has been the involvement of external agencies in the process. These agencies have

largely been occupied two main roles – regulators and (peer) support bodies – and have been widely used; in some cases, they have been critically relied upon by policy and decision-makers at a national level. This, like many instances of agencies referred to as ‘quango’ (often more accurately non-departmental public bodies or NDPB), has allowed policy-making politicians to distance them from the performance of these services. It could be argued that this is a reform approach in and of itself, but here it is proposed that this is more appropriately seen as a channel through which politicised reform efforts are facilitated and implemented, rather than a structured approach itself. Indeed, Walker (2011) has argued that the decision to abolish the Audit Commission owed more to a deep, ideological distrust of the Commission’s loyalties by the Conservatives than to an evidenced criticism of its performance, and he argues it is unreasonable to expect an arm’s length body not to carry out the wishes of the government at that time. That is not to say that all quangos or NDPBs are inherently political, but there is a political aspect that cannot be avoided. May also highlights the significance of the recent, i.e. associated with NPM, role of non-governmental actors in the process of accountability, and suggests that this tends to focus on establishing “legal, bureaucratic, professional and political accountability” (2007, p.9) through highly prescriptive regulation, which appears to run contrary to the Coalition’s articulated preference for cutting bureaucracy.

Boyne (2008) suggests that inspection agencies also focus closely on two aspects of performance: tangible outcomes and organizational legitimacy, arguing that conforming to ‘managerial fashion’ in applying the recommended trends or models is a significant factor in public sector bodies being classed as high performing. It is not difficult to see how either of these aspects can be politicised. Once again, this presents a dichotomy between the rhetoric of seemingly rational, neutral objectives – improved performance, responsiveness, accountability – and the reality of implementation of the mechanisms for achieving these goals.

Again, we can hypothesise that the post-2010 reduction in ‘corporate’ level assessments and their replacement in part with developments such as the NHS ‘recommend a friend or family’ (NHS England, 2014) or DCLG’s much vaunted ‘armchair auditors’ (DCLG, 2011a) are an attempt to get authorities to set their own norms driven by ostensibly reasonable sources, i.e. patient experience, but which, in reality, defy any real codification or meaningful measurement. Regulators have also

been criticised for a range of genuine examples of service failure, particularly the Care Quality Commission, and their value in the service improvement process is certainly contentious and worthy of further exploration.

2.9 Summarising the reforms

Was this a return to the ‘hollowing out’ of the state (Rhodes, 1997)? It can be argued that the coalition government embraced the global financial recession as a convenient rationale for reducing the size of the state, either by cutting budgets and services, and / or by transferring responsibilities to the private sector. Some have stated that the Coalition’s approach was more ideological than simply a response to a financial deficit (Taylor-Gooby and Stoker, 2011), and Painter (2012) argues that the Blair to Brown transition represented a general continuity of approach, which in turn facilitated the Coalition’s direction. He suggests that “a change of government was less of a rupture than the Coalition’s reform narrative would have us believe” (Painter, 2012, pp.12-13). Quinn et al. (2011) analysed the Coalition agreement in order to interrogate ‘who won’ from a policy perspective; their conclusions suggest that a genuine series of compromises occurred, although a more contemporary analysis of the impact of these compromises on public service reform might highlight some disproportionate impacts on improvement capacity, and there has been little examination yet of public sector perceptions of post-2010 reforms.

As Osborne and others have argued (e.g. Hughes, 2010; Lynn, 2010; Osborne, 2010b), models of ‘New Public Governance’ (NPG) were emerging that potentially represented a significant shift from the previously established models of Public Administration or New Public Management, whilst still recognising that these ‘old’ models may still be prevalent in many areas, that differing models can co-exist, and that no single model can be exclusive within the diversity of the public service offering. Before the 2010 general election, Conservative pre-electioneering enthusiastically championed the ‘big society’ as an attempt to move the focus from reducing the size of the state to instead driving reform of public services and a desire to “empower communities to come together to address local issues” (The Conservative Party, 2009) by taking on responsibility for assets, services and policy, as well as increasing the role played by social enterprises, and the community and voluntary sector. Did this accord with Osborne’s vision of emerging New Public Governance (Osborne, 2010b)?

These NPG models draw on a boundary-spanning, pluralist approach to policy development and service management, and require very different mechanisms for evaluation from previous systems (Osborne, 2010b). Will these models be reflected in the reality of policy and guidance? The 'big society' as a concept appeared to have been quietly dropped during this government, but did the reality of the Coalition Government's approaches to, say, free schools, clinical commissioning groups, and managing libraries expand governance or simply replace existing governance mechanisms with alternatives?

If, as Lodge and Hood (2012) argue, the skills required for public service management in a climate of austerity are very different, and if, as Osborne (2010b) has it, we are entering a phase of New Public Governance that requires different forms of evaluation, how did the Coalition administration's seemingly 'light-touch' approach to performance management and accountability interact with these emerging models and requirements? Did this create a tension between 'entrepreneurial public servants' and empowering individuals to take control of their contact with public services? Despite being encouraged, commissioning models such as Barnet Council's 'easy council' approach have not yet become the norm; it may be that a public service that does not actually deliver the service itself a step too far (Chakraborty, 2014). Perhaps the Coalition's lack of prescriptive approaches towards public service delivery was in some ways analogous to Stoker's (2002) view of New Labour's reform by lottery.

As discussed earlier, we can observe some overall continuities across the "politico-administrative regimes" (Pollitt and Bouckaert, 2000, p.62). Christensen and Lægreid (2002) also attempt to locate reforms within "historical-institutional contexts" and "politico-administrative structures" (2002, pp.2-3). We can therefore draw out significant elements of the nature of the relationship between public services and their governance that help us to understand the broader context in which they operate. The table below classifies each of the political regimes using the concept of the primary relationship (i.e. the focus of most effort / attention at the macro level), the guiding orientation (i.e. a description of the dominant value system operating), key discourses and debates that typify the period, and some of the notable mechanisms implemented through mandatory and non-mandatory reforms.

A review of the literature combined with an examination of the political changes arising from shifts in administration suggests that the nature of the relationship with public services has been subject to variations driven by both these factors. These have been given a label by the author that describes the tenor of the relationship. These relationships are discussed in more detail in Table 3 below, but are summarised here as: the neutral public servant (1970s), the self-interested public servant (1979-1990), the 'citizen'-servant (1990-1997), the network public servant (1997-2007), the reaching-out public servant (2007-2010), and the entrepreneurial public servant (2010-2017).

Broadly this captures the emphasis of each political administration's relationship and is explored in Table 3: Summary analysis of major reform phases, which follows. 'Public servant' is used in a more general sense here to indicate a mixture of civil servants, local government, and other public sector employees, i.e. police, NHS etc.

2.9.1 Table 3: Summary analysis of major reform phases

Table 3: Summary analysis of major reform phases

Political administration	Primary relationship	Guiding orientation	Key discourses and debates	Other influences	Some notable mechanisms
1970s	Central government and public sector	Civic service orientation	<ul style="list-style-type: none"> • Social equality • Public expenditure 	<ul style="list-style-type: none"> • The neutral public servant • State expenditure • Recession • Political instability 	<ul style="list-style-type: none"> • Homelessness legislation • Police complaints • Pay restraint
1979 – 1990	Public sector and the market	Market orientation	<ul style="list-style-type: none"> • Size and extent of the state • Markets and choice • Privatization • Consumerism • Managerialism • Suspicion towards public / civil servants and the professions 	<ul style="list-style-type: none"> • The self-interested public servant • Choice • Competition • Importance of private sector growth • Spending control • Regulators or commissioners challenge services on behalf of citizens • Efforts to diminish trade union power / influence 	<ul style="list-style-type: none"> • CCT • Audit Commission • Grant settlements • Rate capping • Next Steps agencies • Purchaser / provider split • Internal markets • Right to buy
1990 – 1997	Public sector and citizens	Public service orientation / customer orientation	<ul style="list-style-type: none"> • Choice • Quangos • Charters • Inspectorates • Purchaser / provider split • Efficiency 	<ul style="list-style-type: none"> • The ‘citizen’-servant • Citizens as consumers • Equality • Regulators or commissioners challenge services on behalf of citizens 	<ul style="list-style-type: none"> • Citizen’s Charters • Children’s inspections & Ofsted • Business plans • TQM • League tables
1997 – 2007	Policy networks and policy implementers	Network orientation	<ul style="list-style-type: none"> • Partnerships • Modernization • Evidence-based policy making 	<ul style="list-style-type: none"> • The networker public servant • Deprivation and equality • Citizens challenge services directly • Freedoms and flexibilities 	<ul style="list-style-type: none"> • Beacon council • Best value (reviews and performance indicators)

Political administration	Primary relationship	Guiding orientation	Key discourses and debates	Other influences	Some notable mechanisms
			<ul style="list-style-type: none"> • Regulation and inspection • Performance management • Joined-up government • Community engagement 	<ul style="list-style-type: none"> • Policy contracts • Networks and partnership governance • More pluralist approaches to spending control 	<ul style="list-style-type: none"> • Local strategic partnerships • Local public service agreements • Joint strategic needs assessments • Joint inspection reviews • Standards board • Power of wellbeing
2007 – 2010	Communities and partnerships	Partnership orientation	<ul style="list-style-type: none"> • Outcomes • Targeting services on communities • Partnerships e.g. LSP • Participation and co-production • Service personalization 	<ul style="list-style-type: none"> • The reaching-out public servant • Partnership and engagement with 'hard to reach' communities etc. • Deprivation and equality • More pluralist approaches to deciding priorities • Citizens involved in governance to design services 	<ul style="list-style-type: none"> • Comprehensive area assessment • National indicator set • Healthcare audit & inspection • Participatory budgeting • Co-production

Political administration	Primary relationship	Guiding orientation	Key discourses and debates	Other influences	Some notable mechanisms
2010 – present	Individuals and services	Personalization orientation	<ul style="list-style-type: none"> • Austerity • Payment by results and ‘what works’ • Localism • Opening up more services to private providers • The individual chooses, pays 	<ul style="list-style-type: none"> • The entrepreneurial public servant • Recession • Global competitiveness • Commissioning • Accountability • Choice and individual power / control • Reducing ‘red tape’ 	<ul style="list-style-type: none"> • Power of general competence • City deals • Mayors • ‘Armchair auditors’ • ‘Recommend a friend’ measures • Return to committee decision making • DWP Mandatory Work Activity programme

(Source: author and information drawn from Ashworth et al., 2007; Chandler, 2000, 2009; Christensen and Laegreid, 2002; Driver, 2006; Dunleavy et al., 2006a; Dunleavy and Hood, 1994; Entwistle and Laffin, 2005; Ferlie et al., 1996; Klein, 2010; McLaughlin et al., 2002; Micheli and Neely, 2010; Newman, 2001; Painter, 2012; Rashman and Radnor, 2005; Stewart, 2000; Stoker, 1997, 2004b; Wilson and Game, 2011; Wilson and Hinton, 1993)

2.9.2 Figure 1: Timeline analysis of reforms

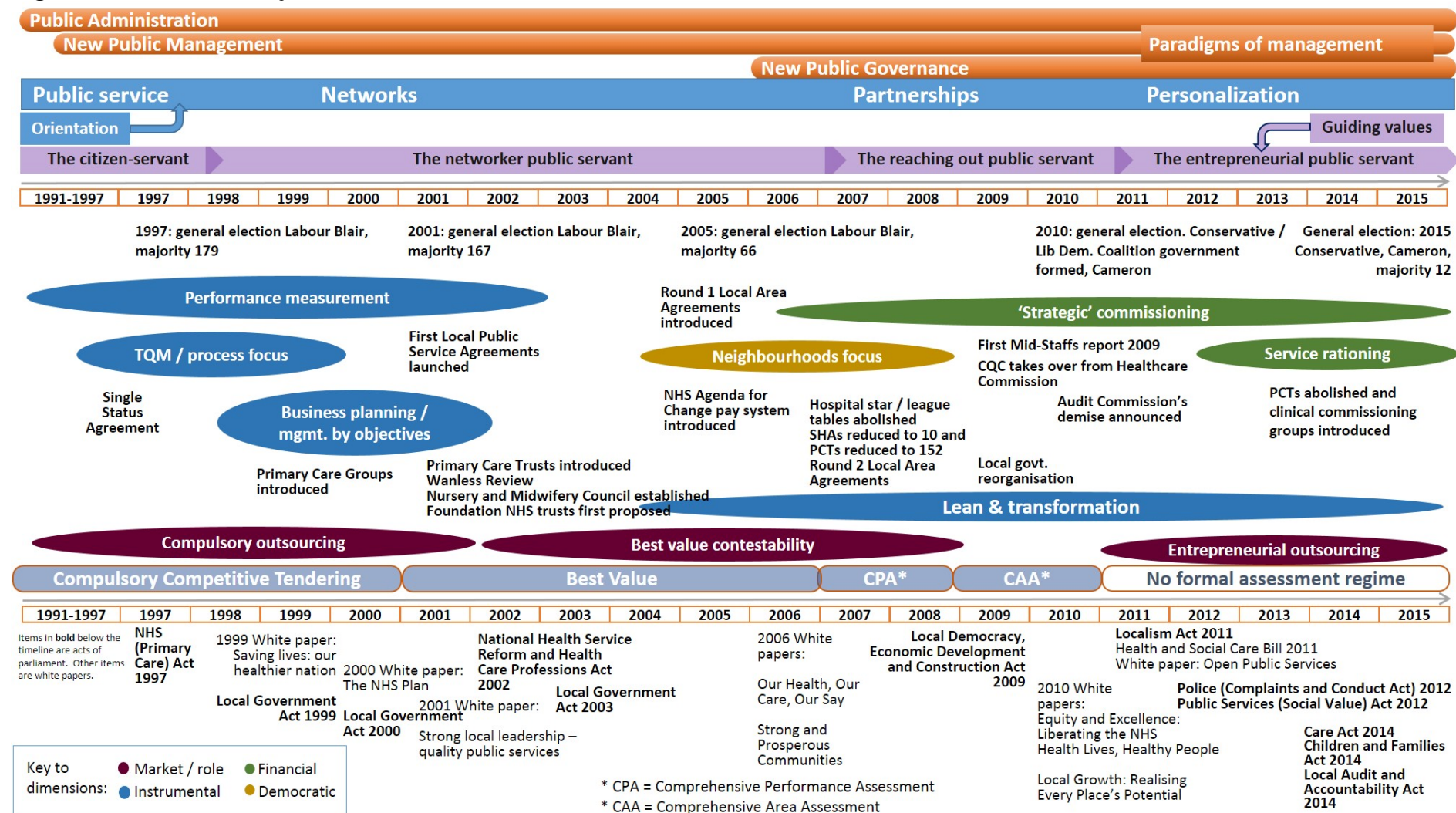
This analysis attempts to provide a structured way of considering reforms that emphasises the relationships and discourses operating within the public sector, whilst recognising that the sector is not homogenous in how it reacts, or indeed how it has been treated at different times by differing administrations. Pollitt and Bouckaert suggest that changing “politico-administrative regimes” as they call them (Pollitt and Bouckaert, 2000, p.62) are not an ideal unit of analysis. This research contends that there are major shifts attributable to the changing regimes due, as Rhodes (1997) suggests, to the power of the prime ministerial role in the Westminster system. This seems to be confirmed by the continued emphasis on the ownership of reforms as Thatcherite, Blairite etc. (Driver, 2006; Stoker, 2004b). Therefore, it is appropriate to analyse the overall landscape at the level of political administration.

Having considered the broader context in which reforms can be seen, another way of viewing the chronological context is provided: a timeline of key events and paradigms, as shown in Figure 1: Timeline analysis of reforms on page 56. This timeline cannot capture all the events pertaining to public sector reform, but rather visually represents the key events, legislation, and policy.

This analysis uses legislative and electoral milestones as anchoring points for more subjective considerations of the primary changes occurring and their interrelations. For example, the *guiding motivations* and *service orientation* from Table 3: *Summary analysis of major reform phases* are overlaid with the broad theoretical movements of Public Administration to NPM and NPG to visually capture the shifting theoretical or philosophical currents influencing the sector.

The major reforms and improvement activities are represented in the central portion of the figure by a series of labelled ovals. The ovals represent, in a broadly indicative sense, the timeframe in which they were considered to exert some dominance. This is an evaluative judgement made by the researcher, based on literature and personal experience within the sector. The bottom third of the figure identifies the main regulatory mechanisms, and the white papers and acts that are most influential on local government during this time.

Figure 1: Timeline analysis of reforms



Source: Author and as Table 3: Summary analysis of major reform phases

Amongst the literature, there also seems to be an assumption that the drawing in of private sector practices is somehow 'natural' and that there is a purpose-driven motivation behind reforms; that is to say, public services are moving away from 'wrong' forms and towards the 'right' form, that being one more analogous to the private sector. Whilst this is clearly open to criticism, there appears to be considerable acceptance of the existence of convergence, i.e. that there is a normative, desirable ideal represented by NPM (Pollitt and Dan, 2013), and although academics do argue about the appropriateness of the influence of private sector thinking in some cases (for example, Needham, 2006; Pollitt, 1990), voices are rare that deviate from the convergence theory (e.g. Dunleavy et al., 2006b; Goldfinch and Wallis, 2010),

This observation could be considered an example of a teleological position operating within the literature. Teleology as a speculative philosophical approach (Outhwaite, 2006) arises from the Greek *telos* meaning purpose, and is often applied to contexts like 'intelligent design', i.e. the belief that a divine creator manufactured everything in our known universe with a purpose in mind. This purpose, having been set by a higher authority, is therefore not subject to challenge, and provided the end purpose is achieved, then the 'ends justify the means'. Such a deterministic view usually seeks to find laws governing the situation and assumes causal relationships where there are none (Shipman, 1997).

This assumption is often found within NPM literature – that the market, competition, and choice are what is needed to 'cure' public services of their weaknesses, which therefore can be blamed in part at least on the lack of these private sector practices. This then can result in debates as to whether a case study is demonstrating convergence towards an NPM 'ideal' or divergence away, and whether the popularity of NPM is waxing or waning. Popularity with whom is rarely explored, but given the compulsory nature of reforms it is hard to believe local organizations like councils, NHS trusts, or police forces take seriously the notion of NPM as a normative, guiding philosophy. The convergence debate also runs the risk of ignoring key contextual and contingent data.

This research aims to challenge this teleological notion by proposing a conceptual model that allows for a more sophisticated exploration of the types and nature of reforms at an organizational level and how they are conceived, discussed, and used to generate legitimacy or credibility.

2.9.3 Conceptual model of reform dimensions

The political argument about the size of the state has continued mostly behind the scenes, occasionally moving centre stage. One continuous factor has been the prominence of private sector inspired tools and techniques, principally focused on improving performance, processes, democracy or the experience of using the services. Needham (2006) suggests that the terminology used to describe service-users has an important effect on the public service ethos, and that the 1990s saw a shift away from viewing people as mere recipients and towards being citizens with rights enshrined in charters, bringing in the concepts of expected (minimum) standards and expectations of redress if these were not met. Drewry (2005) suggests that this phenomenon can be observed globally, but that it has failed to make a global impact. This shift in defining ethos, however, can be tracked across administrations and is shown on the historical analysis in *Table 3: Summary analysis of major reform phases*. The 1997-2010 Labour administrations continue this movement, where a strong focus on 'customers' emerges, emphasising the twin concepts of choice and competition, again showing the strength of the NPM and private management paradigm. These are represented by the guiding values of a public service and customer service ethos.

Of interest, but not for direct discussion here, is the thorny issue of funding local government (and precepting of funds for police and fire and rescue). The balance and methods of funding sources (centralised versus local) are levers for influencing and directing policy and, by inference, organizational behaviour, but have for some time been accused of lacking sophistication (Hoggett, 1996), largely as a proxy for rich / poor or Labour / Conservative borough targeting. This research also excludes an examination of some of the policy specific changes, such as single regeneration budgets, new deal for the community or local agenda 21.

This research will focus its attention on reform efforts that are influencing the 'how', 'why' and 'with whom' of public service delivery, rather than the 'what'. Pollitt and Bouckaert (2004) start to explore this issue by addressing either structural or process issues within reform efforts, but do not examine the level of detail discussed here. In order to develop this area of inquiry further and to provide a way of categorising reforms, a conceptual model of reform dimensions is proposed in Figure 2: Conceptual model of dimensions of reform on page 62.

As outlined earlier, a range of tools and techniques have been used over the last 30 plus years, such as performance management, business process improvement, total quality management tools, customer charters, etc. and these can be considered a fundamental part of NPM. Some

of these improvement mechanisms have been 'suggested', some explicitly imposed, and others merely encouraged, and they have had varying degrees of success (Talbot, 2005).

Clearly the emphasis on public service provision being contestable brings with it a requirement to be able to classify, catalogue and assess performance levels, both current and desired, from deliverers of services. Labour administrations introduced overall assessment regimes starting with CPA, and later CAA, which were efforts to foreground the results achieved by public bodies; although it can be argued that they actually highlighted a ritualistic public performance of results instead (Broadbent, 2003; Oliver, 1991), what this research will later term 'the performance of performance' in section 4.3.3 on page 134, which concerns moves towards more 'authentic' performance management. Initial efforts to stimulate public interest in accountability mechanisms for public services have largely been unsuccessful or abandoned (i.e. the Audit Commission's *Oneplace* website), apart from specific and high-profile instances of service failure, such as Winterbourne View hospital, Rotherham child sexual exploitation scandal or the Mid-Staffordshire Hospital Trust² case, to name but a few.

The extent and scope of reform efforts deployed in the public sector mean that no single taxonomy is likely to be realistically achievable or helpful. Instead, the typology below is one way of examining the key theoretical drivers behind reforms. Whilst the concept of change affecting organizations in different ways is not a novel one (e.g. Lewin's 1947 force field analysis or Leavitt's 1965 entry points model), many of the reforming mechanisms deployed in the public sector have often overlooked fundamental consequences or impacts in other parts or aspects of the organization; principally this may have been through having too narrow a focus, or too shallow intellectual or theoretical underpinnings. This aligns with Pollitt and Bouckaert's (2004) 'missing components' from reform scenarios. In an historical review, Pollitt subsequently identifies four main gaps in reforming white papers over the last 40 years:

- Absence of systematic evidence of problems or supporting solutions
- An absence of targets (not performance measures, here, but rather targets for the reforms themselves)
- No efforts to cost the reforms

² These high-profile scandals involved poor quality care being exposed via whistle-blowers and inspections. Winterbourne was a care home in Cornwall where elderly staff were physically and emotionally abused, and the Mid-Staffs Hospital Trust was the subject of a national campaign and ultimately an independent review after concerns were raised about poor quality care leading to raised mortality rates. Rotherham's case concerned a systemic network of child sexual exploitation of looked after or vulnerable children, which was ignored by police and social services because of concerns about the reliability of the girls who came forward.

- No formal review process (Pollitt, 2013a)

Pollitt is persuasive that the evaluations of such efforts have lacked objective evidence beyond the simplistic 'mini case' or anecdote (Pollitt, 2013b). An insufficient empirical basis for nationally legislated performance reforms would suggest the possibility of an ideological (i.e. NPM) motivation, rather than one grounded in effective research or evidence. Additionally, if mandated tools lack this support, then the threshold for applying self-selected tools and consultancy becomes even weaker; it has been suggested that the public sector is particularly vulnerable to being sold approaches by consultants that lack academic or evidential credibility and do not provide value for money (Craig and Brooks, 2006).

Furthermore, research into Lean methods (e.g. Osborne et al., 2013; Radnor et al., 2012; Radnor and Osborne, 2013) has shown that not all tools are equally or easily implementable without clearer organizational understanding and commitment; the transfer of practice from the private sector to the public is not without problems (Bateman and Lethbridge, 2013).

Even if the tools themselves were universally accepted and benign, does their selection and use remain a situation dictated by the managerial (and sometimes P/political) discourses within organizations? Might their use be dependent on local managerial ability, as well as their capacity and willingness to adopt new methods, or even sometimes to recognise problems when they occur? As Pidd (2008) points out, even the most common of improvement tools, performance management, can have a dysfunctional effect on organizations if poorly executed. Radnor and Barnes (2007) go on to suggest that the extent to which these tools have penetrated the public service apparatus is also a factor, particularly when considering the complexity of multi-agency delivery of services, as is the importance of adaption, rather than mere adoption. Townley et al. (2003) and Townley (2008) argue that some of these issues also stem from the uncritical acceptance of the notion that performance management (and we can perhaps include other tools here, too) is 'rational', whereas in reality, rationality is constructed or 'ascribed' by those who experience it (Townley, 2008); human factors are often the decisive ones, rather than relying on empirical data.

This all suggests that a complex and subtle set of factors influence an organization's view and use of particular approaches to service and performance improvement, but what evidence is there to suggest that the theoretical underpinnings of reforms are widely considered at the policy-making or implementation level?

The conceptual framework below, then, is suggested as a mechanism for understanding and categorising the change levers that influence the improvement and delivery of public services; some are exogenous and imposed, others are endogenous and thus self-generated or sustained. Public sector bodies are highly complex organizations and understanding the process of reform is as important as the outcomes themselves (Halligan, 2002). This research suggests that this framework should also take account of these different levels of engagement.

- **Conceptualization:** i.e. the intellectual and philosophical foundations of reform, affecting the nature of the organization
- **Operationalization:** i.e. how these foundations are translated into policy and guidance
- **Implementation:** i.e. how policy and guidance are put into practice the reality of lived experience in the service environment

This chapter has shown that much of the academic literature focuses on the conceptualization of reforms, and whether or not they fit into discrete paradigms such as NPM, and much of the practitioner literature appears concerned with success or failure in implementation. It could be argued, however, that each of these perspectives sometimes ignores the nature of institutions and their own need for compelling narratives with regard to reforms. How are these internal narratives constructed? How are the emotional and logical aspects of reforms handled by organizations? The conceptual model presented aims to explore some of these issues with a number of case study organizations (see section 3.7.2 on page 96).

The information contained in *Table 3: Summary analysis of major reform phases* provides an overview of differing approaches to implementing and understanding reforms, collating changes by chronological shifts in administrations. This is important in order to understand the broad changes in values and principles driving public sector reform. It is necessary to contextualise the impact of the broad paradigms of change such as NPM. This chapter establishes that this research does not seek to evaluate NPM or other paradigms, nor to appraise the success or failure of particular administrations; rather, to contextualise and understand the complex, rational and sometimes emotional aspects of reforms in practice.

Whilst some of the changes that were applied to local government were distinctive in each administration, themes that emerge that provide a cross-cutting view. For example, both CCT and Best Value could be considered reforms that engage with marketization and contestability of public services, despite being implemented by different administrations and having different values driving them. There have been structural changes to local government through *local government reorganization (LGR)* in the 1970s, 1990s, and 2000s. These have taken different

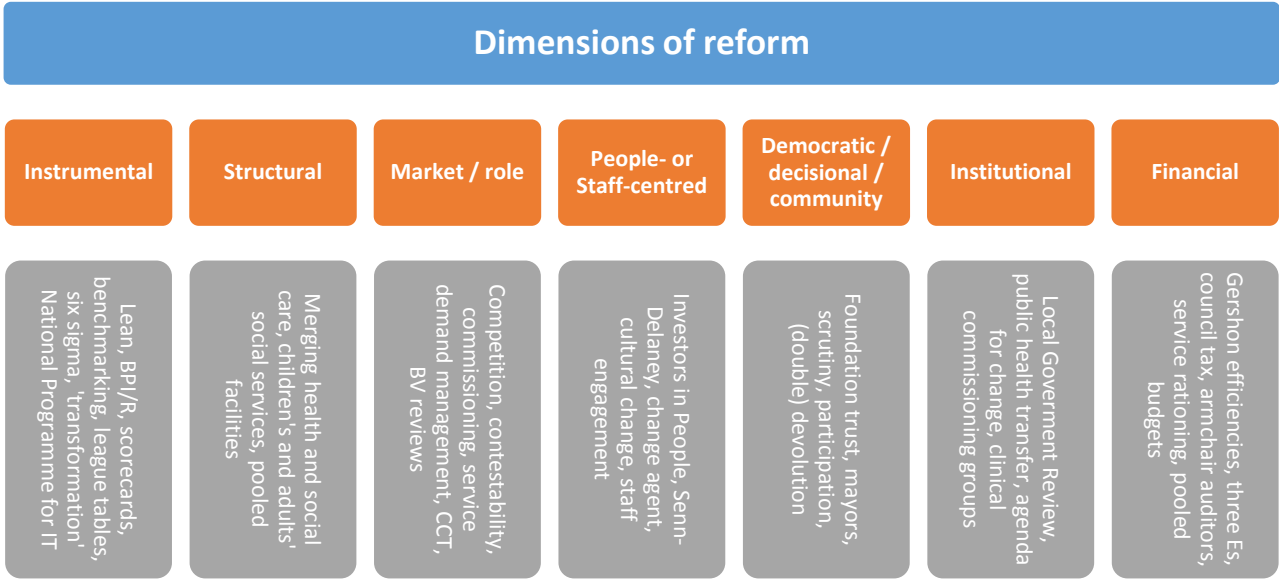
forms, but have focused on the same thematic issues, i.e. the removal of two-tier government in England. Therefore, an additional view can be gained by examining the cross-cutting focus of overall reforms, which can then be clustered and then synthesised into a series of thematic reform perspectives.

This research has developed these into an exploratory typology of reforms that could be used to increase understanding of the changes in administration by collating changes into a series of dimensions of reforms. These dimensions are: instrumental, structural, market / role, people- or staff-centred, democratic / decisional / community, institutional, and financial.

They are represented diagrammatically in *Figure 2: Conceptual model of dimensions of reform*.

2.9.4 Figure 2: Conceptual model of dimensions of reform

Figure 2: Conceptual model of dimensions of reform



Source: Author, based on material drawn from: (Ashworth et al., 2007; Ashworth et al., 2010a; Dunleavy and Hood, 1994; Faucher-King and Le Galès, 2010; Ferlie et al., 1996; Ferlie et al., 2005; Halligan, 2002; Hood, 1991; Klein, 2010; Lane, 1997; Lodge and Hood, 2012; Lowndes, 1999; Micheli and Neely, 2010; Osborne, 2010a; Painter, 2012; Pollitt and Bouckaert, 2004; Radnor and Barnes, 2007; Rashman and Radnor, 2005; Rhodes, 1996; Stoker, 1997, 1999a; Wilson, 2004a; Wilson and Hinton, 1993)

The major dimensions of change types have been developed from the discussion in section 2.4.

Table 4 shows individual examples of techniques, tools or approaches that fit within the dimensions. These are indicative examples rather than a comprehensive list.

Table 4: Additional examples of each dimension

Dimension	Nature	Examples
Instrumental	Changes focused on the use of a specific instrument or technique (these can often be applied to a range of areas), but the primary focus is the tool	TQM, Lean, BPI/R, ISO9000, scorecards, benchmarking, league tables, Six Sigma, 'transformation', Beacon Council, NHS National Programme for IT (NpfiT), Best Value Performance Indicators, national indicator set, business planning
Structural	Changes that focus on the structure of organizations or services	Merging health and social care, children's and adults' social services, pooled facilities and equipment – link to markets and purchaser / provider split
Market / role	Changes driven by the overall role of the organization and / or changes to the relationship with the market	Competition, contestability, commissioning, service rationing, demand management, CCT, Best Value reviews
People- or staff-centred	Changes that centre on people or personality traits, behaviours, or issues	Investors in People, Senn-Delaney, Common Purpose, change agent, cultural change, staff engagement, core competencies
Democratic / decisional / community	Major changes to the nature of the democratic institution, or the way major decisions are made	Foundation trust, free schools, mayors, scrutiny, participation, (double) devolution, e-petitions, community calls for action
Institutional	Changes that affect the nature of the institution, beyond mere structural changes, including institutional value-driven changes	LGR, public health transfer, NHS agenda for change, clinical commissioning groups
Financial	Changes driven by primarily financial goals, or that are financial levers (not including financial incentives for other changes)	Gershon efficiencies, three Es, council tax and funding allocations, armchair auditors, pooled budgets, universal credit,

(Source, as Figure 1: Timeline analysis of reforms, page 56)

It is likely that organizations will have composed their own rationales for the selection of tools and techniques used, and that these will form part of institutional narratives and myths of achievement. Newman (2001) cites Corvellec's (1996) terming of 'narratives of achievement' as ways in which organizations defend their position to external scrutiny bodies (e.g. the Audit Commission) through what are essentially performative statements of their achievements, rather than robust assessments of their strengths and weaknesses (aligning with the ritualistic or defensive uses of performance as discussed in Table 2: Uses of performance management: perspectives from literature on page 37).

In this context, it may be that these narratives and myths also operate at an intra-organizational level and aggregate to comprise part of the organization's culture and values associated with performance and service improvement activities. These past experiences (good or bad) may

well influence the take-up and sustainability of future improvement tools, and define institutional acceptance and understanding.

One of the major criticisms of private sector improvement tools is that many of them originated in the manufacturing or product-orientated sector, and thus fail to take account of the context of service delivery, rather than product delivery; this has been described as the need to move towards a public-service dominant logic (Osborne, 2010a; Osborne et al., 2013; Thomas, 2012).

The dominant discourse of the 2010-2015 period was one of personalization or individualization, and this appears to have continued in the 2015 onwards Conservative government. We might reasonably expect to see a strengthening of the rationale for customer-orientated tools like Lean, which have a customer value dimension as their guiding ethos. This research sought to address this question through exploring instrumental uses of performance management.

2.10 Interim analysis and development of research questions

Private sector orthodoxies have become absorbed into the political and managerial way of thinking about public services. As such they are generally considered unassailable when converted into reform policy – there is perhaps insufficient debate about whether we should treat service users as customers – this is simply absorbed as fact. Without entering into a debate as to what extent the New Labour administrations continued this orthodoxy, it is generally held that these key principles have remained at the heart of a redefined centre ground of modern British politics, and provide an observable path. This section of the thesis draws together some conclusions, but also poses a series of questions that will inform the research direction.

All this paints a picture of a complex field of diverse reforms, with shaky theoretical foundations and limited guidance in how to implement them. Many of the reform efforts were conceived as one-size fits all, and few, if any, took any meaningful notice of the political aspects of public service delivery and tended to focus on policy, not process (Rashman and Radnor, 2005). The evaluation of Best Value, for example, highlighted the lack of engagement by politicians with performance planning in local government (Wilson and Game, 2011). This research asked: Can we identify how these principles have been absorbed into the reality of public service delivery? How do organizations engaged in justifying their performance discuss and create meaning around their preferred way of doing things?

Performance management and improvement is accepted by most as one of the fundamental pillars of New Public Management. Some have argued we are moving beyond an NPM age (Dunleavy et al., 2006b); others (Goldfinch and Wallis, 2010) that convergence around a norm is in fact a myth. What, therefore, is the legacy in today's public services of the last 30 or so years of imposed, recommended or suggested performance improvement or measurement tools?

The New Labour administrations were characterised by a rhetoric of freedom, flexibility, empowerment and devolution, yet this was matched by a prevailing reality of centralization, regulation and control (Lowndes and Wilson, 2003). The coalition government since 2010 has been altogether less clear on specifying methods and tools. The White Paper *Open Public Services* (Cabinet Office, 2011), for example, is remarkably light on details of any techniques to be used, whilst clear in its articulation of the problems found within public services. Given the changes made since 2010, including the abolition of the Audit Commission (announced in 2010, but still in operation in 2014, albeit in a much reduced capacity), in theory public organizations are now free to take control of the selection and use of any improvement tools they want, rather than having to conform to the expectations of externally imposed frameworks. The dismantling of some of the regulatory agency frameworks has also, in theory, freed up resources that would have been devoted to the bureaucratic machine of performance reporting, something practitioners have referred to as 'feeding the beast' in section 5.1.1 on page 139. The legacy that emerges should be indicative of how organizations conceive the legitimacy of performance improvement, as well as a measure of the benefit in improved performance outcomes or outputs. How then will they 'perform' the ritual of demonstrating legitimacy, without the structure of organizational assessments previously imposed on them?

This opens up a range of areas worthy of exploration in more detail. How have organizations that feel they have progressed in improving service delivery responded to the overall headline changes? Are the operational level activities (i.e. the tools and techniques used) still valid? That is to say, were performance management and improvement tools largely important because of their value or prestige within the NPM era or their intrinsic worth to organizations? Have the 'excellent' organizations in CPA terms created sufficient momentum and value in their use to sustain them, even if the investment they may require is a challenge in an austere budgetary climate? What role has been played by emerging new governance structures and, in particular, structures for the governance of improvement?

It might seem a truism that the tools are desirable because they would be used to make savings and improvements, and this should be especially valuable in straitened times. Yet, as has been observed, this is an overly simplistic view, and the discourse around performance improvement has often been an uncritical one, despite the relatively positivist, rational basis for many tools, which would naturally suggest the inclusion of valid evidence for their adoption. How well do organizations understand the conceptualization of performance and service improvement approaches and have they been able to engage with the different and sometimes unintended consequences of specific change efforts?

Perhaps because many of the tools were statutorily imposed, national guidance around reform efforts has therefore relied significantly on anecdotal stories or micro-case studies (Pollitt, 2013b) and narratives of achievement (Corvellec 1996, cited in Newman, 2001) for legitimacy, meaning that impact has been broadly difficult to assess objectively. How, then, do implementing public sector organizations conceive, discuss, and make meaning with the tools in such a way that allows them to balance coercive pressures from the national level with citizens' and partners' wishes at the local level? Does the typology presented allow a more focused analysis of the issues to emerge through evaluating the motivations and rationalities for their use?

The overarching research question informing this study has been: How has the legacy of the 1997-2010 UK administrations' approaches to performance and service improvement affected post-2010 English public services?

This overarching research question concerning the legacy of a particular interpretation of public management, as expressed through the policy agenda and regulatory systems of the New Labour era must consider how this interpretation influenced authorities by addressing a series of sub-questions that allow the effects to be unpicked. These sub questions address different conceptual levels as highlighted in section 2.9.3:

- How do organizations discuss and create meaning around their preferred ways of managing performance and service improvement? (i.e. the **conceptualization** of performance and service improvement)
- How have the emergent governance structures affected the sustainability and legitimacy of performance and service improvement efforts? (i.e. the **operationalization** of performance governance)
- How has the removal of statutory performance reporting impacted on tool selection, their operation, and the ways that organizations publicly justify their achievement? (i.e. the **implementation** of tools and techniques)

This research focuses on a qualitative exploration of these issues at an organizational case study level that will be explained further in *Chapter 3: Methodology*. The research questions will be re-examined in Chapter 6: *Analysis*, to explore how the empirical data has addressed the basis of inquiry.

Chapter 3. Methodology

3.1 Introduction

The previous chapter reviewed the literature used to develop the conceptual framework that explores the central research question and outlined the three sub-questions that emerged from the analysis of reforms. This chapter outlines and discusses the methodological position that underpins the research, as well as detailing the development of the research questions. It will provide an overview of the key debates and themes, thus giving a theoretical grounding for the selected methods, and provides justification for the methods selected.

The chapter is structured in the following way: the early sections consider the philosophical and theoretical foundations of this research (section 3.2); epistemology and ontology are essential points of discussion here, and the chapter provides an overview of the general terrain and key debates within research methods, as well as locating the primary research within these debates.

After this, the chapter moves on to questions of research design in section 3.2.5, again, both in general terms and in the specifics of this research: what does effective research design do and look like? What is the design of this primary research, and how might one evaluate it against the principles outlined?

Section 3.3.8 considers what theoretical perspectives underlie the research, and articulates a view of the purpose of this type of research.

The debate then moves on to generating (section 3.4.2) and analysing data (section 3.7.1), utilising the same general structure of considering the overall territory and then outlining and evaluating the specifics of this research. This brings in the selection process for case studies, interviews, and focus groups, which are the selected methods.

Section 3.5.3 considers the ethical implications of research, with a focus on the nature of 'real world' research, and some reflective considerations around my status as both ex-practitioner and academic researcher.

Finally, the chapter concludes with a discussion of assessing quality in qualitative research, a summary of the timetable for investigations, and a conclusion that seeks to draw together a contextual understanding of the research.

3.2 Research philosophy / methodology

Most research methods textbooks open with a chapter or two on understanding the philosophical position of the research. This seems simultaneously helpful and limiting. Helpful, because most argue that a proper understanding of the epistemological and ontological frameworks within which any project exists is essential in securing the most effective research design (Cresswell, 2014). Limiting, because simply classifying one's approach on a table of research paradigms and not unpicking the methodological implications is unlikely to significantly improve the quality of research. That is not to say that every piece of research should replay the same discussion of fundamental principles, but rather that contextualising the viewpoint of the research, which is not necessarily synonymous with that of the researcher, is necessary for high quality research (Easterby-Smith et al., 2012).

Research is essentially a process of uncovering, obtaining, discovering, or perhaps creating knowledge (Hughes and Sharrock, 1997), although again, even the terms used, such as 'uncovering', carry an implicit ontological value. These debates are operationalised through a series of theoretical models referred to as research frameworks, worldviews (Cresswell, 2014), paradigms or philosophies. These frameworks generally differentiate through the medium of two defining characteristics: *ontology* and *epistemology*. Ontology considers what we think to be true / real, or questions of being. Epistemology is concerned with how we might go about gathering knowledge about it. Each of these concepts contains a variety of positions. Which of the positions is preferred is a perennial debate that cannot be resolved here, but can and should be discussed in order to give an understanding of the presuppositions that underpin the research, its limitations and any challenges that can be raised. Each of these two characteristics can be located on a continuum, and the literature tends to define points within each continuum to form typologies that can be used to locate an individual piece of research. These positions, however, are not often clearly defined or uncontested, and there is rarely complete agreement on what, say, interpretivism means. At the centre of these debates within social sciences lie questions around the privileging of the 'scientific method'.

Therefore, a brief discussion of the main debates within research philosophy is required to locate this research, to discuss its characteristics, strengths, and flaws and to acknowledge the existence of alternate positions.

Although often used to refer to the practical means used to gather data, 'methodology' more properly refers to the philosophical grounding and frame that informs the research whereas

‘methods’ describe the means of gathering or generating data (Hughes and Sharrock, 1997). Cresswell (2014) highlights the philosophical worldview as one of the three main components informing the design of a research project; the other two are the research methods and the “selected strategies of inquiry” (2014, p.5). The methodology, and hence the methods employed, for a social science research project should be a synthesis of the research question(s) and the researcher’s philosophical position, i.e. amongst other things, their epistemological and ontological viewpoints (Cresswell, 2014).

Crotty (1998) outlines a four-stage model. He prefers to anchor research initially in epistemology, although others would define this as an ontological perspective. This lends some support to the view that epistemology and ontology have to some extent ‘collapsed’ into each other, and the distinction between the two is less relevant (Guba and Lincoln, 2008). Crotty’s model has epistemology informing the ‘theoretical perspective’, a term he uses to include positivism / interpretivism and phenomenology, hermeneutics etc., which in turn informs the methodology. This arguably more closely aligns with Cresswell’s ‘selected strategies of inquiry’, i.e. it includes an approach like experimental research, phenomenological research, or grounded theory. These must be coherent with the theoretical perspective and then guide and define the method (i.e. sampling, focus groups, statistical analyses etc.).

Crotty poses four questions that should define research:

- What *methods* do we propose to use?
- What *methodology* governs our choice and use of methods?
- What *theoretical perspective* lies behind the methodology in question?
- What *epistemology* informs this theoretical perspective?

Sometimes these choices are presented as a binary division between quantitative or qualitative research methods; this a false dichotomy. A combination of methods can be used at that same time and in the same contexts, and most of them can operate with a range of philosophical positions (Lacity and Janson, 1994). Debates around mixed methods also problematize the status of this duality.

This bifurcation of research into one of two main traditions is an historic one, and requires some contextual discussion if the research is to be effectively operationalised. Moreover, neglecting the fundamental intellectual position of researcher and research questions risks weakening the overall quality of the research (Easterby-Smith et al., 2012). As Berg and Lune (2012) point out, debating the relative merits of quantitative versus qualitative methods in the abstract is

also a futile process. This research takes the view that qualitative and quantitative refer to the methods used for data collection, rather than the underpinning philosophical paradigms.

What matters is that the methods used are consistent with the guiding intellectual and theoretical perspectives, and that they are appropriate to the central research question. Numerous (competing) philosophical typologies exist, yet Cresswell highlights the limitations of attempting to codify the elements of interpretive frameworks as only a “partial description of possibilities” (Cresswell, 2013). Again, it is less important to pigeonhole the research into one of the categories, and more effective to understand the assumptions that the researcher’s position brings to the research, blending epistemology, ontology, axiology and methodology into a worldview that encompasses these aspects (Denzin and Lincoln 2011, cited in Cresswell, 2013). Denzin and Lincoln (2008) argue that these positions define and are defined by both research and researcher, but also that there are clear tensions between different qualitative research assumptions.

Whilst the qualitative / quantitative dichotomy is sometimes seen as a dividing line (e.g. Robson, 2011), many sources use the epistemological continuum as the basis on which to define research, whilst accepting that this itself may be insufficiently detailed (e.g. Denscombe, 2002). Generally, however, research philosophies are discussed in terms of a series of continua. These are summarised in Table 5 below in deliberately polarised terms. For example, this table does not claim that interpretivism and constructivism are identical, but rather that they occupy one end of a spectrum with positivism and post-positivism at the other:

Table 5: Oppositional points on research continua

Ontology: truth / reality is...	Objectivist / realist – facts are facts Realism	Subjectivist – people are people Nominalism - reality a product of our minds
Epistemology: How we can know what we know	Positivism Realism	Interpretivism Constructivism Idealism
Logic	Deductive / hypothetic- deductive	Inductive
Goal	Explaining (<i>Erklären</i>) causal relationship, correlations	Understanding (<i>Verstehen</i>) context and meaning,
Process	Verification	Sense-making
Researcher is	Neutral, objective	Engaged, embedded, empathetic
Quality	Verification, reliability, generalisability	Credibility, coherence, plausibility
Aims to	Construct and test (causal) laws	Generate theory and insight
Gathers or generates	Empirical data	Lived experience (created, not collected)
Perspective	Outside, looking in	Inside, looking around

Sources: (Author and adapted from Berg and Lune, 2012; Bryman and Bell, 2011; Crotty, 1998; David and Sutton, 2011; Della Porta and Keating, 2008a; Denzin and Lincoln, 2011; Duberley et al., 2012; Easterby-Smith et al., 2012; Gray, 2013; Hughes and Sharrock, 1997; Johnson and Duberley, 2000; May, 2011; Neuman, 2011; Robson, 2011; Silverman, 2013)

The major dividing line within ontological concerns is defined by the objectivist / realist point at one end, and the subjectivist and nominalist points at the other. The following sections explore these broad stances.

3.2.1 Objectivist / realist perspectives

The objectivist position holds that the world exists independently of our perceptions (May, 2011), and that concrete facts can be established to verify our deductive hypotheses (Easterby-Smith et al., 2012). It appeals to the existence of universal laws and values experiential data over theoretical or purely conceptual knowledge. This stance has its roots in classical philosophy and Aristotle and Plato are considered the earliest proponent of the method of observing the world and seeking natural circumstances. Later philosophers, such as Bacon, developed notions of what is now called the 'scientific method', where empirical observations and logic were used to isolate causes of natural phenomena and test their validity. This method gave rise to the so-called scientific revolution, tracing a path through to the birth of modern social sciences. Thinkers including Comte, Durkheim and Weber wished to apply the values

and practices of natural sciences to the social world (Hughes and Sharrock, 1997); thus the early roots of social science are firmly embedded in a positivist tradition.

3.2.2 Positivist epistemologies

Positivism is an epistemological standpoint that is firmly located in the practices and paradigms of natural sciences (Hughes and Sharrock, 1997), where the goal is explanation of (causal) reality, or *Erklären* (Della Porta and Keating, 2008b). It presupposes the existence of a concrete reality that can be described and quantified. Positivist methods seek unambiguous hard data, verifiable 'truths' and operate by testing hypotheses.

Giddens (1993) argues that positivism relies on several key principles:

- What is real is what is available to the senses.
- Philosophical discussions in the sciences should be avoided in favour of experience and experiment.
- Natural and social sciences share methodological and logical principles.
- There is a fundamental difference between fact and value, and science should only be concerned with fact.

However, within the social sciences, this methodology has been challenged for its difficulties in capturing socially contingent or cultural forces. Writing from a sociologist's perspective, Hughes and Sharrock (1997) present a trenchant critique of positivism, although they articulate a subtle and balanced position based on the dominance of positivist thinking in sociology in the 1960s and 1970s. Within management research, positivism, and perhaps those worldviews operating in its shadow, i.e. empiricism, pragmatism, realism, still dominate. Indeed, any discussion of research philosophy that is not positivist is required to justify its foundations and appropriateness in a way that is not often required of positivist research; it is with good cause that Hughes and Sharrock talk of the "orthodoxy of positivism" within social sciences (Hughes and Sharrock, 1997), although debate about interpretivist qualitative methods can be found, albeit perhaps more recently (Lee and Cassell, 2013). Johnson and Duberley (2000) provide a more sympathetic reading of positivistic thinking, albeit this is likely coloured by their disciplinary backgrounds in organizational psychology, itself strongly positivist in tradition.

Despite what some might argue (e.g. Robson, 2011), *rigorous* and *scientific* are not exclusively synonymous, or at least scientific carries at least two layers of meaning. The first simply refers to the object's location within the disciplines of the (natural) sciences. The second implies that

the scientific method has been applied, which in itself implies a positivist or post-positivist mindset.

Crotty (1998) gives an effective explanation of the move towards what is now termed 'post-positivism' inspired by Popper's falsification, Kuhn's 'scientific revolutions' and Feyerabend's 'farewell to reason'. In essence, it is argued that because of theoretical work such as quantum theory, science itself is less well grounded in absolutes than we previously imagined and whilst a concrete truth still exists, how we access that truth is somewhat cloudier than previously believed. Positivism is still a dominant force in some parts of the social sciences, and this is true within the business / management domain, but it has undergone significant changes.

Della Porta and Keating (2008b, p.33) echo this when they argue that there are three main ways to knowledge:

- Paradigmatic, exclusive approach (only one right way)
- Anarchist, hyper-pluralist approach (this is sceptical about 'true' knowledge and open to experimentation in approaches)
- The search for commensurable knowledge (i.e. a position between the two former ones – awareness of strengths and weaknesses of each method, comparison process to select most appropriate one, dependent on the research question)

Criticisms of positivism largely lie in the first of these bullets (Crotty, 1998; Hughes and Sharrock, 1997): positivism is exclusive, blinkered and does not adequately explain phenomena outside its frame of reference. However, positivist research seeks to be replicable, verifiable, and generalizable. Validity is a key concern, and therefore effective research in the positivist tradition is well regarded within the academic community.

3.2.3 Interpretivist epistemology

Whereas positivism posits a world where a (more or less) concrete and independent reality exists and can be uncovered, interpretivist approaches conceive a reality where facts are constructed wholly or partially as social phenomena, generated by interactions between people (Hughes and Sharrock, 1997), and a focus on the uniqueness of human inquiry (Radnor, 2001). Within interpretive thinking, there are a number of differing stances such as symbolic interactionism, phenomenology, realism, hermeneutics, ethnomethodologies, constructionism, and naturalistic inquiry (Crotty, 1998; Gray, 2013; Neuman, 2011).

These approaches are subjectivist – meanings are diverse and contingent and do largely not exist outside of the human world. Therefore the goal of research is to interpret those

phenomena: to understand and explain human and social reality (Crotty, 1998, p.66-7). The goal of interpretivist research is therefore understanding and meaning, or *Verstehen*, rather than the verification of knowledge and facts (Neuman, 2011). Crotty goes on to present the neo-Kantian view that natural sciences (and thus positivism) are most concerned with similarities and universals, i.e. *nomothetic* (from *nomos*, meaning laws), whereas human and social sciences focus on individual cases and uniqueness, i.e. *idiographic* (from *idios*, meaning individual). Weber conceives *Verstehen* as addressing both nomothetic and idiographic questions, i.e. both causal and interpretive perspectives (Crotty, 1998), although other interpretations of interpretivism reject a focus on causality (Silverman 1990, cited in Crotty, 1998, p.69).

For interpretive researchers, the focus on 'meaning' rather than 'fact' implies a degree of relativism, i.e. individual perceptions may be different, and that the purpose of research is not to reveal the truth, but to recognise and identify a multiplicity of 'truths'. From a constructionist perspective, one within the subjectivist tradition, all meaning is made in the interactions between people (Crotty, 1998). Thus, interpretivist stances accept that interaction between researcher and subject is 'natural' and should be at least recognised and understood, if not embraced as a fundamental strength of the research, i.e. via ethnomethodologies, which, it can be argued, also includes much of action research.

3.2.4 Qualitative and quantitative data collection

A reductive view is sometimes taken that the predominant method of data collection can stand in place of an ontological or epistemological position, and that this generally comes down to a question of quantitative or qualitative methods. In this section, these terms should be applied solely to the methods used for gathering, and subsequently analysing, data, and not as shorthand for a research philosophy.

Quantitative data collection relies on gathering or generating numerical, countable data. This is primarily, but certainly not exclusively, found in the positivist tradition, which attaches a stronger value to statistical methods of data analysis (Gray, 2013). To quantify something is to give it a mathematical value, to literally to ascribe a 'true' value or status. This allows experiments or other research methods to be repeated, and allows a probabilistic understanding of the results; hence quantitative methods are strongly favoured in the positivist tradition.

Qualitative data collection extends to a broader variety of forms than quantitative, although in the context of social sciences, and particularly business school research, is arguably far from predominant. Qualitative data can be verbal, written, visual or sensory, and describes perspectives rather than fact (Gray, 2013). Section 3.4.2 (page 81) contains more detail on the data collection methods used in this research.

Crotty suggests that “[w]e need to recognise that different people may well inhabit quite different worlds. Their different worlds constitute for them diverse ways of knowing, distinguishable sets of meanings, separate realities.” (Crotty, 1998, p.64). We should therefore be cautious about making assumptions based on the data collection methods, and similarly avoid using the qualitative or quantitative label as shorthand for a more nuanced discussion of philosophical stance or tradition.

3.2.5 Summary

The philosophy driving a piece of research is a co-product of the researcher’s stance, view and way of interpreting the world. These inform the choices of methods, analysis, and questions, although this process is also more mutually reinforcing than sometimes is suggested. The most important feature of research design and delivery is coherence between these points. All research represents a series of choices and, provided that the strengths and weaknesses of the approaches chosen are understood, no one method or stance is inherently better than any other.

3.3 Research design (general)

3.3.1 Methodology definitions

As mentioned earlier, methodology is used here to refer to the philosophical underpinnings of the research, and ‘methods’ to refer to the “ways of acquiring data” (Della Porta and Keating, 2008b), although Crotty (1998) prefers seeing it as the “strategy, plan of action, process or design”, perhaps aligning with the ‘strategies of inquiry’ model. As has been discussed, good research design is a result of coherence between worldview, research question, and strategies of inquiry; choices made around these aspects help define the most appropriate research design. For example, positivist research would attempt to test hypotheses or define a causal relationship between variables because verifying facts and establishing causes are fundamental parts of the positivist tradition. Interpretivist research is more likely to wish to establish motivations or understand the context behind a situation. Variants exist between

these two broad categories, but we can reasonably classify most research into one of the following types: exploratory, descriptive, and causal or experimental.

3.3.2 Explanatory research

Explanatory (or causal / experimental research) is based around the principles of natural science research. It seeks to provide explanations of events that address questions of relationships between quantifiable variables. This assumes that such a relationship exists and can be uncovered, and is hence generally operating within the positivist tradition. Causal relationships are those which are correlative, logical, and sequential, i.e. we can say that one thing happens, and then observe a particular result. When controlling for other variables or effects this allows the identification of a causal relationship. Within this research type, this is generally expressed in terms of the probability of the event happening by pure chance being below a specified threshold. Experimental research aims to create the opportunity for a hypothesis to be tested, as opposed to seeking instances of the event naturally occurring. Experimental or quasi-experimental conditions are tightly controlled and minimise external factors wherever possible. When performed causal / experimental research is repeatable, verifiable and has strong internal validity. Causal research often gathers a large number of cases or events and focuses on only a small element of the case (Neuman, 2011). The greater the amount of data, the stronger the explanatory statistical power of the findings and hence the validity.

3.3.3 Exploratory research

Exploratory research often uses qualitative data (Neuman, 2011), and aims to discover more about unknown situations or issues, and to develop initial ideas. This means that the research needs to be able to adapt to events that occur during the investigation; this is suited to an inductive logic (Robson, 2011), rather than a deductive approach that seeks to test hypotheses. Exploratory research aims to interpret meanings from within the texts used (documents, interview transcripts and recordings etc.), and thus facilitates emergent data analysis.

3.3.4 Descriptive research

Descriptive research aims to chart or classify a situation or problem by using qualitative or quantitative data to “paint a picture” (Neuman, 2011). Theories may be discussed, but are not directly being tested or examined. Descriptive research operates best in fields where problems have already been identified, and where further information is needed to scope out the terrain of inquiry. Thus descriptive and exploratory research naturally share blurred boundaries (Gray, 2013).

3.3.5 Cross-sectional research

One of the other major divisions within research design is the timeframe that the research covers – most commonly described as either cross-sectional or longitudinal. Cross-sectional research can be exploratory, explanatory or descriptive, although Neumann (2011) argues it is best suited to descriptive research. Cross-sectional research describes investigations that provide a ‘snapshot’ of many cases, but at a fixed moment in time. As a result, it is often easier and cheaper to carry out than longitudinal studies. It is effective at capturing detail of a given situation, but not effective at capturing social change over time. Cross-sectional research may also take place within a bounded setting; this is referred to as the case study method.

3.3.6 Longitudinal research

Longitudinal research describes investigations that cover more than one point in time. Sometimes this can include different cases or people at each point, usually referred to as ‘time-series’, or it can follow the progress of a specific group of cases or people; this is called a panel study. Panel studies are the most expensive and challenging to operationalise and carry out, principally because of the difficulties in maintaining contact with a range of cases or people over time. Time-series research is easier than panel studies to carry out, and both are effective at tracking social change across time through examining or identifying patterns.

3.3.7 Researcher engagement

Easterby-Smith et al. (2012) also propose a two-axis model of epistemology and research style, using *positivist* to *constructionist* as one axis, and *detached* to *involved* as the second, giving quadrants within which research can be broadly located. Objectivist and positivist traditions assume a researcher is outside of the phenomenon being observed. Thus, there are no internally coherent research designs that are both positivist and involved in the Easterby-Smith et al. model. This is important because it links to the practice / theory debate, which is a significant feature in both business and management research, and this research in particular.

3.3.8 The approach selected for this research

This research seeks to understand current attitudes towards performance management and service improvement in local government and to analyse the legacy of the changes implemented during the specified period. This places the research within an interpretive mode, where the purpose is to interpret meaning; it is thus exploratory, rather than explanatory and accepts a high level of researcher engagement because of the author’s experience within the sector. It is also phenomenological in approach, seeking to understand and explore the

situation through analysis of phenomena, in this case the assessment regimes facing local councils.

Giddens argues for the existence of a 'double hermeneutic' (1993) - social events are interpreted by individuals, and the researcher then attempts to interpret those interpretations. Della Porta and Keating argue that "it is therefore impossible to understand historical events or social phenomena without looking at the perception individuals have of the world outside." (Della Porta and Keating, 2008b, pp.24-5).

This research would broadly tend to reject a positivist paradigm for several reasons, one of which is the belief that the researcher is easily separated from the research. In the case of this research, it involved investigating social systems (i.e. performance management frameworks) that the researcher had previously helped design and operate in similar authorities. Thus, it was possible to generate high quality access to actors and institutions because of credibility in the field on the basis of former professional positions and achievements, as well as because of access to other institutions' practices. This is highlighted by the fact that the participating institutions have all requested feedback, observations, and ideas from other local authorities. Secondly, a phenomenological approach requires generating a rich understanding of context and situation; this obviates a positivist concept of a single truth. Each participant's perception of their role, interactions, and understanding is both unique to them and equally valid. Within an interpretivist tradition, knowledge comes from synthesising these individual perceptions into a wider picture.

3.4 Research questions

The central research question is:

- How has the legacy of the 1997-2010 UK administrations' approaches to performance and service improvement affected post-2010 English public services?

From this, three sub-questions have emerged:

- RQ1.**How do organizations discuss and create meaning around their preferred ways of managing performance and service improvement? (i.e. the **conceptualization** of performance and service improvement)
- RQ2.**How have the emergent governance structures affected the sustainability and legitimacy of performance and service improvement efforts? (i.e. the **operationalization** of performance governance)

RQ3.How has the removal of statutory performance reporting impacted on tool selection, their operation, and the ways that organizations publicly justify their achievement? (i.e. the **implementation** of tools and techniques)

The central research question above, and the three sub-questions are largely concerned with the 'how' and the 'why' of the legacy of 1997-2010 performance management and service improvement arrangements, rather than the 'what'. It seeks to address what Stake (1995, p.37) calls 'happenings, not causes', and addresses understanding, not knowledge, a dividing line between types of inquiry. Some work on performance indicators (e.g. Andrews and Boyne, 2012; Boyne, 1997) has been positivist and quantitative in nature, seeking to ascribe causal relationships and develop predictive capabilities, and focusing on generalizable, replicable findings to establish validity (David and Sutton, 2011).

The focus of this research is on the experiential qualities of a social situation, and in particular how meaning is made and narratives of legitimacy are constructed by social interactions. The central question does not seek an answer that gives a generalizable understanding of the current situation, i.e. what performance mechanisms are being used across the country, or how performance levels have been affected, although such a thing would be interesting and useful. Instead, what is at the heart of this enquiry is a desire to understand how (some) organizations make sense of a complex and shifting set of expectations from a range of different stakeholders, and how the contextual changes arising from the central political situation has affected the internal logics, narratives, and legitimacy of an organization's approach. Thus the driving concern of research quality is around plausibility and credibility (Bryman and Bell, 2011), rather than validity, which is driven by the strength of the theoretical construction of the argument and conceptual model in the remainder of this research.

3.4.1 Setting the context of this research

The research was inspired by personal and professional experience working in the field of local government performance, policy, and service improvement. It takes as its starting point the existence of a classifiable approach to improvement, i.e. the existence of a form of improvement culture. Although a critique can be made of this approach as reductive, nonetheless, this regulatory system played a key part in local government life during the period of its implementation. The aim of the research was to explore the perceptions and opinions of staff working in local government through qualitative data gathering, and hence qualitative interviewing was selected as the primary method for gathering data. The research questions also explore the changes over the last five years arising from performance and improvement

reforms, and interviewee opinions about the coming five years. Quantitative methods were unlikely to be able to provide the richness of experiential data needed to form judgements about the impact of these reforms.

3.4.2 Approach to data generation

There are numerous approaches to gathering and generating data, although it should also be recognised that constructivist researchers would argue data are 'produced' not collected. Whilst some of these align methods more comfortably with a single methodological standpoint, epistemology is by no means a definitive guide to data collection. As Crotty (1998) points out, most methods can be used within different traditions; the choice of method should be reflective of worldview, rather than directive.

Some research may gather secondary data, i.e. use existing sources of information, and apply novel techniques or contexts to allow further understanding to develop. Others generate the data through using the application of research methods themselves.

3.4.3 Different types of data collection or generation

There are numerous data collection methods that seek to obtain the views of individuals regarding social phenomena; each has particular features, advantages, and disadvantages. In order to provide clarity on the preferred approach, the major types are listed below in Table 6 and evaluated against the aims of this research. This contextualization is important as no single method is either 'good' or 'bad' but rather more or less appropriate for the intended purpose.

- Discursive methods (interviews, focus groups)
- Interactive methods (ethnographic, action research)
- Static methods (surveys, external observations, e.g. online)

Table 6: Evaluation of different research methods

Method	Strengths with regards to this research	Weaknesses with regards to this research
Personal interviews (face to face)	Allows for good rapport building Able to observe behaviour as well as words Can take place in naturalistic setting High likelihood of good response rate Generates large amount of qualitative data	Requires stronger interpersonal skills than other methods. Can be resource intensive time consuming for researcher in administering and transcribing / analysing data
Telephone interviews	Easier to arrange, especially when interviewing senior staff Requires fewer resources to organise and deliver Generates a large amount of qualitative data Could allow interviewee to feel more distanced from the research and thus more 'open'	Harder to build rapport Likely to be shorter than face to face, as harder to secure commitment to lengthier telephone conversations More difficult to judge emotional levels, body language, interest etc.
Physical surveys (i.e. hardcopy)	Familiar to many people Can be conducted in participant's own time	Response rate often much lower than other forms of data collection Require scanning or converting to electronic format for analysis More likely to have missing / illegible elements
Electronic surveys	Familiar to many people Can be conducted in participant's own time Input requirements ensure that incomplete surveys are not possible	Response rate often much lower than other forms of data collection
Participant observation / ethnographic	Allows for very rich descriptive data of social experience	May require researcher to interact with participants on peer level Needs strong observational and record-taking skills Data collected are not easily verifiable, and thus not generally suitable for positivist research
Focus groups	Allows for very rich descriptive data of social experience Strongly dialogic – privileges the discussion between participants	Conflict or issues between participants may interfere with the group Can be resource intensive time consuming for researcher in administering and transcribing / analysing data
Action research (including auto-ethnographic methods)	Allows for very rich descriptive data of social experience Embraces concept that researcher is part of the research process	Requires researcher to interact with participants on peer level Needs strong observational and record-taking skills Data collected are not easily verifiable, and researcher position highly subjective, and thus not generally suitable for positivist research

The next section now outlines the methods selected for this research.

3.4.4 Methods selected

The previous sections have outlined the philosophical basis and design considerations for this research, concluding that an interpretivist, phenomenological approach is the most suitable for and exploratory investigation of the socialised aspects of an organization, in this case local government. This would require a rich data set of interpretable responses from which an inductive approach could draw conclusions and developed theoretical propositions. This is the research's *methodology*.

Therefore, this methodology and the research questions outlined at the end of section 2.10 should guide the selection of appropriate methods. This section (3.4) has developed an understanding of the main features in selected research methods. Considering these features, advantages and disadvantages listed in Table 6, discursive methods, i.e. face to face interviews and focus groups, were selected for this research as being the most likely to generate data of the required richness and depth, and to allow interaction between participant and researcher.

Interviews were purposefully semi-structured (Easterby-Smith et al., 2012) in order to balance keeping a consistent flow, yet allowing space where needed for participants to divert. The actual interview questions used are listed here:

Table 7: Interview questions used

- Tell me a little bit about your role in the organisation, and your background.
- How would you describe your authority's approach to performance and service management?
- Since 2010, many of the statutory performance mechanisms have been removed. What impact has this had on how you approach performance and service improvement?
- To whom are you accountable? What does that look like?
- What are the most important things when managing performance and improvement within the organization?
- How do you manage improvement across the organization and how do you maintain momentum and focus?
- What are the key tools you use? (How were these introduced? How have they developed?)
- What's changed over the last five years?
- What do you think are the main challenges coming up with regard to how you manage performance and improvement over the next couple of years?
- Is there anything else you'd like to add about how the authority handles things?

Further details, including 'pick ups' or reminders to go back and ask for further comment if the answers provided did not fully address the topic are included in Appendix v.

Logistical arrangements for the interviews were organized by the lead contact within each organization, as a person familiar to them would be more likely to secure agreement and commitment to meet.

An initial briefing, regular catch up sessions and a debrief giving some interim views and observations were carried out during each site visit. Of the six case study organizations, three organizations were completed in a single site visit, and three had multiple visits.

3.5 Selecting organizations to participate in the research

Whilst some broad scale studies on Best Value, CPA and, to a lesser extent, CAA have been carried out (e.g. Andrews, 2004; Centre for Local & Regional Government Research, 2006; Davis and Martin, 2002; Higgins et al., 2004; Keenan, 2000; Leach, 2010; Martin, 2000; McLean et al., 2007), far less attention has been paid to using authorities as a unit of analysis. This is perhaps surprising, given the individual and diverse nature of local authorities. This research selects individual local authorities as the primary unit of inquiry, and therefore uses a case study approach. Case studies are considered an appropriate way of gathering and analysing data (e.g. Dul and Hak, 2008; Eisenhardt, 1989; Hartley, 2004; Stake, 1995; Yin, 2009), although difference exist between the views of these authors. For example, the widely cited Yin (2009) employs a more positivist view of cases, seeking to develop more generalizable data, whereas Stake (1995) prefers a more interpretive approach, and hence a slightly more cautious one. Others, notably Eisenhardt (1989) and Eisenhardt and Graebner (2007), suggest case studies provide an excellent way of developing theory due to their ability to study phenomena in the "rich, real-world context in which the phenomena occur" (Eisenhardt and Graebner, 2007, p.25).

3.5.1 Concerns about case study research

One of the main concerns raised about case studies, however, is that they tend not to provide generalizable conclusions. This research was exploratory in nature, and a set of disparate organizations were selected as a theoretical sample (in this case a deviant sample approach), not a random one, to fill conceptual categories (Eisenhardt, 1989). It aimed to develop theoretical propositions for future research, rather than testing hypotheses, and thus this limitation does not affect the quality of the likely conclusions.

Eisenhardt and Graebner (2007) go on to suggest that individual cases can be compared to separate experiments, whereby each one adds to the ability to replicate and advance conceptualisation. Operating inductively, this research may provide avenues for further research of a more quantitative nature, whereby generalizable hypotheses can be tested, although that is not explicit within the research design used in the study. Again, this criticism arises from a positivist perspective where as “interpretivists, on the other hand, will select cases on the basis of their inherent interest (for example paradigmatic cases), not because they are typical of a category but for what they tell us about complex social process” (Della Porta and Keating, 2008b, p.29). Della Porta and Keating identify the most common methods associated with different research traditions.

Table 8: Research methodologies and methods

	Positivist	Post-positivist	Interpretivist	Humanistic
Which methodology?	Empiricist, aiming at knowing the reality	Mainly empiricist, recognizing context	Relative focus on meanings, context	Focus on values, meaning and purposes
Which method/s?	Imitating the natural method (experiments, mathematical models, statistical analysis)	Based upon approximations to the natural method (experiments, statistical analysis, quantitative interviews)	Seeking meaning (textual analysis, discourse analysis)	Empathetic interactions between researchers and object of research

Source: taken from Della Porta and Keating (2008b, p.32)

Drawing on Table 8, this research sits in the interpretivist tradition, and hence does not attempt to provide a generalised conclusion on the basis of a large number of case studies or test hypotheses. Instead, it uses a smaller number of case organizations that are, within the bounds of a limited pool, self-selecting. The rationale and method for identifying and selecting case organizations is explained below in section 3.5.2.

3.5.2 Sampling methods

The unit of analysis is the English unitary local government body, usually referred to as a local authority or council. This is a municipal administrative and democratic body responsible for delivering a wide range of services at a ‘local’ level, both on behalf of central government, and with legislation that constructs a level of sovereign identity and power for itself. Versions of

local authority boundaries have existed since early history, and were more or less fluid over a long period; the most recent changes were enacted in 2009 via the *Local Government and Public Involvement in Health Act 2007*. The modern conception of the local authority, however, can be traced back to the *Municipal Corporations Act 1835*, which replaced the mediaeval boundaries (Wilson and Game, 2011). Local authorities are not coterminous with parliamentary constituencies, and tend to have several MPs per authority. English local government contains a range of organizational forms, but can be broadly split into 'unitary authorities', which have control of the full range of powers and duties given to local government in a single area, and 'two-tier' areas, where a 'county council' has responsibility for some services (e.g. social services, libraries, highways, education), and a series of smaller 'district councils' have responsibility for others (such as planning, waste, etc.).

The decision was taken to restrict this research to unitary councils, as they are responsible for the full range of services and can thus be considered as the key municipal body for an area, responsible (organizationally) only to central government and regulatory bodies. Therefore, they have the most control over their performance and service management framework, whereas district councils are accountable for some services to counties as higher administrative and democratic bodies. For the purposes of this research, no distinction is drawn between the unitary authorities, metropolitan borough councils (unitaries created out of the dissolution of metropolitan counties in 1974) or London boroughs, who took on status as unitary authorities after the dissolution of the Greater London Council in the *Local Government Act 1985*. Despite the development of the London mayoral arrangements in the *Greater London Authority Act 1999*, which gave some coordination powers to the new Greater London Assembly (GLA), London boroughs still retain a de facto unitary status. In the eight English core cities (Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham, and Sheffield), city region arrangements have been developing over the last 15 years. These are in some ways analogous to the GLA in that they are formed from representatives of the individual authorities in the sub-region, and have largely coordination and influencing roles, rather than powers in primary legislation.

As this research does not seek to make generalizable conclusions, a non-probabilistic sampling method was deployed. Probabilistic sampling is a defining characteristic of quantitative research (David and Sutton, 2011) in that it seeks to select a sample that will stand the greatest chance of representing the whole population, based on key characteristics (Gray, 2013). The larger the sample, the greater is the likelihood that the sample reflects the general

population, and hence any conclusions drawn from testing the sample can be generalized (Robson, 2011). Probabilistic sampling can be of the following types: random, systematic, stratified, clustered, multi-stage or a mixture of these. It attempts to minimise the probability of the results of the statistical tests used being the result of random chance. Random sampling is only possible when the entirety of the population is known (Gray, 2013) and may use a random number chart or website; each participant is selected at random. System sampling takes an initial random selection as the starting point, then selects every n th member on the list, where n is the sample size / the total population. This is open to selection bias if the list is not assembled in a randomized order. A stratified sample breaks down the population into groups using a defining characteristic that is relevant to the research question. Each level, or stratum, is a discrete group within the population (e.g. ages 10-19, 20-29, 30-39 etc. or geographical location). Randomized sampling can then be used within each stratum.

However, sampling can be carried out using non-generalizable methods, i.e. the sample is selected for reasons other than attempting to represent the general population. This method is possible when the results do not need to be extrapolated to the overall population. This can include samples of opportunity (or convenience sampling), quota sampling, purposive sampling, snowball sampling, and special case sampling (adapted from Bryman and Bell, 2011; Gray, 2013; Robson, 2011). Opportunity sampling takes the most easily available group as the sample. It can be considered an unsatisfactory method, as it is not generalizable, nor does it allow selection on the basis of desirable criteria (Gray, 2013, p.275). However, these concerns are not applicable to exploratory research.

Therefore, this research utilised a deviant case analysis (David and Sutton, 2011) approach to selected organizations to participate. The research is not seeking to make generalizable conclusions about all local authorities; thus, whilst randomised sampling is possible, it was considered inappropriate for addressing the research questions outlined in section 3.4. The phenomenological stance taken means that purposes sampling of case studies is acceptable and in order to address Gray's (2013) concerns around desirable criteria, selection of case studies was based on relevant data around authority performance. Because this research explores attitudes towards the improvement regimes implemented during 1997-2010, the 2007/8 and 2008/9 external assessments were used. These are both the most recent assessments available, and in fact the last ever assessments, as the CAA regime was removed in 2010, prior to assessments being published. All available data on unitary authorities was used (Audit Commission, 2015) having been taken from the National Archives website for the

Audit Commission, as the commission formally closed in March 2015. This comprised 114 authorities, as not all had reported data, and an average overall performance score for each authority was compiled using the weightings for corporate block scores in the CPA and CAA frameworks. This used scores for the corporate assessments, star rating, and use of resources for CPA, and the scores for managing performance, overall organizational assessment, and overall use of resources for CAA as proxies for combined performance and financial management. These combined averages were used to identify those authorities with the most improvement and least improvement from 2008 to 2009. This generated a list of 24 authorities. It should be noted that this analysis selected authorities based on their improvement levels, not absolute performance levels. Table 9 below provides the data used to construct the selection criteria for the selected authorities, i.e. it does not list the authorities in the middle that were not put into the overall pool.

A review of the information available on each council's website generated a list of contacts to approach. Wherever possible, the most senior officer with explicit responsibility for performance and improvement was selected as the appropriate person to approach. In some the authorities showing most deterioration in CPA / CAA scores, no clear responsible lead for performance was identifiable, which may have been indicative of the authority's approach. In these instances, the most appropriate corporate director (or in one or two cases, the chief executive) was selected.

A letter outlining the research proposal, the researcher's background and the research's methods was drafted, agreed with the supervisory team, and sent as hard copy to each named officer, along with a one-side sheet explaining the intellectual background. The letter indicated that the recipient would be contacted within three weeks to discuss the proposal.

In fact, ten councils approached the researcher requesting to participate, meaning that no follow up was required to secure participants. Robson (2011) expresses concerns around the impact of delivering research in organizations and the likelihood of poorly implemented research causing difficulties for future researchers in the same organization. As a matter of tact, authorities were not directly told that they had been selected as representing the worst or best improving councils, but rather that they had an interesting performance story to tell.

One authority pulled out shortly after agreeing to participate without giving a reason. Another also declined without giving a reason, partway through the scheduling process. In the case of the remaining two, arrangements were fully complete. One authority dropped out because of

the loss of the senior officer (head of service) responsible for performance meant that the relevant corporate director wished to implement a restructure and felt that participating would interfere with that process. The main contact expressed some frustration and felt that having an independent person provide an overview of what was working or not working would have been useful but was unable to convince senior management. The final authority pulled out the week before the start of data collection in their authority, citing the demands of a peer review as the cause, and suggesting that the data collection would be difficult to manage. The result of this process was that there was a split of authorities with three in the Northwest (including the pilot), one in London, one in the South East, and one in the South West.

This left six authorities, which was felt would be sufficient in terms of generating data. As the research did not seek to use a random sample to provide a generalizable result, and instead sought to generate theoretical insights from cases that could then be further developed or tested, this was felt to be a reasonable position.

Table 9: Deviant case study analysis

Council	Direction of travel 2008	Star category 2008	Corporate assessment 2008	Use of resources 2008	Overall Org. Assessment 2009	Managing Performance 2009	Use of Resources (Overall) 2009	2008 Average	2009 Average	2008-9 change
Kirklees	2	4	4	3	2	2	2	3.25	2.00	-1.25
Telford and Wrekin	3	3	4	3	2	2	2	3.25	2.00	-1.25
Waltham Forest	3	4	3	3	2	2	2	3.25	2.00	-1.25
Warrington	3	4	3	3	2	2	2	3.25	2.00	-1.25
Knowsley	3	4	3	4	2	2	3	3.50	2.33	-1.17
East Riding of Yorkshire	4	4	4	4	3	3	3	4.00	3.00	-1.00
Middlesbrough	4	4	4	4	3	3	3	4.00	3.00	-1.00
South Gloucestershire	4	4	4	4	3	3	3	4.00	3.00	-1.00
Sutton	4	4	4	4	3	3	3	4.00	3.00	-1.00
Walsall	3	3	3	3	2	2	2	3.00	2.00	-1.00
Hammersmith and Fulham	4	4	3	3	4	4	3	3.50	3.67	0.17
Harrow	3	2	2	3	3	3	2	2.50	2.67	0.17
Hillingdon	3	2	2	3	3	3	2	2.50	2.67	0.17
Plymouth	3	2	2	3	3	3	2	2.50	2.67	0.17
Medway	2	3	3	3	3	3	3	2.75	3.00	0.25
Milton Keynes	1	1	3	2	2	2	2	1.75	2.00	0.25
Tameside	3	4	4	4	4	4	4	3.75	4.00	0.25
Thurrock	1	2	2	2	2	2	2	1.75	2.00	0.25
Windsor and Maidenhead	3	3	2	3	3	3	3	2.75	3.00	0.25
Liverpool	3	2	2	2	3	3	2	2.25	2.67	0.42
Nottingham	3	2	2	2	3	3	2	2.25	2.67	0.42
Redcar and Cleveland	3	2	2	2	3	3	2	2.25	2.67	0.42
Newcastle-upon-Tyne	3	2	2	3	3	3	3	2.50	3.00	0.50
Swindon	3	2	2	3	3	3	3	2.50	3.00	0.50

Source: Audit Commission cached performance reports from

<http://webarchive.nationalarchives.gov.uk/20150421134146/http://www.audit-commission.gov.uk/>

3.5.3 Interviewee stratification

As discussed earlier, interviewees were selected primarily by each authority's contact person responsible for performance. Because local authority structures are heterogeneous, it was not possible to provide a set of job titles and request interviews with these, and asking authorities to attempt to fit their own structures against a notional single type seemed unsatisfactory. Instead a set of general guidelines were given to contacts responsible for arrangement interviews and focus groups. These were that interviews should comprise 6-8 staff with responsibility for leadership of performance management systems in the widest sense, and that this should include both corporate staff and senior departmental staff, preferably including Children's and Adults' services where possible, and ideally including the elected member with cabinet portfolio for performance. Focus groups should involve staff with a more 'hands-on', operational role within performance, again with a mix of corporate and departmental staff.

Inevitably, some interviewees withdrew from interviews due to workload pressures. Efforts were made to replace these with other staff where possible. Interviewees there were drawn from a range of levels within the organization. *Table 10: Level of case study interviewees* provides a description of the hierarchical level of interviews within each organization. 'Corporate' signifies anyone who sits on the most senior management team in the organisation, i.e. usually the chief executive and (executive) directors. In this instance, this also means the cabinet member for performance. 'Departmental' indicates the next layer down within the organization, i.e. the management team of individual departments (assistant directors, heads of service), and 'Service' is used to identify the next level down again, usually individual service managers. Interviewees are given the label of the most senior group or level they work at. For example, an executive director both sits on the corporate management and their departmental management team, thus would be given the 'corporate' label. This is slightly more problematic for staff who have corporate responsibility for a service or area, such as head of performance, or head of communications. These staff sit on departmental management teams, but may have a wider remit than, say, head of planning. To avoid the suggestion of over-estimating the level, these staff were given the departmental label.

Case studies were given a code name. These were:

- Bell Tower (B)
- Castle Gate (C)
- Long Reach (L)
- Merry Park (M)

- Rudgeway (R)
- Stocks Green (S)

Interview participants were given a randomly assigned interview number and a single alpha code to identify the authority, e.g. Rudgeway had seven interviews, coded as R1, R2, R3 etc. The interview numbers were random and do not indicate seniority or chronological position.

Table 10: Level of case study interviewees

	Long Reach	Rudgeway	Merry Park	Castle Gate	Stocks Green	Bell Tower	Total
Corporate	L4	R5, R6	M1	C1, C4	S1	B2	8
Departmental	L1, L2, L3,	R1, R3, R4, R7	M3	C5, C6, C7	S3, S4, S5	B1, B3, B4, B5	18
Service	L5	R2	M2, M4, M5	C2, C3	S2	B6	9
Total	5	7	5	7	5	6	35

The process of self-selection means that participation from the different levels was not evenly distributed, and Table 10 demonstrates that the departmental management team level is perhaps overrepresented. Given the focus on the individual local authority for this research, this was considered acceptable, as the majority of staff interviewed work at a corporate level or could be equally be considered part of the corporate capacity for performance and improvement. In Chapter 4 and Chapter 5 the terms ‘corporate’, ‘departmental’ and ‘service’ are appended to the interviewee codes to give an indication of hierarchical position each time they are directly quoted (e.g. L4 CORPORATE, or S3 DEPARTMENTAL.)

3.6 Ethical practices and concerns

A core part of research involving human subjects is complying with ethical procedures required by both the host institution and, more generally, as expected through professional academic practice. Failing to comply with these rules not only risks invalidating the findings and their acceptability for publication and hence their contribution to academic debate, but also harming the chances of other researchers seeking to engage with the same participating organizations.

3.6.1 General ethical debate

Punch, cited in David and Sutton (2011) proposes four primary ethical principles for research:

- Do no harm
- Do not deceive

- Informed consent
- Right to withdraw

Complying with these principles is a key requirement of good research. As Stake highlights (1995, p.45) qualitative research carries substantial risks of ethical concerns and resource implications. This research needed ethical approval as it utilised human subjects. The university's ethical procedures were followed, and ethical approval was given in June 2015. Agreement was sought from participating institutions between June and August 2015. Primary ethical questions are generally held to be: informed consent, right to withdrawal, privacy and anonymity, and protection from harm (David and Sutton, 2011).

3.6.2 Complying with ethical principles

As mentioned previously, encouraging research participants, including key decision-makers, to reflect on their organization's approach to performance carries with it several risks, namely: a desire to avoid making negative judgements about one's own organization or job performance, a desire to put the organization or self in the most positive light, perceived conflict between layers of management or between management and members of governance bodies, such as trustees, board members, councillors or community representatives, or social desirability, i.e. telling the researcher what the participant thinks they want to hear. This needed to be addressed by sensitive formulation of interview and focus group questions, which were piloted in Castle Gate. Each case study organization had a lead contact in order to facilitate and if possible, champion the research within their own organization. These contacts provided a useful resource for developing questions and other materials as part of future research.

Organizations have been given a code name that allows discussion of the research and findings in as natural a way as possible. Individuals within the councils are referred to by codes in the thesis to maintain anonymity, as job titles do not provide a sufficient level of protection at the senior level. Good practice in terms of emphasising this and the right to withdrawal was followed both during consent procedures and before actual contact for interviews / focus groups. Interview data will be kept for an agreed period of no longer than 10 years, and digital data was kept securely on university computers or password protected laptops once transferred from recording devices.

As has been highlighted in section 2.8, public services are facing restricted budgets under the espoused need for 'austerity', a code for the reduction in general public expenditure and the size of the state. It is also possible that this will generate resistance to participating in the

research if the organizations decide that the benefit of participating is not worth the likely resource requirements; this may have been the case in the authorities that withdrew prior to data collection. Efforts were made to minimise the impact on participating individuals and organizations in order to minimise any possible harm, and there may be opportunities for some of the outputs of the research to inform organizational practices and thus generate benefit for participants; it is felt that the feedback sessions after data collection were helpful, and three of the case studies requested feedback to a more senior group, and all six indicated they would be interested in a longer-term relationship around improving performance management. This may also present a conflict with confidentiality, although this can be addressed.

3.7 Data collection

The core data for this research was provided through qualitative interviewing of participants within case study organizations. As described in section 3.4.4, the primary method of data collection is via interview recordings and transcripts. All interviews and focus groups were digitally recorded and transferred to a password protected laptop. Field notes were also taken and these, along with general observations, documents provided, and conversations with organizational contacts form the basis of the data from which conclusions have been drawn.

3.7.1 Assessing the quality of data

The question of research data quality is one that transcends philosophies, worldviews and methods. Lincoln and Guba (1985) outline initial criteria for assessing qualitative research. They suggested a framework for translating the key criteria from positivist, generally quantitative research into terms more suited to naturalistic (i.e. qualitative) methods:

Table 11: Criteria for assessing quality of data

Positivist term	Naturalistic term (e.g. here, Interpretivist)	Explanation
Internal validity	Credibility	What is the degree of congruence between what has been said and 'truth' (or 'truths')?
Generalizability	Transferability	To what extent can conclusions or observations be addressed to alternate but similar contexts? Can we draw out theoretical perspectives that can help understand other situations?
Reliability	Dependability	Could the investigation be repeated? Has the research been well planned?
Objectivity	Confirmability	How confident can we be that the conclusions are based on participants' views, not researcher bias?

Source: Adapted from (Lincoln and Guba, 1985; Seale, 1999; Shenton, 2004)

This has been challenged, including by Lincoln and Guba themselves, as the terms are still grounded in a positivist world, and because they focus on the method as the primary means of ensuring quality, i.e. believing that the more rigorous the methods used, the more credible the claims (Symon and Cassell, 2012, pp.207-8). It could be argued that attempting to justify the quality of qualitative research using the discourse of quantitative methods is to admit defeat before the debate has even begun.

As Shipman observes, “it is easy to detect subjectivity in social research. It is impossible to confirm objectivity” (Shipman, 1997, p.18). ‘True’ detachment or objectivity would be considered an impossibility within the worldview that underpins much qualitative research, and indeed undesirable, as broadly speaking, constructionist qualitative research considers meaning to be subjective and co-constructed; thus, interactive methods are more appropriate and more credible in bringing participants’ views to the fore.

It is also difficult to discuss quality without touching on the politics of qualitative research. Denzin and Lincoln take a clear view of the need for qualitative research to make a (political) contribution to issues such as “social justice, equity, nonviolence, peace, and universal human rights” (Denzin and Lincoln, 2011, p.11). Denzin goes on to suggest that this is closely linked to discourses around standardization, guidelines, and the rise of the “evidence-based model” (Denzin, 2011, p.645). Radnor (2001) also argues that developing and maintaining trust through the data gathering process is the primary way that credibility is enhanced in qualitative research.

The primary methods used to establish or demonstrate data quality for this research related to the inductive nature of the data analysis, the use of Audit Commission selection criteria, Radnor’s (2001) trust / rapport building, the self-selecting by organizations of interview participants, and the semi-structured nature of questions (see section 3.4.4 and Appendix iv). The selection criteria explicitly used data on performance trends rather than ‘absolute’ performance level data. This intentionally avoided selecting only high-performing or poorly-performing authorities to maximise the diversity of insights generated from case studies.

The researcher’s professional career (see section 1.2, page 23) provided an ability to generate rapport through a shared history of dealing with the regulatory frameworks and challenges, and the ability to tell ‘war stories’, i.e. sharing experiences to elicit a response from interviewees about how similar events transpired (Robson, 2011). Often these were outside of the

recordings and in the initial conversations with the primary contacts within the authorities.(Radnor, 2001)

As this research sits within an interpretive tradition, it does not seek a single ‘truth’. Individual authorities will represent different views of performance and responses to the challenges presented by austerity and national policy, and intra-organizational differences are also to be expected. Managing the performance of children’s services is different to managing an asset-based, environmental service, for example. Credibility relies on congruence between interviewees within the same organization for cross-case analysis, or between any respondents for theoretical generalising.

3.7.2 Authority case studies

The selected authorities that form the research are referred to by anonymous code names and represent a mixed picture in terms of overall deprivation / affluence (DCLG, 2015a). Table 12 below provides a breakdown of the relative position within the deprivation rankings.

Table 12: Relative deprivation of case studies

IMD overall quintile			Region	No of interviewees	Deprivation level
Merry Park	5 th	80-100%	South West	5	Most affluent
Rudgeway	4 th	60-80%	London	7	
Long Reach	4 th	60-80%	South East	5	
Bell Tower	3 rd	40-60%	North West	6	
Stocks Green	1 st	0-20%	North West	5	
Castle Gate	1 st	0-20%	North West	7	Most deprived

Source: DCLG (2015a)

These authorities were not equally distributed across the country, because of the self-selecting nature of the sample. There was a predominance of North West authorities (three out of six), and two authorities are in the same quintile for deprivation. This may prove a potential limitation, although there is no regional structure or body to impose a unified approach, and no evidence emerged from the discussions to suggest any isomorphic pressure (none of the authorities, including Stocks Green and Castle Gate could be considered geographically neighbouring authorities).

A brief pen picture of each authority is provided below to give a sense of context. Statistics on size, deprivation, demography etc. have been made deliberately more vague to avoid making any of the councils identifiable.

3.7.3 Merry Park

Merry Park is a unitary authority in the South West of England. It is in the top (fifth) quintile for deprivation (i.e. within the 20% most affluent). It therefore is characterised by a largely wealthy population, although there are also small pockets of deprived wards. The population is around 90% White, with a South Asian population of between 4 and 7%. The borough is split over two main towns, surrounded by rural areas, and has had a stable Conservative council for around 10 years. The borough has several significant historic features of interest, and is well served by transport links to major cities.

3.7.4 Rudgeley

Rudgeley is a London borough of relative affluence when compared nationally. It is in the fourth quintile for deprivation, i.e. more affluent than between 60-79% of all authorities. Despite this, the borough does have some areas of concentrated deprivation, and like many London boroughs, it has a diverse population, which brings challenges around service delivery and community cohesion. It has a small Labour majority council, and has recently had changes to the council leadership.

3.7.5 Long Reach

Long Reach is a unitary authority in the South West of England. It is in the fourth quintile for deprivation, i.e. it is more affluent than 60-79% of other authorities. It has a small Conservative majority council, and has been fairly stable for a decade or so, before which no party had overall control (NOC). It is based around a single large town, with a series of smaller, satellite towns and rural areas. The population is not highly diverse, and in the last census just over 90% of residents identify as White or other White.

3.7.6 Bell Tower

Bell Tower is a unitary authority in the North West of England. It is centred on a single large town, but also includes some smaller towns and rural areas. It is in the third quintile for deprivation, i.e. it is more affluent than between 40 and 59% of all authorities. Despite this, it contains some areas of significant deprivation and societal challenges. The borough is not particularly diverse in terms of population ethnicity, and is between 91% and 94% white, although there is a set of growing Asian communities; the population is approximately 200,000.

The council is Labour controlled, although it has also been subject to no overall control (NOC) previously.

3.7.7 Stocks Green

Stocks Green is a highly deprived unitary authority in the North West of England. It is in the bottom (first) quintile for deprivation, i.e. it is more deprived than 80-99% of all other authorities. It comprises a main town, and a series of smaller, satellite towns. The borough has high levels of unemployment, and poor health compared nationally. It performs better in educational attainment than other, similar areas. The borough is part of a section of post-industrial land, and is located on the outskirts of a major city.

3.7.8 Castle Gate

Castle Gate is a highly deprived unitary authority in the North West of England. It is in the bottom (first) quintile, i.e. is more deprived than 80-99% of all other authorities. It has a stable Labour majority council and has been under single party control for some time. The borough has high levels of unemployment, poor health, and poor educational attainment when compared nationally. The borough encompasses three main towns, and sections of rural greenbelt that cover 70-75% of the borough's area, although it is also on the outskirts of a major city.

3.7.9 Timetable

The data collection phase of research was carried out during late 2015 and early 2016, in line with a timetable agreed with participating organizations. Because of the nature of researching within organizations, i.e. in the 'real world', it is important to both conduct the research ethically, but also have an eye on ensuring that the experience is beneficial for both sides, and that the participating organization was left happy for future collaboration. As Robson (2011, p.16) puts it, "False moves can inoculate a firm, school or wherever against future involvements, not only with you, but also with other potential researchers".

To improve the quality of the data collection, Castle Gate was used as a pilot authority, and interview questions and context / scene setting discussion was trialled there. From this pilot, minor changes to question wording were made. The timetable for interviews and focus groups with the six case study organizations is listed below:

Table 13: Case study data gathering timetable

Organization	Interviews	Focus group
Castle Gate	23/10/2015 13/11/2015	23/10/2015 13/11/2015
Bell Tower	23/11/2015 30/11/2015	23/11/2015 30/11/2015
Merry Park	17-19/11/2015	17-19/11/2015
Long Reach	4-5/11/2015	5/11/2015
Rudgeway	28/10/2015 02/11/2015	02/11/2015
Stocks Green	24-26/11/2015	24-26/11/2015

3.8 Approach to data analysis

Whilst a range of data analysis methods are available, these are largely guided by the overarching research philosophy and the operationalisation of the research. Thus for qualitative data collection, forms of qualitative data analysis are required.

This research uses inductive thematic data analysis (Cassell and Symon, 2004; Corbin and Strauss, 2014; Miles and Huberman, 1994). Transcripts were considered and relevant, key statements highlighted manually. These were reviewed and organised into a series of qualitative statements, which were then grouped together into first order codes, and then further grouped into a smaller number of aggregated dimensions, representing higher level concepts. This coding approach has been demonstrated elsewhere (e.g. Zimmermann et al., 2015) and broadly follows Radnor's six-step approach (Radnor, 2001, p.71).

The first line of analysis is the questioning during the interviews themselves (Corbin and Strauss, 2014, p.69). These aimed to generate a diverse set of answers, rather than encouraging respondents to conform to an existing set of theoretical or practical ideas. Therefore, the primary goal in analysing the data was to identify items of 'interest' that could provide support for theoretical development; i.e. not just a comparative understanding of similarities and differences between cases, but incidents, perspectives and comments that are uniquely interesting in their own right. In part, this is due to the divergent nature of these organizations. Whilst the statutory duties facing each local authority are the same (all case studies being unitary / single tier authorities), the local context of each area – the demography, geography, political control etc. – means that authorities are distinctive organizations, with

divergent structures, cultures, staff etc. In some cases, the processes should be similar yet can still have discrete goals. Whilst quantitative methods often seem to highlight similarities between the data, qualitative research provides a route to identifying difference. This research purposefully used a deviant case approach to generate the potential to stimulate divergent responses to the questioning, and then aimed to use this as a basis for theoretical development (Eisenhardt, 1989; Eisenhardt and Graebner, 2007).

The primary focus was not on establishing specifically each authority's individual approach, although a certain degree of cross-case analysis is helpful. Similarly, semi-structured interviews guided participants to discuss certain areas rather than allowing free rein over any topics interviewees wished to discuss, whilst still allowing for diversions and deviations.

Interview data was bounded in terms of specific domains of discussion, but equally the interviewee was allowed to interpret the relatively open questions in whichever way they wished. Qualitative codes unify themes and topics across interviews, and thus an inductive approach, based on codes that emerged from reading the texts, was preferred.

To best achieve this, transcripts were read in a randomised order, i.e. not in the same order as the interviews took place, and not grouped together by organization. Individual transcripts were read and hand-coded by manually highlighting key phrases that appeared relevant to the overall research questions, and where consistent themes were emerging, i.e. the use of 'conversations' as a term to describe face-to-face performance evaluations. Examples of this coding can be seen in *Appendix vii Samples of transcript and coding* on page 323. Transcripts were annotated by hand, and these annotations provided the basis for the first level of coding structure. This structure was allowed to emerge, rather than being imposed on the data, and manual coding facilitated the inductive nature of the data. Annotations and highlighting included *inter alia* the following types:

- Direct selection of pertinent quotes (highlighted in yellow and orange)
- Evaluative judgements by the coder around features of note in the authority's approach
- Interesting use of language (e.g. 'conversations' or 'us and them' morphology)
- Judgements on the tonal nature of language
- Tensions, conflict, connections with other interviewee responses

These were entered into a coding framework adapted from Zimmermann et al. (2015) and used to build up a picture of the relational aspects across transcripts (this can be found in *Appendix ix: Interview coding analysis sheet*, page 328). This grouped together statements of

similar nature into clusters, then summarising these into the first line of analysis 'qualitative statements about'. These statements were reviewed and placed in a table and clustered again around conceptual headings aligned into 'first order codes'. These codes were reviewed and statements re-evaluated to explore whether they comprised meaningful aggregation of empirical statements, and then these statements were developed into a series of 'first order codes'. These were finally collapsed into a set of aggregate dimensions, the term used by Zimmermann et al. (2015) to describe the highest level of abstraction.

The qualitative statements and codes were interpreted throughout the analysis phase and the writing of the finding and discussion chapters, which involved a repeated review and discussion around the credibility of the conclusions until a more parsimonious set emerged that had sufficient empirical weight of data to demonstrate usefulness. This is often presented in the literature as a cascading, linear process. Qualitative data like that which this research uses is generally 'messier' than this. Sense-making is a continual re-evaluation and contextualisation of the layers of meaning embedded within transcripts, supplemented by researcher knowledge, field notes, and academic literature (Miles and Huberman, 1994; Radnor, 2001).

The analytical cycle was carried out several times in a non-linear fashion to critically appraise the resultant structure, which is provided here in Table 28, section Appendix ix, page 328. For example, a fifth and sixth aggregate dimension initially emerged from the data. The fifth, which concerned the operationalisation of services, did not have sufficient critical mass to justify an explicit dimension of its own and was collapsed into two of the other dimensions. The sixth, which concerned the use of language, provided some insights, but was not necessary to be able to answer the research questions and was shelved for future research as an explicit theme. There was sufficient reference to linguistic concerns made throughout the rest of the findings.

It should be recognised, however, that the inductive and interpretive nature of this research meant that this process was not as structured or linear as a quantitative, hypothesis-testing approach, and hence resulted in a messier, but perhaps richer set of data. Critiquing and re-critiquing the interpretation of the data finally provided a set of four aggregated dimensions, and a series of first order codes that support each dimension. This structure, if it is felt, has sufficient theoretical and empirical coherence to support the development of some future propositions and theoretical development.

Qualitative, interpretive analysis is always a subjective process, and relies on establishing a credible narrative, supported by sufficient empirical data. Yet it is difficult to specify what

‘sufficient empirical data’ means in this context. Additionally, the analysis was performed by a single coder and therefore did not provide an opportunity to assess inter-coder reliability, a common technique to enhance the data quality. The emergent analysis was discussed at several points with the supervisory team to mitigate this.

3.9 Chapter summary

This chapter has discussed a range of research philosophies that should be considered when developing a research project. This research takes a consciously interpretivist stance to exploring the way that staff in local authorities perceive the impact and legacy of the New Labour performance assessment reforms; this is considered appropriate to the research questions. The research questions outlined were operationalized into a series of semi-structured interview questions that allowed participants sufficient space to develop the conversation around the nature of their organization’s approach. This research purposefully does not develop hypotheses for testing, but rather takes an inductive stance to reviewing the data and allowing conclusions and theoretical propositions to emerge.

Authorities with improving and declining records in performance as assessed by the regulatory regime were chosen through theoretical sampling (Eisenhardt and Graebner, 2007) to facilitate theoretical development and propositions. Data from these cases has been analysed to provide an empirical base from which a theoretical discussion can be developed. This analysis is intentionally structured to allow meanings and interpretation to emerge from a reading of the directly gathered data, i.e. interview transcripts, along with field observations and perceptions of the interview and data-gathering activities. The semi-structured nature of the interview questions, along with the interpretive nature of the analysis provided a rich but messy data set.

In order to provide a credible interpretation of the data, a process of reading and re-reading the data facilitated the imposition of a structured, hierarchical format with qualitative statements, first order codes and aggregated dimensions. This data structure was reviewed and the transcripts revisited to ensure that there is sufficient empirical support on which to base the analysis and emergent propositions. These are described in further detail in *chapter 4: Findings: Organization, politics, and performance* and *Chapter 5: Findings: Inspection, accountability, and austerity*.

Chapter 4. Findings: Organization, politics, and performance

4.1 Introduction and structure of findings chapters

This chapter and the following one draw together the findings from the empirical data gathering, and use some analytical steps to summarise and condense the qualitative data into meaningful categories. As has been mentioned earlier, this research is purposefully not generalizable, although part of the analytical stage work is to draw out some themes, patterns and contradictions that are used to formulate both recommendations for practice, and future research propositions; these are covered in more detail in Chapter 8. Chapter 4 and Chapter 5 are therefore a summary of key themes driven by the inductive analysis and emergent aggregate dimensions.

As described in section 3.8, the empirical data were inductively analysed to highlight themes and patterns – these are presented in Table 14 below. Whilst seven *a priori* dimensions were identified through the conceptual development stage, the interpretive stance taken by this research facilitated an inductive reinterpretation of the data, rather than a testing a series of specific hypotheses or seeking direct evidence of these dimensions, therefore these data are not presented against the original dimensions. The original dimensions are then re-evaluated on page 178, section 6.3

Because of the individualistic nature of the different case studies, care must be taken to draw conclusions from across the data without generalising from a small evidence base that may not have sufficient weight of evidence to support this. This does not mean, however, that conclusions, propositions, and theoretical abstractions are not achievable; this is certainly possible and this research aimed to do so.

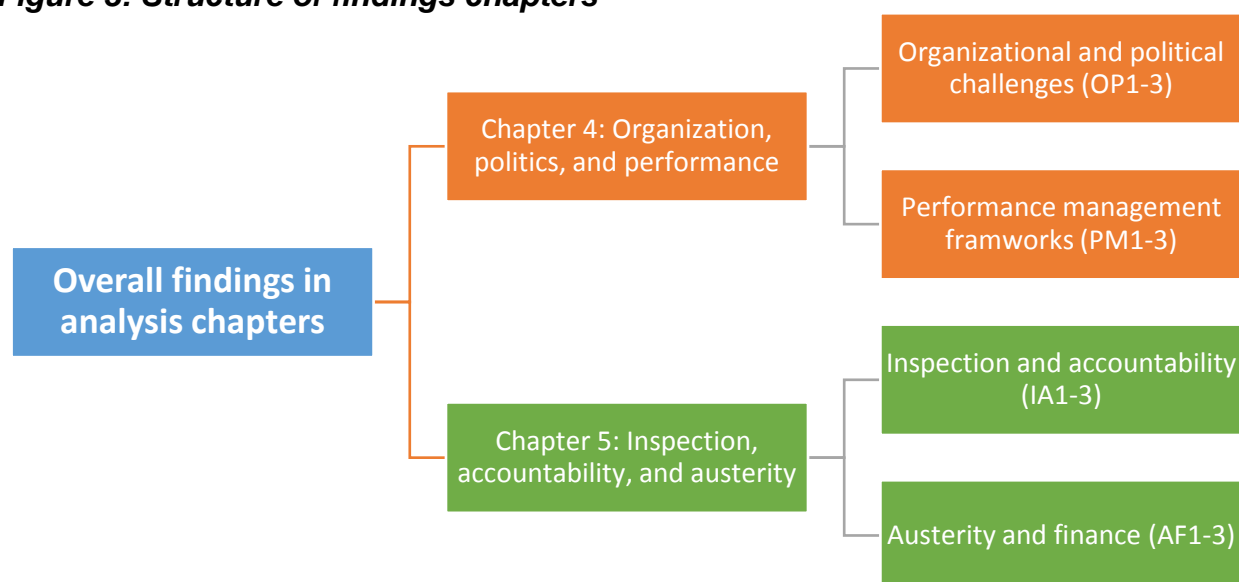
As described in section 3.8, direct portions of the transcripts were coded into qualitative statements - analytical propositions anchored in the textual material itself. These were reviewed as they emerged inductively and aggregated into first order codes, which were reviewed and condensed in a more parsimonious set. First order codes have been given a two-character code that links to the aggregate dimension, and a number to differentiate them (e.g. OP1, PM2).

Table 14: Aggregate dimensions and first-order codes

Aggregate dimension and first-order codes	Code
Organizational and political challenges:	
Politicization of performance	OP1
Corporate, departmental, and external relationships	OP2
Staffing and expertise	OP3
Performance management frameworks	
The 'death of improvement'	PM1
Renewal of performance management frameworks	PM2
Authentic performance management	PM3
Inspection and accountability	
Responses to deregulation	IA1
Differing forms of accountability	IA2
Residual external and peer inspections	IA3
Austerity and finance	
Dominance of austerity financial targets	AF1
Value for money in an age of austerity	AF2
Commissioning and insourcing / outsourcing	AF3

These dimensions have been split into two chapters. The structure of these is presented in Figure 3 below.

Figure 3: Structure of findings chapters



These dimensions and codes are considered in turn in the following chapters and sections. Quotations are provided as support for the coding and analysis. Each individual response has been given an anonymised reference comprised of the first letter of the case study code name and a randomly assigned number, e.g. R1 is the first listed respondent from Rudgeway etc., (n.b. not the first interviewed or necessarily the most senior). Table 10: *Level of case study interviewees* in section 3.5.3 provides a breakdown of each respondent by hierarchical position in the organization, and the hierarchical level is provided with each transcript reference, e.g. S1 CORPORATE.

Table 15: List of case study codenames and interviewees

Case study organization	Respondent codes
Bell Tower	B1-6
Castle Gate	C1-7
Long Reach	L1-5
Merry Park	M1-5
Rudgeway	R1-7
Stocks Green	S1-5
Total:	35

4.2 Organizational and political challenges:

As is perhaps to be expected, the level of financial challenge facing all authorities presented a range of political and organizational problems that featured heavily in the interviews. Most of the staff interviewed were at a senior level, where daily contact with elected members was a common occurrence. The following first order codes emerged as most significant from the data:

- Politicization of performance (OP1)
- Corporate, departmental, and external relationships (OP2)
- Staffing levels, and the loss of individual expertise (OP3)

4.2.1 Politicization of performance (OP1)

Political and democratic reform was a significant part of New Labour reform, but this addressed mainly the systems and process, rather than political ambitions. Whilst local authorities have always been politically-led organizations, NPM is viewed as a

managerialist perspective (Clarke and Newman, 1997), which also strongly informed performance management. During the period of reforms covered by this research, i.e. 1997-2010, the organizational assessment regimes exerted a substantial influence over performance targets, measures, and priorities – these are coercive forces in the institutional sense (DiMaggio and Powell, 1983). The *Best Value* regime included roughly 1,500 actual performance indicators, and each of these had a definition, contained in the BVPI manual. Historical performance was statutorily reported via several mechanisms, including the *Best Value Performance Plan* (BVPP) that every authority had to produce annually, as well as data returns made directly to central government and government departments. The Audit Commission was tasked with both collecting this data, assuring its data quality, and producing comparative data on performance measures and aggregated performance ‘blocks’. Calculating the ‘stretch’ against each performance measure was a key part of auditing processes done by external bodies (i.e. the commission and, latterly, private sector companies working on behalf of the commission) and was a required component of the internal auditing and performance management arrangements expected by authorities themselves.

The result of this was an enormous degree of prescription in terms of what was measured, how this was defined, and how it was expected to be collected, calculated, and compared. This clearly suggests a tension between the espoused rhetoric of authorities having to understand and address local needs and ambitions (Audit Commission, 2002, 2005, 2009) and the reality of what was actually measured (Leach, 2010).

Here, the rhetoric of political will expressed through local determination came into conflict with the clear expectation of continuous improvement in delivery against the entire gamut of performance measures included in the *Best Value* system. Whilst documents such as the corporate plan could express a series of objectives for an individual local authority these were unlikely to vary significantly as they were often written at a high level of abstraction, and the overall purposes and services offered by local authorities do not vary significantly. These documents were clearly bounded by the expectations of central government in terms of delivering central policy, the range of statutory services, and the assumptions of continued growth built into the assessment regimes.

Reforms to this system appeared to be moving in a more positive direction in 2007 with the creation of the much-reduced *National Indicator Set*, which brought down the number of performance indicators to a much more manageable 198, and a clearer sense of ‘agreeing’ targets via mechanisms such as *Local Area Agreements*, as outlined the *Local Government and Public Involvement in Health Act 2007*, which introduced *Comprehensive Area Assessment*. However, the decision to dismantle this entire apparatus was taken soon after the Coalition Government was formed in May 2010.

An explicit sense of political ambition was expressed in performance management frameworks; often in the form of political ‘pledges’ in manifestos. Whilst this could be seen as an indicator of stronger political control, this politicization of performance was fairly pervasive throughout all the case studies. The bounding of service delivery ambition as described above meant that during the 1997-2010 era, it was harder for clear political expressions of ambition to emerge. However, the removal of the regulatory regimes appeared to have facilitated a more explicit sense of politicization within performance management. Rudgeway in particular had made this a key feature of their revision to their performance management framework (PMF), which was built around a series of explicit political manifesto pledges, and a new officer and member governance group held departments to account for delivery against those pledges.

So, it’s about showing our values as an administration, of framing those decisions that we’re making. (R6 CORPORATE)

We also have performance measures around the corporate plan and the corporate priorities – how to achieve the objectives in the manifesto, the manifesto pledges (R2 SERVICE)

Others also saw it as part of the landscape of organizational goal setting in a straightforward way.

So, that kind of corporate top level in terms of the pledges, priorities, that basically we feed the information that is needed for that (L2 DEPARTMENTAL)

Whilst statutory responsibilities for services endure, there was acceptance of the importance of political ambitions and leadership in the strategic planning arena, both in terms of creating the culture required and in providing the detail of the content. The language used referred to pledges, promises etc. and did not reflect the more corporatist managerial language of objectives and goals.

I think there are two or three strands. One is around clear plans, whether that's a council four-year strategic plan, which reflects the manifesto ambitions as well as our statutory obligations. (M3 DEPARTMENTAL)

I think our performance management culture or improvement culture is there through various mechanisms, strong political leadership on it, strong senior officer leadership on it (S2 SERVICE)

So, our vision is accompanied by thirty pledges (L5 SERVICE)

Perhaps somewhat contradictorily, Merry Park's cabinet member for performance felt that the manifesto commitments should be viewed as a "collateral achievement".

Although I have a number that directly lead to me, I am an enabler for many, many of the 130 or something that we've got. I completely understand that and also, I don't feel myself constrained or limited by the – the purpose is not the manifesto commitment. The manifesto commitment should be embedded into and a collateral achievement for actually doing a good job (M1 CORPORATE)

There was also a sense of how these ambitions were being tempered by the financial situation facing local authorities. Previously, i.e. under the CPA / CAA regime, this would have been characterised by a drive for excellence, but now a more realistic sense emerged, as interviewees from Stocks Green and Bell Tower suggest.

Therefore, when you know your own priorities and you're allowed to set your own priorities, you will be more innovative, you will be more imaginative, you will take more of a risk, strongly just defending what you know to be right, whereas before you had to defend everything across the full key line of enquiries³. (S2 SERVICE)

But I'm not sure there'd be a drive to be the best council in England. I think you know, and I have heard it said... you know do we need to be the best at everything? Is good [...] good enough? (B4 DEPARTMENTAL)

In Merry Park, though, views differed slightly. Merry Park as a very affluent authority (in the top quintile for affluence) had faced much less severe cuts to its financing, as it relies much less on central government funding than the more deprived authorities.

A member aspiration that says 'no, we'll be good or outstanding. We don't want to be just satisfactory. We don't just want to be adequate. We want to be good or outstanding. We want to do that for our residents. Our residents deserve those sorts of services'. I think they would say they're taking into account the demographic mix and the high expectations and the need, therefore, to meet members' ambitions to satisfy residents' expectations. (M4 SERVICE)

³ Key lines of enquiry (KLOE) is the term given to the assessment criteria used as part of CPA.

These concepts also tie in to a sense of political or democratic accountability (IA2, and discussed further in section 7.2, page 223), and how that sense of democratic accountability interacted with the way managers felt accountable through broader interpretations of governance, i.e. relating back to RQ2. This tended to address the *operationalization* level, or how policies were put into practice. When asked about accountability, officers were split as to whether they were accountable to elected members, or to the public, or both.

Taxpayers, members of the public. I think I'm also accountable to the Cabinet, to help them deliver what they have set out to deliver and what they're judged against on the doorstep [...] Yeah, pledges, priority, and the vision generally. I don't think you can take people's money without telling them what they're getting for it. (L5 SERVICE)

Well obviously, I'm very accountable as the statutory officer, very accountable to them that's, you know chief exec, a direct line to the chief exec, but you know whether it's the social worker in me or not, I don't know, at the end of the day I must not lose sight of the service users, and that's part and parcel of what social work is. Now that poses some challenges but mainly that's what the senior officer is all about! (C4 CORPORATE)

Castle Gate and Stocks Green respondents located accountability in the context of outcomes, although both later recognised the challenges around the short-term versus long-term nature of outcomes.

So, [...] in terms of how it's written in my contract, I am accountable to the chief executive and to the chief medical officer. In terms of what that actually looks like, I am measured by...on my job and my success by my work plan and on the public health outcomes framework. (C6 DEPARTMENTAL)

So really my accountability is about outcomes, in terms of end of key stages and Ofsted grades. (S5 DEPARTMENTAL)

However, a general sense emerged that whilst accountability to the public was generally recognised as important, this accountability was often largely mediated through elected members, and that whilst officers (particularly senior officers and those in customer facing departments or services) were cognizant of this as a key element of their role, the relationship between elected members and the community was perhaps felt to be the more important one by officers.

But actually, this sense of accountability to members and hence helping them to ...And we are helping them to discharge their responsibility to the public. (L1 DEPARTMENTAL)

However, the most senior officers were also felt to be accountable for the achievement of overall outcomes.

And there will be balance in all of this stuff, but my view is that managers should be managing the business and elected members and the exec team should be managing the outcomes. (C6 DEPARTMENTAL)

The lack of performance information to accompany debates with managers was considered an issue by Castle Gate's chief executive (C1)

It sometimes feels like you've sort of got your eyes closed a little bit and you know you don't really see everything as clearly as you might. But one of the things I struggle with I suppose, the ... where I miss it, if I miss it at all, is when I'm stood in front of the members and I'm giving them a presentation on how things are going, there's not a lot to go on. (C1 CORPORATE)

Staff within social care or education tended to talk about outcomes most frequently, and outcomes as goals for them and their services felt part of a natural dialogue.

Staff within corporate service roles tended to see their relationship as one step removed from the public, and saw primarily their customers as internal ones, i.e. those staff in service departments that the corporate teams supported. This was problematized in part by the acceptance of the 'twin role' nature of a performance and improvement team, that is: one part of the role is about supporting improvement activity, and another part is about 'policing' performance in terms of holding departments to account for either their levels of performance or their achievement of improvement activities. This dual role was also a source of frustration to many of the internal performance teams and is discussed further in the next section, OP2.

Key finding 1: politicization of performance

Since deregulation, greater use of political pledges and manifesto commitments has made performance management become increasingly politicised.

4.2.2 Corporate, departmental, and external relationships (OP2)

This was an area of considerable focus. Interviews included both senior departmental and corporate staff, and as might be expected, attitudes differed between these two groups. The intensive nature of the regulatory systems meant that significant teams had

developed to service the requirements of the regulatory regime. Both departmental and corporate staff referred to this as ‘feeding the beast’ or ‘feeding the machine’. Deregulation, however, coupled with the harsh financial environment, has served to challenge the role played by corporate performance teams. Interview questions deliberately placed performance management and service improvement side by side in order to allow an honest evaluation of these two roles to emerge.

Corporate teams themselves had reduced in size overall, although this is perhaps unsurprising given the overall staffing level reductions witnessed by all councils. Most case studies had either retained a centralised performance team, or were in the process of centralising or recentralising teams. Notable exceptions to this were found in most children’s and adults’ social care and education services, where the ongoing data requirements from Ofsted and the Care Quality Commission (CQC) and the relevant central government departments have meant the retention of resources in those areas. These staff, however, did not tend to see themselves as part of the organization’s corporate performance capacity. This was also visible in the focus groups, which mixed corporate and departmental performance staff.

As mentioned above, the split role played by performance staff meant that an ‘us and them’ divide was still clearly visible in interview responses where one part of the organization retained an inspection or policing role.

“Exactly, it is a bit of an us and them...they still use the phrase, which is central services.” (B2 DEPARTMENTAL)

For example, the SENDA in the 0 to 25 agenda. Now, we have to work with it but we didn’t write it, but of course very quickly schools can get into the ‘us and them’ mindset with the LA, as though the LA is the DfE [Department for Education]. We’re not. (S5 DEPARTMENTAL)

This was generally recognised as a negative facet, and served to diminish the sense of a single organization; something particularly crucial therefore to unifying efforts around achieving corporate objectives, and it was something that staff wished to tackle. In at least one or two cases, there was an espoused effort to break down this ‘us and them divide’, although this generally came from the corporate services. For example, an interviewee from Castle Gate on a corporate team said,

You know we don't work in isolation because it isn't 'us and them', we're all on the same team, and we just, we've got to make sure that that's the consistent message that we're sending out there, we're there to aid support and to guide and to steer in the direction so that what's the, you know, the old golden thread. (C3 SERVICE)

We've got a small but good team, and we've got good relationships across the organization. Which I think, generally, are worked in such a way that people don't, I'm not saying they look forward to us pitching up, but it's like we could be a lot worse. (R3 DEPARTMENTAL)

Stocks Green also felt that they had moved towards a more supportive model, but still articulated a sense of division between corporate and departmental staff. In the case of Bell Tower, this was part of a conscious plan to strengthen the centre, although this was made more difficult by the scale of financial savings required.

We do a lot of work where we present to management teams, we've sort of made the offer out there and then we work on the basis that, "You do the work, we advise and support because we can't do it for you. If we do it for you, it won't be right." I think people in the past it was like, "Either stay out of it or do it for me," but actually where we're at now is; "I can't do it for you because that wouldn't work. I'm not going to stay out of it and you know that because you actually want the support." I think we've got that offer where we're saying, "We'll be in there. We'll be holding your hand and supporting you and we'll point out..." and now they feel like the Corporate Centre is on their side, helping them achieve that. (S2 SERVICE)

It's a bit up and down really because I think we've had this aspiration since I came here, [...] to have a more centralised service. I suppose if I was being honest, I think that there's politics at the directorate levels about what people are willing to give up and times are quite difficult now and everybody's got budget reductions to make, so you know the conversations are difficult. (B4 DEPARTMENTAL)

[...] and I don't know whether she's [Long Reach corporate HR manager] ... that, that ... that link between corporate and service isn't as good as it could be ... yet. (L5 SERVICE)

When asked, some departmental staff said they largely felt more inclined to engage with corporate team as a supportive resource; this was generally the result of negotiations, however, and the departmental interviewees and focus group members did not always reflect the same sense of engagement as corporate team members did. A member of the Long Reach corporate team expressed frustration at the dismantling of the corporate resources staff in terms of helping the organization to improve.

[...] it's probably the, the change of focus from it being within services to it being ... I think part of it is moving it back into a corporate function. The council, like most councils, dismantled most of its corporate functions ...and ran them down so that they barely existed. And suddenly they've realised that it's hard to make an engine run if you haven't got a bloody driver! So I think it's that, that realization that ... and you know we were kind of forced into this; I blame Pickles. (L1 DEPARTMENTAL)

Whilst most interviewees in departmental roles were broadly positive about the role of the performance team in the centre, Rudgeway's social care performance lead felt that the centre cost too much money and that this should be diverted to protect 'priority areas', for which we can reasonably assume meant social care.

[...] but again, you need to maybe shrink the centre so that the priority areas can be protected as much as possible. (R1 DEPARTMENTAL)

Given the difference in scale of budgets, this seems somewhat unlikely to be effective as a mechanism. This supportive role was also discussed as a linking, 'business partner' type role. This is a relatively common structure whereby central resource teams such as HR, finance or IT have nominated 'business partners' who link with a specific directorate or service, generally at a supervisor / team leader level, where they can liaise and manage the provision of resources from the corporate team. For example, an HR business partner would advise the departmental management team on recruitment, employee and industrial relations etc., and the actual work putting out job adverts and managing application process would be done by a centralised team of HR admin support. This model of experienced liaison staff with specific responsibilities was also emerging in performance teams.

[Talking about the corporate reporting team] They also support the other two directors on the council as well, but that's less about management of data and more about the business partner role as well, they don't, the council tends to, those directorates tend to produce their own data, but we would report it through corporately, so there's less kind of data management in [the corporate] team, there is some but not as much as [department's] (B4 DEPARTMENTAL)

Rudgeway also had a similar 'deployed' staff model, although this was more integrated into departments and members of the central performance team sat physically in departments, although they reported to the central team leader within the hierarchy, and had a 'dotted line' of accountability to functional management. L1 also suggested this had, in their experience, been a cyclical tendency – that is, centralization and decentralization of performance resources.

As somebody said to me, corporate performance has a habit of coming and going! (L1 DEPARTMENTAL)

Teams from across the case studies were at different points on a centralised-departmentalised spectrum. These are listed in Table 16 below:

Table 16: Structured spectrum of corporate & departmental performance models

Corporately-led	Centrally-provided, locally managed	Departmentally-managed, central coordination	Departmentally-led
Centralised performance team with business partners managed from centre	Central team with deployed central staff with dotted-line to departments	Smaller central team linking to departmentally managed staff	Largely independent departmental staff passing info to central team
Bell Tower	Long Reach Castle Gate	Rudgeway Stocks Green	Merry Park

Source: author

This analysis of the spectrum of performance team delivery models is presented to help aid understanding of the case studies. There was insufficient data available to suggest that anyone model is more effective than another, and hence this is descriptive, not evaluative. However, this approach deserves further discussion and research, although this thesis cannot devote sufficient further space here to this question, and will be the subject of future research.

As discussed in section 4.3.1, overall most corporate interviewees felt that performance teams (in the sense of those corporate teams charged with coordinating corporate performance reporting and interfacing with the Audit Commission) had obviously lost a key part of their role: the interface with the regulatory mechanisms. This gave rise to a sense of existential reflection, i.e. what was their purpose now? Corporate performance reporting was continuing in most authorities, although with reduced numbers of indicators. Corporate team leads tended to discuss departments getting ‘ownership’ of their own data. As L1 put it, corporate teams cannot ‘do it for’ service teams. This view was supported by L3 (corporate performance lead)

But what they [the corporate performance team] do is push that ownership to where it needs to be. (L3 DEPARTMENTAL)

Rather than having to ‘push’ ownership, Rudgeway’s performance lead felt this was being led by the chief executive, who had joined the organization within the last few years and who was pushing a ‘one council’ perspective.

[The chief exec's] view on culture is one of one Council, we work as a team, we don't work as individuals, collective ownership, collective responsibility. We say sorry, we put residents first, all of those sorts of things which are all brilliant in principle but they've got to be the thing that if you cut the stick of rock in half you see some of that all through it. (R4 DEPARTMENTAL)

Long Reach also described a journey around repositioning corporate performance that had yielded improvements, but still needed further development.

Pulling it all together but then it really helped me understand where the ownership and the interest was in the business around that information. It wasn't quite where I thought it would be but actually we moved it quite a long way in a way into such a good place that now the business has had another slight reorganization and created a more corporate performance hub as well, which has now taken that and spring-boarded it into the next phase (L3 DEPARTMENTAL)

Castle Gate's performance lead also articulated the same tensions between the centre and the departments in terms of complying with corporate performance requirements and departmental ownership.

it's how you get that balance, so that the performance or the policy team don't do everything. And then you've not got that ownership, you need to have the ownership in that service area, don't you? (C7 DEPARTMENTAL)

Bell Tower's performance lead saw a clear distinction between the way in which the business improvement team and the performance team were accepted by services.

They [the business improvement team] get more of a welcome into services because they're quite helpful and involved...will pick a bit of a mess up and make it right and kind of work with people deliver a project. So, we kind of use those (laughs), those ins, so they are working on something then, you know, we'll link in some of the performance team (B2 DEPARTMENTAL)

The separation between performance teams and improvement or change teams was a clear pattern that emerged from the research interviews. Whilst most central team interviewees either accepted the need to bring the two closer together, or felt that they naturally supported each other, the strong message was that change or improvement was focused on reducing costs. Performance information might be part of the data context to some of that work, but in reality, corporate performance reporting was largely felt to be an activity distanced from this agenda. The financial environment dominated discussions about performance, and it was felt that the historic levels of performance reporting (i.e. the CPA / CAA period's number of indicators) would now only serve to highlight the reductions in performance due to financial constraint.

Some of the same patterns emerged when considering external partnerships and relationships. The focus on outcomes as a repeated theme naturally brings with it a sense of working in partnership, and from a governance perspective, across partnerships. This was articulated most clearly by staff working in social care and education settings, but was also commonly found where authorities were establishing economic regeneration or growth plans (see section 6.3.2, on page 184).

However, a view emerged that formalised partnerships such as the *Local Strategic Partnerships* (LSP) had become unproductive as broad-scale governance mechanisms, though it should be recognised that not all LSPs were previously considered effective.

Yeah, well we have One [Long Reach] here but it's, but there's no ... people could walk away from that tomorrow, obviously, it's not, yeah, it's not like the LSP was. (L1 DEPARTMENTAL)

[what does partnership working feel like?] Well I think it becomes very a, either a bit non-existent, or a bit tokenistic. [RG: And what's it like here, just out of interest?] Oh great. I think- I mean, I'm not saying it doesn't work, but it, you know I've certainly worked places where there's more robust partnerships. Here it's a bit...it can be quite antagonistic. (M4 SERVICE)

Castle Gate's head of corporate performance also felt that there had been a drift away from partnership working, which had also served to weaken institutional capability, as well as to reinforce perceptions that the LSP was unsupportive.

I suppose there's, you need to overlay a few things, so there's probably some drift. I think you have had ... people ... you lose the corporate memory, you lose the partnership memory, there's not that many people who have been around for the whole duration, and maybe some of the ones who have are the ones who just saw it as bureaucratic. (C7 DEPARTMENTAL)

However, partnership in delivering social care was still considered a priority for Castle Gate's senior adult social care officer.

I mean when I came into post you know, I've got three priorities haven't I, my workforce, quality of provision service and partnership. (C4 CORPORATE)

The same interviewee also suggested that they considered commissioned staff to effectively be part of the workforce.

And my workforce doesn't just end here, it's all those provider services that I commission, they are my workforce as well. (C4 CORPORATE)

This was the strongest perception of a wider definition of workforce. Generally, interviewees were clearer on the necessity of working in partnership. For example, Castle

Gate's chief executive was clear that working in partnership at the local level would be critical to achieving more sustainable public services and meeting the budget cuts required, as did Stocks Green's senior financial manager (S3).

Oh the ... the massive issue for me is partnership. Just whether it's acute, primary, RSLs [Registered Social Landlords], police ... And that's the opportunity. Devolution I suppose but we haven't gone quite as far as Manchester, but the opportunity for devolution is, do you know what, is there a model here that gets those various bits ... of public sector talking to each other? (C1 CORPORATE)

We support a number of non-academy schools in the borough as well. We're also now starting to work with other partner agencies and exploring opportunities around shared service provision with some of our [city-region] neighbours. (S3 DEPARTMENTAL)

The discussion above in OP2 highlighted working across organizational boundaries as a key part of the work of corporate performance and change teams. Both Long Reach and Rudgeway had made use of outsourced arrangements for key services, described as 'partners'. In both cases, those partnerships had recently been dismantled.

So, for ten years, we've had a corporate transformation partner, who were in to identify things that they felt could be done more efficiently, cheaper, better use of technology to support us in implementing them. Now, that's changed because that partnership has then dispersed. But it was part of that, "How do you improve?" approach. (R5 CORPORATE)

Seven years ago, we moved to quite an outsourcing and wanted to be a commissioning organization and very lean. The world's changed. So, in five years we've gone from being outsourced and arms' length company, so like our direct labour organization and support services, to bringing it all back in-house. So, we are now a deliverer and a commissioner again. (L3 DEPARTMENTAL)

This state of being 'deliverer and commissioner' may relate to the need to control both the expenditure and nature of services delivered in the climate of austerity. This is further developed in section 5.2.1 (page 156) regarding the dominant position of austerity in interviews and section 5.2.3 – outsourcing; here it relates to the move from 'managing austerity' to 'governing austerity' (section 6.3.4, page 188).

This discussion of partnership was broken down into historic partnerships (LSPs), which were considered to now be ineffective, intra-organizational working between the corporate centre and service department, outsourced partnership arrangements, and working across the public sector. External 'strategic partner' arrangements described either consultancy expertise brought in to the authority, or an outsourced service. A

strong rhetoric around partnership exists, although in some cases, e.g. outsourced services, this appears unlikely to be considered a 'real' partnership. Services were being insourced back to the local authority, at least in part to allow the authority to claim more of the savings. These changes also reflect a move from operating in a hierarchical, managerial model to a facilitative one with external agencies, but this raised some challenges.

You know the transformational stuff and then you, on the back of that you say, well actually we've identified this, it's changed probably or something for you to do that could, you know deliver this outcome or they say, well off you go and then they just completely remove themselves from that. Because it was, you know, it was too difficult because it meant engaging with lots of different people as opposed to being told, you've got to say this. (B2 DEPARTMENTAL)

Authorities were subject here to a series of tensions. On one hand, working across the value chain for delivering public services should be a route to managing demand in a more holistic fashion, as Castle Gate's chief executive, C1, suggests. However, corporate change teams report difficulties in engaging some service departments in the discussion and debate around service change. Additionally, the lack of consistent performance management and analysis capacity described by several authorities had led to a sense of 'cutting what can be cut', rather than more considered service reductions; again, this may be due to the scale of the cuts, which have meant no service has escaped the requirement to reduce costs. An interviewee from Merry Park's children's social care department also suggested that the loss of the national policy framework called *Every Child Matters* had made it more difficult to engage partners from across other agencies.

But it also, for me it meant you could engage your partners much better than what you can do now. [...] Health could actually see they were a part of this. You know the old careers / connexions. They could see they were a part of 'Economic'. Youth Service could see they were part of 'Positive Contributions'. You know I think it was a really good mechanism for engaging partners. And we've kind of lost that. (M4 SERVICE)

Also, recognising that if we are to have a sustainable social care system in [Rudgeway], if we are to have a sustainable voluntary community sector in [Rudgeway], is the current role of the council sustainable in that? Actually, the opportunity cost is we continue doing what we're doing and we end up bankrupt. If we end up bankrupt nobody wins. So, the risk of doing nothing gets bigger. (R3 DEPARTMENTAL)

They know that I don't have an anti-academy agenda. They're clear about that. My responsibility is for all the children in [Stocks Green]. Because, equally, the legislation relating

to this is in one sense clear but in other senses vague. Because we are responsible for the outcomes as a local authority, and yet of course if it's an academy it's a bit of a no-go area. (S5 DEPARTMENTAL)

Clearly not all local authority services are the same, and those services that are more directly under the control of officers did not tend to describe partnership challenges or needs, and were much more focused on meeting their savings requirements. However, again, children's and adults' social care staff discussed partnerships more extensively when describing their approach.

Key finding 2: Corporate and departmental

CPA and CAA exerted a strong influence on structures and behaviours in performance teams. Deregulation is now causing divergent structural forms to emerge, and highlighting differences between 'performance' and 'transformation' teams.

4.2.3 Staffing levels, and the loss of individual expertise (OP3)

Local government employment levels are now at the lowest levels ever recorded (Office of National Statistics, 2016). Observations and discussions outside of the interview process confirmed that all local authorities felt there had been a large reduction in the number of staff working, and this included both central and departmental teams. Within that process, Stocks Green's corporate finance lead saw staff being drawn away to work for partners who still had staff development opportunities, causing gaps to emerge in Stocks Green.

*If you think of the resource that we've lost, there's an imbalance. [RG: **You've lost a lot of experience to counter investment?**] Yes, we have. That's natural. I think the volume is the worry. Many have gone into the health sector because, obviously, they've seen that that's a protected environment. The opportunities are there around professional development etc. (S3 DEPARTMENTAL)*

Early voluntary redundancy or severance (often called EVR) also played a key part. One focus group consisted of six members of staff, all of whom were waiting to hear that day about whether their voluntary severance had been approved. This process was having an impact on people's motivations.

The team have lost a lot of experienced colleagues and what have you. There is a lot of disillusionment, particularly as we've gone through this voluntary severance process. A number of our officers have applied for voluntary severance, but because we're going through a service review, their applications haven't been approved. We now have to pick them back up a bit where, in their heads, they were going. It was made clear, if you apply, there's no guarantee you'll get it. But in people's heads, once they apply, psychologically, they think they're going. (S3 DEPARTMENTAL)

Castle Gate, Bell Tower, and Stocks Green expressed concerns about the loss of skills that voluntary severance was having – especially given the self-selecting nature of EVR processes.

So, we had a certain skillset. With an issue of people who wanted to go on voluntary redundancy or early retirement going, you lost a huge amount of experience. And then the people who were in the middle haven't got those ones above to learn from, and we've got more newer and greener people coming in, who are more idealistic. (C5 DEPARTMENTAL)

For Liverpool [NB not one of the case study organizations], to go from a, you know first class national profile Trading Standards Service, you know, to one that has six employees now from eighty-six ... you know it's just incredible. Yeah, so I think you know nationally we're struggling. And when we look to kind of recruiting, you know, we're trying to recruit some planners at the moment but we're struggling to get people to apply. You think, you know in today's day and age that there would be lots of people out there, and I think what's happening is that you know the kind of the brain drain, you're losing good quality experienced staff who are moving on to other things. (B3 DEPARTMENTAL)

We're currently in a process where we've got recruitment freeze anyway because of the financial issues that all local authorities are facing. (S3 DEPARTMENTAL)

Within Merry Park, there were also concerns expressed about the gaps in skills and knowledge being created by a loss of staff as part of a process of attrition due to budget cuts.

[Discussing impact of voluntary severance with personal anecdote] there was a hole left because I ran the computer systems and I understood the planning, yes. Well it sounds big headed, I added value in a way that I couldn't articulate when they said, "Well what would happen if you went?" You can talk about all the added value but you know your job description says that so actually, we can get rid of that team leader and that team leader can look after support. (M5 SERVICE)

This was felt to be true, even if those cuts had created a 'leaner' set of staff responsibilities and staffing structures. The loss of staff expertise in specific service areas was considered a gap, and was creating potential for future problems.

I think we've not necessarily suffered significantly from a rush to get rid of expensive old timers, the colloquial phrase. The bit that does concern me perhaps more has been the loss of

understanding of all the things that were previously done. [...] One of the consequences I see of the leaner, broader portfolios of responsibility is a loss of some of those specialisms, which you can't always make up for by just having experienced managers per se. You need experienced managers in those areas of specialism. (M3 DEPARTMENTAL)

The lead for regulatory services in Bell Tower (B3) was concerned about the loss of professional skills, the use of young apprentices, and the lack of organizational commitment to them.

Yeah, but it's actually, you know, will we have that kind of moving forward? How do we succession plan is a challenge for us at the moment, you know, because there isn't budgets for trainees and we're using the Young Apprentice scheme now but you kind of get someone trained up and after two years you have to let them go. And so you know I am worried moving forward and certainly very worried as a profession, you know, in a kind of professional capacity, you know the Trading Standards Service is a shadow of its former self (B3 DEPARTMENTAL)

In Castle Gate, the corporate performance lead (C7) suggested that politicians had given clear direction to avoid compulsory redundancies. This did not mean no reductions in staff levels, however, and use of early voluntary severance had created gaps. C7 also highlighted the impact of these cuts, pointing out increasing levels of stress and capacity questions, although the central policy and performance team was still fairly well resourced compared with others.

Yeah, but we do seem to, you know, and there was a very clear political steer of no redundancies and all the rest of it and you know, yes, quite a lot of people did go through you know early retirement and so on ... Yeah, I think we have hit the pinch point because you've noticed it in the last year probably where people are getting more stressed and more fractious and there's not enough people ... to go around, but I still think we're in a better place when you look, you know if I said I've got a policy and performance team of thirty odd people, I mean ... it's a lot isn't it, you know? (C7 DEPARTMENTAL)

Coupled with the staffing level issues, a range of different skills were articulated that were also needed to deliver against future requirements. These tended to cluster around the skills required to work in a more commercial or commissioning-focused manner, and weakened the domain of professional expertise. This also links closely with OP2 above in terms of spanning professional boundaries.

Yeah, I think flexibility in terms of you know if there's a way of having a more multi-disciplinary approach to the types of training and professional development that we offer. So rather than it being exclusively, I am an educationalist, I'm a social worker, I'm a ... health worker, you know [...] I think commissioning skills I think, you know, project management skills. I think that some of the expertise is professional expertise. Whereas I think increasingly we'll need less of that and more of commissioning project management skills, quality assurance, because we won't

be delivering school improvement as ... as such, we will be facilitating and brokering that. (B1 DEPARTMENTAL)

To meet these requirements, new management development activities were being created, including generic management skills, certainly in Rudgeway and Long Reach.

Well, we've been doing some quite generic leadership development work with a senior manager group, and with a middle manager group, and, actually, with a front-line staff group. That has all been about generic leadership skills, yes, through a period of uncertainty. I think that's probably quite a big thing, what we've done. We're making quite a big shift towards taking more commercial approaches to things, and yes, it's very different, but some of what we're doing is just bringing in point expertise in different places (R5 CORPORATE)

[...] it's not about the product, it's about the culture that you have to engender to use the product, so ... and we're not there. So, the other thing that we're doing to try and address that is something called [Long Reach] Manager, which is about supporting managers to understand and to, not comply with but to follow ... and to fulfil the competencies of, the basic competencies of the manager, so ... And that's very early days but ... Because we've never, we've never explicitly said, if you are to be a manager, this is what you have to do, these are the eight things, you know, management of risk, management of people, various things, management of money. And we've never done that, and so I'm starting to introduce that now, which means that we can hold people to account for ... Because I think what we've done here a lot is we've made technical, people who are really technically proficient managers. (L5 SERVICE)

Long Reach was also attempting to link individual performance to pay – something that local authorities have generally not engaged with closely in previous years (OECD, 2005) – and about which concerns were raised in terms of 'realistic' appraisal.

And the way I've been describing it to our managers and I've been talking to them about it, it's like if you're a shit manager it's alright, but if you're a shit manager and your manager's a shit manager, then we've got a real problem and if we have to ... And unfortunately, I don't think there's been enough of a focus [...]. So, we've got two things, one is we're introducing an, hopefully introducing an individual performance framework, which my boss is currently doing his dinger about because I'm saying you can't link it to pay, because currently people are so uncomfortable having the conversation that you'll end up busting your budget! [laughs] (L5 SERVICE)

If you looked at last year's performance appraisals from the organization as a whole, one might reasonably expect there to be a variation, at least, of a normal commitment distribution between people who are rated at one end and who are rated at the other end. We had a seven stage category from inadequate to unsatisfactory to satisfactory to good to excellent to outstanding or not been here long enough to be appraised. There weren't very many in the inadequate or unsatisfactory and there was an over-population in terms of the excellent or outstanding. That, probably, indicates that the manager perspective of assessing performance against short-term objectives isn't as systemised as it needs to be. I put myself in the same category. It's actually quite hard. It's quite labour intensive doing that really well but, as an organization, I don't think we've been terribly good for many years in terms of performance appraisal. (M4 SERVICE)

Other discussions in Castle Gate and Long Reach involved the sorts of different skills that would be required to manage in a very different organizational climate.

I think obviously supporting the council going through massive change in terms of mutualization, so for instance we've got the leisure, going over to a TACL [community trust arrangement], so it will be kind of supporting in terms of the staff going through that sort of process. Making sure that our managers and leaders are fit for purpose really in order to deal with the change. (C3 SERVICE)

*I can see quite a few challenges. I think we need...another challenge we've got is setting the skills and the workforce to deliver that as well. [RG: **Right, OK, and what do you think are the gaps that you've got in those regards?**] Ehm ... technology as an infrastructure, but also technology in its usage and being able to understand how we could do things differently. (L3)*

They need project management skills, they need that good organization to see something through from start to finish and make sure everything gets picked up along the way. They also need change leadership skills, they need that ability to go into a room and read the mood and adapt to that, you know, their presentation and what they're saying. And they need to be good listeners because they need to actually pick up on, not just what people are saying but what they're not saying ... (L4 CORPORATE)

It was not just skills that were considered difficult. Affective commitment or engagement was also mentioned, along with a sense of the challenges presented by operating in a climate of change and unpredictability – several observations outside of the interviews suggested staff, especially those corporate roles, were finding it difficult to maintain enthusiasm and motivation given the tensions they were presented with when faced with organizational resistance to change.

But I think the graduate programme we had and the way, you know, and we had some good managers who nurtured people on for when [name of manager] was here for example, he did a good job and you know he really...he brought people on and we're still benefiting from that. Where we maybe lost it is we brought in some managers who were just generic managers and you can see where some things didn't quite, you know, the discipline or the purism wasn't, wasn't there (C7 DEPARTMENTAL)

Specialist skills within the change and improvement arena were also needed, but Long Reach's L5 (health and social care performance manager) felt that their recruitment had caused issues within the teams they worked with, perhaps replicating some of the challenges around the relationship between central performance teams and departmental staff discussed in section 4.2.2, this time from the perspective of a departmental resource.

For all my job is brilliant, [...] my appointment has caused quite a lot of problems for many people, including myself, and I think I'm seen as a bit of a problem [...] But (sighs) I think it's

unsettled quite a lot of people. I think it was absolutely the right thing to do. But I think what I've not realised is that I've taken quite a lot of people's work and ... and I'm now sort of asking questions about process because part of what I do sit with me and part sit with other people, but that causes some people some discomfort. And it's just, in terms of performance, it's fascinating that I'm being described as the problem. And I don't think, I don't even think it's personal, I think it's it's, yeah, we've got the [L5] problem, that's how somebody described it the other day. I was like thanks very much for that, yeah, great. It's a bit lonely. (L5 SERVICE)

This links closely with the questions of capacity and capability of the corporate teams to support improvement work – Castle Gate's public health lead felt central teams were important but were not being fully utilised, citing the lack of domain-specific skills or knowledge.

I think a corporate intelligence function is really, really important, but I would say we don't massively use them. And we use it within our own kind of resource... expertise. Probably because they haven't got the capacity to support us, and in some senses, haven't got the expertise around public health-type indicators to support us either. (C6 DEPARTMENTAL)

Overall, the reduction in staffing numbers was taken for granted, and in conversations outside the interviews, almost every participant made reference to the size of these reductions, particularly during tours around the council facilities, where many empty seats were visible.

I think the number of heads of service that we've got, the number of directors we've got, we've got three directors and 15 heads of service, compare that to even four years ago when I think there were five directors and 25 heads of service. There were over 30 and we're now 18 (M3 DEPARTMENTAL)

Key finding 3: impact of cuts on staffing and skills

Financial pressures are driving authorities to shed experienced staff, particularly in the mid-level, creating gaps in key parts of the organization's delivery structure and corporate supporting infrastructure.

4.3 Performance management frameworks

Performance management frameworks (PMF) were a fundamental part of the New Labour CPA / CAA regulatory system, and authorities were required to develop a performance management framework that captured the statutory and discretionary performance data, as well as being part of the formal judgements made by the Audit

Commission (Audit Commission and I&DeA, 2002). Therefore, examining the notion of a PMF formed a significant component within the research questions (see Appendix v), and one of the key findings for this research emerged from this aggregated dimension, namely, PM1: *the ‘death of improvement’*. From the analysis of the qualitative statements three first-order codes emerged under the aggregated dimensions. These are:

- The ‘death of improvement’ (PM1)
- Renewal of performance management frameworks (PM2)
- Authentic performance management (PM3)

4.3.1 The ‘death of improvement’ (PM1)

As is discussed in a later chapter (section 7.1, page 206), the contextual set up for New Labour performance improvement tools assumed a continual growth in performance, and brought in a series of contractual style arrangements, including local public service agreements and local area agreements (LPSA and LAA respectively).

And you know I kind of think back to the LPSA days you know when we had an LPSA target that was selected from my service area, you know, and it was incredibly exciting times, you know, there was ... the kind of development work that went on, it was, and the achievements, the outcomes that were delivered, were fantastic, all for relatively small investment. (B3 DEPARTMENTAL)

The combined effect of these mechanisms was a clear and unchallenged assumption of continual performance growth, although the demands of this were softened in part by specific additional funding mechanisms. These mechanisms clearly coupled ‘performance management’ with ‘improvement’, and the financial position of local authorities was much stronger.

[...] CPA and CAA it was all about managing in good times. In managing in good times to a large extent any fool can do that because no one is switching off the money [...]. Whereas in the old performance regimes it was about sovereignty and everyone working together and there was cash there through LPSA or LAA or other neighbourhood funding... (R4 DEPARTMENTAL)

Since that point, deregulation of local authorities has gone hand in hand with significant reductions in budgets, as outlined earlier, and the fracturing of the link between performance management approaches and continuous improvement, despite the Best Value duty to secure continuous improvement being reaffirmed in guidance in 2011 and

2015 (DCLG, 2015b). Several interviewees referenced the process-driven, incremental improvement nature of the older regime, and how that has changed.

Our chief officers would set targets that were based on the upper quartile and why should [Castle Gate] residents you know be any worse off than anywhere else in the country and all this sort of stuff, in terms of the support they get. So that was the starting point. And I think some level of decline, relative decline, from that position is acceptable really. (C1 CORPORATE)

I mean, historically, some targets we used to just increase by 1% a year. Those days are gone. (R2 SERVICE)

It [CPA] worked and it put a great focus on performance improvement, so the principle of it worked, but I think maybe for everywhere, like all processes it became a bit too much about the process. (S2 SERVICE)

The result of this can be seen in responses to questions posed to all interviewees around the nature and ‘feel’ of the authorities’ approach to performance management. These tended to draw fairly clear distinctions between performance management, seen as a tool of monitoring or accountability, and ‘service improvement’, which was almost universally seen as a tool of financial restraint or budgetary reductions.

Performance management, probably do the minimum and service improvement is completely financially driven. [...] Legislation apart, so we do what we have to do [...] ... the rest of it is, yeah, is driven entirely by finance. So we have various strategies and plans but the decisions are based around money. (B6 SERVICE)

Within the same authority, there was a feeling that improvement was now largely driven by personalities, instead of being systematically initiated by corporate discussions based on performance and other data. Additionally, the stated desire to manage by outcomes presents challenges for some services that cannot readily demonstrate their outcome achievements.

I wouldn't suggest that our performance management system aids improvement. I think improvement is very much down, again, to individual personalities, to ensure that they are you know challenging, testing and driving their services forward. [...] So, I would say that in terms of helping to make sure it ... is it something which drives forward improvement, I would say no. Is it something that makes sure that you, you know, you are actually giving some focus periodically to performance management? Yes, to a degree. But it's only as good as the suite of PIs that you tend to have. And what, certainly in my area, you know, it can be incredibly difficult to develop effective outcome measures for some of the work we do. Things like tobacco control, you know, you look at the prevalence rates, it's a good measure to the effectiveness, it's not always that easy to demonstrate that a particular intervention has led to a step change in terms of ... (B3 DEPARTMENTAL)

Another respondent felt that the scale of the cuts had tended to polarise services, as highlighted in OP2, into frontline and back office or resourcing teams. It is thus much harder to justify expenditure on these latter functions, when the scale of frontline services is considered, ironically creating capacity problems in addressing challenges for frontline services themselves. This has led to performance management becoming more reactive, and 'problem-led'. This could be termed a 'deficit' model of performance.

I don't think, well I don't know if we've got one approach really. I ... (sighs) I think one of the consequences of the cuts we've faced since 2010 has been we started by sort of hammering, [...] what you need to do is you need to cut your back office and, to protect the frontline but sort of resource management and back office and performance management as a function isn't as valued perhaps in relative terms as it was seven years ago or so. And what that means is, we've got fewer people to spend on standardising things across what is a very complex organization, so you know I quote this number all the time, but 771 individual services either delivered or facilitated by a metropolitan council like us, and you ... you've got to have a resource if you want to standardise something across all 770 bits, and we haven't got that anymore. So, I think, I would characterise our approach to performance management as disparate, and much more responsive than it was [...] (C1 CORPORATE)

A few years ago performance almost because a dirty word in some people's mind. Prior that it was all about performance – performance investing in building things up to be the best and looking at the benchmarking data, you had to submit data left, right and centre to different national websites, and then when the credit crunch hit, it was more about doing more with less. So, it's not look at performance as such, let's look about service improvement. Similar sort of work but just badged in a different way. (R2 SERVICE)

[...] and an understanding of when you pull a lever, what difference does it make. Because I think there's an awful lot of output driven activity here, there's some very, very hardworking people, and what they tend to think is, well as long as I've done that, improvement will happen. (L5 SERVICE)

Here, 'improvement' meant different things to different people. Arising from the findings in section 4.2.2, the assumption that continued growth and increasing productivity are to be expected and that failure to achieve this is as a result of poor management or strategy is, on a superficial level, difficult to argue with, and forms part of the hegemonic view of economics today, often referred to as neo-liberal capitalism (Chang 2002). We can argue that public services, however, do not operate within the same strategic domain as private sector businesses and possess different values (Denhardt and Denhardt, 2011).

Their goals are thus widely divergent and largely exogenous. When considering the extreme levels of budgetary restriction (Local Government Association 2015), it seems

clear that ever-increasing performance growth is at the very least incredibly unlikely. Whilst there was agreement generally across the board that budget restrictions had increased efficiency and forced (some) services to reduce waste, for almost everyone, the limits of service redesign, technology and demand management were either visible or had been broached, especially when factoring in the demographic changes facing services.

When you've got a demand-led service where everyone knows there's picture and demography, even the great thing about our improving health service and medications, making people live longer. The only problem is that that means for us, they are living longer when they do come to us. And things like reablement, that does help stop people coming to you at an earlier stage, but when they do come back, they come back more complex, and older, and frailer and with more than one long-term condition. You know, the cost of those care packages can be phenomenal (R1 DEPARTMENTAL)

Both Bell Tower and Castle Gate raised the notion of 'salami slicing', i.e. incremental budget reductions each year, and suggested that this has been a conscious strategy, but was now becoming unsustainable. This provides an interesting comparison with incremental and step change in terms of improvement.

because people talk about outcomes but they don't necessarily make, you know, in the context of commissioning, we don't necessarily make the connection between outcomes and the performance and the service improvement or delivery improvement. So we have kind of worked to try and make those connections, so we've had what we call outcomes based budgeting [...] Which was you know a stealth way of getting people to think about the kind of performance and delivery side of things, alongside just doing salami slicing budget cuts. (B2 DEPARTMENTAL)

I think we have changed quite considerably during that period of time. A lot of the time, that's more of a- we're consciously taking a salami slice, so it's been incremental change rather than big game-changes. But I think we are at a stage now where we're recognising that incremental change isn't sufficient, and it will need to be significant organizational change if we're to continue to deliver at the pace that we want to deliver, and have to deliver for the residents here. (C5 DEPARTMENTAL)

This concern about budget cuts having reduced organizational capacity to improve served to challenge the direction of the link between performance, improvement, and budget. Change was primarily being driven by financial imperatives, rather than the need to improve performance. This was a view shared by five of the corporate performance teams in the case studies, with Merry Park, the most affluent authority, preferring to generate improvements in order to reduce council tax for residents.

I'm not quite sure they're [performance management and improvement] linked. I think that would be one of my issues, which is I think there's definitely a rigour to improve. I think that, in the main, for the last, probably, five or six years, that's very much been driven by savings rather than performance. And that's the main driver for that change. (C5 DEPARTMENTAL)

Beyond this challenge to the link between performance and improvement, many interviewees described the level of challenge around actually delivering improvements in services, and that a range of services were being trying to just stay at the same level, or scaled back: what has been called 'managed decline'.

I do think increasingly we will not be able to do improvement; it will almost be a little bit about evidence base and surety of decline, for want of a better word. (S2 SERVICE)

It's incredibly tough, and to be honest I spend more time now, Russ, managing decline than I do improving what we do. (B3 DEPARTMENTAL)

[T]here's certainly a shift from a gold-standard service to a bronze-standard service. (S4 DEPARTMENTAL)

Some targets we're having to think about relaxing a little bit, because they were set in times when there was great investment in the services, so now it seems unfair to give them the same target. (R2 SERVICE)

And getting into those conversations with Cabinet. So, one of our priorities is around clean and safe streets, and that obviously fills all of their postbags but bearing in mind how much money we have, helping them to see that a clean and safe street, remaining as we are now, is an achievement... (L5 SERVICE)

Some saw this concept of managed decline as part of an overall strategy looking at differential prioritization of services, although accepting this brought substantial challenges, particularly when the day-to-day experiences of complaints to members around service levels or service failures are brought in.

Yeah, and that's where we're heading moving forward with less money, it's where are the areas we need to have to improve performance, where are we happy where it is and where are we quite prepared to drop it because we're putting less money in and there's a rationale for that. But that won't be easy ... (C7 DEPARTMENTAL)

For some, the scaling back of services risked introducing a snowball effect, essentially presenting a 'slippery slope' logical argument.

I think that's what, you know, far be it for me to apologise for this government, but what they've said since the recession and the crash and everything else is, look, we can't afford for everybody to be gold-plated and you're getting too much money and do you know what your people, your residents don't really need their benefit claim assessed in ten days, thirty days is probably quickly enough. So, you're managing down from ten to thirty. My problem comes when you're

managing, when thirty's unaffordable and you're saying, well actually it's going to take two months. (C1 CORPORATE)

So, we are shrinking, and the service provision is being drawn back, but some of the expectations are not reducing. For example, and it comes back to them, OFSTED are not reducing their expectations of how Children's Social Care function should work. In fact, much broader than that, Early Intervention Services, everything around that, you know. They're raising the bar every single year, and that could just lead to people becoming demotivated and fatigued, frankly. So, that's a really big issue, and that goes for some areas of central government as well. (R3 DEPARTMENTAL)

Decline in services was accepted, but differing arguments were presented for 'scaling back' those services that were environment or asset-based, compared with people-focused services such as education or social care. Whilst service reduction was clearly present in these areas too, this was often characterised as either changing the thresholds to access services or transforming services. Sometimes this presented itself as a focus on new ways of working such as co-production or commissioning portals.

Other features of changing discourses around performance included the need to synchronise budgets and what performance those budgets could purchase. Bell Tower had been through attempts to deliver 'outcome-based budgeting' with varying success in different parts of the organization. Again, the logic for approaching the balancing of performance (in the wider sense) with budgets was well supported, yet interviewees reported it being fraught with operational difficulties.

So, I do think within [Bell Tower], one of the things that I've actually been supportive of, it's not been wholesale you know across the council, it's been received in the same way, but actually outcome based budgeting I saw as a very healthy approach. (B1 DEPARTMENTAL)

[Managing in a context of reduced budgets] Yeah, it's very, yeah, it's very difficult Russ, yeah, I mean it is difficult. I mean we've had a programme of outcomes based budgeting for about eighteen months now and it is hard to keep the organization focused on that because I think many people prefer the ease of cuts. (B5 CORPORATE)

In part these problems may have been due to difficulties in prioritising services, leading to decoupling of the process from evidence or failing to take account of some of the explanations for performance issues.

We've just had an Ofsted inspection; it could be that there are more children who need help. Yeah, so there has been a noticeable change in that area. That has a massive impact in terms of demand on finances. So that, that's when you can be caught out really when your outcomes and your money fall out of sync. But I don't see why they, you know, as long as you're using the

outcomes to prioritise ... But that's the thing, we struggle with priorities, we like to do everything! (B6 SERVICE)

Long Reach were also working towards a more integrated finance and performance planning process, and seeing that as a move away from performance as a tool for accountability.

We've also tended to use performance as blame so you'll get senior managers who won't put forward indicators who, when they think it's going to be red, because they know they'll get pilloried for it. That's all changed. We've got a new lead member who's taken on the role for performance and [he] is now responsible for performance. I think performance used to sit in service delivery and that didn't seem to work terribly well. Taking it out and putting it within a wider resources function seems to me that the council's focus is starting to change and that it's becoming much more on performance's improvement rather than performance as in accountability ... (L1 DEPARTMENTAL)

Key finding 4: 'Death of improvement'

The 'death of improvement' is used here to suggest that the assumption of continuous improvement across all areas has now fallen away, despite remaining a statutory legal duty, not to suggest that no improvement activity is taking place. This links to the concept of 'managed decline' in some services.

4.3.2 Renewal of performance management frameworks (PM2)

The findings above highlight that 'performance management' as a term is highly polysemic, that is, it contains levels of meaning that are multiple and varied (Lakoff and Johnson, 2008) and respondents used the same term to refer to a variety of techniques, approaches, and purposes. In fact, this will provide another avenue of investigation (but one that will not be explored here): the linguistic and semantic values attached to key terms within the performance debate, e.g. performance, improvement, change, transformation etc. All of them are terms with subtly different meanings, and for which commonly accepted meanings are difficult to pin down. One of the weaknesses of the academic literature concerning performance management is a tendency to overlook the implicit assumptions that underpin performance management. It tends towards a rationalist and positivist interpretation of what performance management 'means' and is thus more concerned with definitional debates about what it does, as opposed to what it means; this was explored in more detail in section 2.7, and in particular Table 2: Uses of

performance management: perspectives from literature, on page 37. As the findings show, assumptions around performance management's core purpose of continuous improvement have been challenged, and the link between performance management and improvement has been significantly altered. Despite this, or perhaps because of this, all case study authorities were in the process of renewing their PMF, or had recently done so.

The key focus of much of this work was not on managed decline, but rather reflexive discussions around the role and purpose of local government, and how best to capture the ambitions of local government, be they political or organizational. Some of this discussion, however, still felt naïve or unrealistic when compared to the stark realities of the future shape and nature of local government.

Well I think it comes back to a lot of the stuff I've already said really about, you know increased collaboration, joint commissioning, you know looking at ways where we can identify shared outcomes, you know looking outward rather than inward. (B1 DEPARTMENTAL)

Troubled Families was a good example of working together and Troubled Families in this second phase have developed an outcomes framework, because again, I don't know if you know the second phase of Troubled Families is building on the standard national outcomes and how you put your own in there. (C7 DEPARTMENTAL)

And we've also got a new performance framework that's being developed and about to be rolled out in April. (L4 CORPORATE)

Castle Gate's chief executive (C1) saw performance management as reflecting the accountability of senior officers, and also pointed to the legacy of negative inspections that Castle Gate had received.

We need to re-launch the senior management accountability framework and then, and then cascade that down the organization. So, and that's what I go back to. [...] So children's social care, I'm getting swamped with PIs at the moment because we are focused on children's social care, not necessarily sure we're focused as much on adult social care, you know, so it's about there but ... But I don't think we're ever going to get to a point where we've got the same performance management framework around grass cutting. (C1 CORPORATE)

There was a legacy effect observed, where even the residual performance reporting was felt to have become too onerous, or where a sense of organizational 'baggage' lingered. This 'baggage' from previous inspections and performance regimes affected

organizational acceptance that performance management could have legitimacy in itself, or benefits for, the organization.

So, yes. I mean for me I think – and I do get, and I mean I've worked in corporate performance so I do know that some of these things take on a life of their own. And my sense is that [the corporate performance report] has, you know, has got a- has become a beast on its own, and... (M4 SERVICE)

And yeah, feeding machines, they all still think of it as feeding the corporate beast. (L1 DEPARTMENTAL)

Nonetheless, there was little outright rejection of the need to manage performance, although some cynical views postulated that for some services, few might notice if performance reporting were missed.

what we've got is a very disjointed approach from DCLG, DEFRA, BIS, Uncle Tom Cobley and all, direct government directorates, all kind of, who've not got a good history of working together anyway... and because of the kind of, the white noise that comes from there, you know again it creates this kind of, almost uncertainty about what exactly you should be measuring and kind of delivering. And to be quite frank Russ, if I decided that we would do no performance management, I think I could probably get away with that for quite a while. (B3 DEPARTMENTAL)

Overall, the efforts to renew the frameworks had to balance several competing factors: the need to manage services in decline, and those where significant cuts were needed to expenditure, yet also to sustain service levels; a desire to reference the political ambitions of the organizations; and a developing understanding, encouraged by the removal of statutory mechanisms, of what makes effective performance management. This often implied a sense of developing more 'authentic' modes of performance measurement and management, which is discussed in the next section.

Key finding 5: Renewing performance management frameworks

Deregulation, politicization, austerity and the 'death of improvement' have triggered authorities to redevelop their performance management frameworks, and they are still struggling to balance longer-term outcomes with shorter-term operational performance management.

4.3.3 Authentic performance management (PM3)

The removal of organizational assessments and the level of financial challenges facing local authorities have clearly had a significant impact on the ways in which performance is managed and reported. A series of qualitative statements emerged that were clustered into a first order code around 'authentic' performance management. This included two main aspects: firstly, that a wider view of what counted as performance indicators should be used, with some specific comments about greater use of qualitative data collection, narrative and user 'voice'. This was strongly felt within Rudgeway:

[performance management since 2010] I'd say more the qualitative has become more important than the statistical [...] More narrative, more case studies to really give people a feel what it is that Adult Social Care actually delivers [...]. Hopefully, I think the voice of the user comes through. So, our local account is very focused on, as you can see, lots of pictures, lots of narrative, lots of descriptions. A little bit about how the organization is performing. (R1 DEPARTMENTAL)

[...] therefore the outcome side of things is a much more qualitative aspect, using survey data and also experiential data as well. In the old world having a place survey and having the budgets to be able to commission some of those things, we're not in that position where we've got the ability to do that. So, we've got a lot of systems set up to measure outputs and limited things set up to deliver that real view of experience and outcome. (R4 DEPARTMENTAL)

Including the voice of the customer was important for Merry Park when carrying out strategic planning, again linking with performance outcomes rather than targets, although this did not mean a technological solution.

We used three pieces of A1 sheets, so we don't bother with too much technology. We sit around and we use flipcharts and we end up with three pieces of A1 where nearly everything you need to know, the voice of the customer, opportunities, threats, high level objective, significant beneficial outcomes, performer systems paradigm, inputs and outputs and some ratios and some metrics are all on one piece of paper. (M1 CORPORATE)

Long Reach also discussed the use of wider data sources in terms of developing a fuller picture of what was happening organizationally, in this instance talking about the management of human resources and organizational development.

And so, triangulating what I...the mood music I'm getting from the Unions, which is the other thing and you know where our disciplines and griev ... (laughs) where our grievance processes and some of the stuff that's coming through there says to me that there is factual evidence to support, to support ... quantitative evidence to support qualitative evidence that we've got a problem there. And that's ... and I find that quite easy but I don't know that the organization is used to that level of enquiry. (L5 SERVICE)

Another Castle Gate interviewee drew an analogy between making performance meaningful and thus being able engage with communities by understanding their agendas and reacting to those.

And to use another quote and I apologise in advance, but you know, Kevin Costner Field of Dreams, if you've seen that film, which is a fantastic film. And the people come out of the kind of corn fields...and he's had this dream of building a baseball pitch... and the people kind of come out of the corn fields and they say to him: 'if you build it, they will come'. And I always use that analogy, because that's the biggest load of rubbish there is. If you build something, they won't come. People have to have a reason for going and using something. And there has to be a vested interest and they have to understand it. And again, that's just part of the public narrative. So applying that kind of thinking...to outcomes and to performance information...why is this...why does this matter? Why does it matter to me? Why does it matter to my population? (C6 DEPARTMENTAL).

Whilst the volume of performance indicators has reduced considerably, triangulation of performance still remains a valid concern. Rudgeway's elected member for performance outlined an example where their data from residents seemed to contradict the 'official' data collection.

So, we have an independent monitoring system judging the cleanliness of our streets. It came back saying it's fantastic and there are no issues and we're almost like 100% or something. It just didn't match up with the feel. And we know that fly tipping is increasing and we know that last year we took some money out of the system and that has had an impact, blah, blah, blah. So, you can just tell, based on the number of complaints that you're getting and based on just walking around the borough, that actually there is a disconnect between the independent reporting and what you're actually seeing. (R6 CORPORATE)

This reflects a fairly deep-grained suspicion about performance indicators, namely that they do not measure the 'right things', or that they are open to gaming or other behaviours intended to hide the 'true' level of performance. This comment above, from a senior elected member, also felt somewhat dismissive about the impact that cuts made may have had on the service – note the “blah, blah, blah”. This could be open to challenge as the councillor was part of the cabinet that made the decision to cut resources from the department charged with collecting bulky waste.

You need to become almost a salesman, you know, I'm a local government officer, I'm not a salesman. But it does require you to actually you know a) develop the measures but b) to promote your delivery of those and performance in a way that kind of sets you apart and actually you know makes people take note. Because at the moment, you know, we're in a kind of dog eat dog situation, you know, all budget holders are ... clamouring to retain their budgets (B3 DEPARTMENTAL).

Rudgeway's corporate services director connected the notion of authenticity to being able to relate to partnership delivery and to the ostensible mission and guiding values behind public service, as measured by outcomes.

I think what we have to be, given the level of change going forward, is focused on outcome, which outcomes we can support, which we can't, how they can be supported in the borough, how we lead the support of them, because sometimes what you're talking about is a devolution of interventions being delivered within other organizations, within the fabric of the community, rather than via the council, but that's where the big change for us comes in. If you're relying on your values and your outcomes, that's how you manage it. (R5 CORPORATE)

Another aspect of the authenticity debate centred on having the right indicators monitored at the right place in the organization, and feedback suggested that the highly-integrated approach (i.e. the golden thread) had not been effective in terms of being able to make management or political decisions.

And I think what we did after 2010 was we'd moved away from you know the minutiae of all of the indicators and everything that you had to do for an LAA to an outcomes approach, and I think the outcomes approach was too high level probably, we had outcome indicators and intermediate indicators, but the actual service delivery indicators got lost, they were there in the day to day stuff but there was a tier of management within the council that wasn't seeing them. So they weren't getting to where they needed to do (C7 DEPARTMENTAL)

We used to have what we called a magazine, a performance magazine, that was, did some case studies as well, did some ... kind of little updates about where different projects were up to but we've stopped doing that, we do more of a narrative report (B4 CORPORATE)

Authentic performance management, as described here, involved a more sophisticated approach to performance management, although some authorities, e.g. Bell Tower and Merry Park, still felt that they had not developed mature systems and processes. Rudgeway and Stocks Green had moved to incorporate mixed officer and member governance of performance mechanisms, although again, there was some discussion around whether at times this was pragmatically focused or ritualistic in nature – what we might term the 'performance of performance', where public presentations of performance management are rehearsed and planned, rather than spontaneous discussions, and where 'genuine' discussions focused on understanding poor performance and taking action are replaced by ritualistic performance for performance's sake.

Prior to their removal, the statutory frameworks for local authority performance had required more substantial activity, as well as a much tighter framework of indicators. Now,

authorities were largely benefitting from deregulation in terms of being able to be ‘masters of their own destiny’, although the removal of these regulatory frameworks was not without challenge, as the next section discusses in more detail.

Key finding 6: Authentic performance management

The drive to renew performance management frameworks has included the ambition to highlight user voice and alternative forms of performance data as part of a move towards more ‘authentic’ performance management, now that the statutory indicators have been removed.

4.4 Chapter conclusions

This chapter examined the initial findings and explored two of the four inductive codes, which relate to organizational and political challenges (OP1, OP2, and OP3) and to performance management frameworks (PMF1, PM2, and PMF3).

Authorities reported an increasing use of more politicized forms of performance management, particularly in the context of manifesto commitments and electoral pledges. These were driving changes in performance management governance arrangements, particularly for Rudgey, where performance boards with mixed officer and elected member compositions were tasked with maintaining an overview of performance against the pledges. In Long Reach and Stocks Green, too, pledges formed part of performance management arrangements, which fed into the accountability findings in section 5.1.2 (page 143) and the discussion of accountability types in section 7.2 on page 223. These pledges may have developed in response to the removal of the statutory performance indicators included within the *Best Value* regime. Some views that support this are discussed in section 5.1.1.

The data suggest that deregulation has had an impact on organizational structures that has generated a series of tensions between corporate and departmental or service-based staff – staff in Stocks Green and Long Reach in particular discussed this. Whilst these divisions have been around for some time and can perhaps be seen in part as a more local replication of the administration / politics split (Svara, 2008), the development of the

substantial regulatory regime under New Labour served to give legitimacy to corporate staff structures and roles. This has been unpicked by the subsequent deregulation under the Coalition.

The centrally controlling, coercive force generated by regulation has also effectively disappeared, giving local politicians more space to implement locally-determined priorities, yet this has been undermined by significant budget cuts (see section 5.2. Austerity and finance on page 156 for a full discussion of this). The impact of meeting austerity budgets has resonated across the organizations discussed, and has left a significant legacy in the loss of staffing and expertise, the subject of a key finding.

Crucially, performance management frameworks have had to adapt to austerity, and the resultant change in emphasis from 'continuous improvement' to 'managed decline', at least in some parts, is also serving to influence divergent forms of performance. This abandoning of the statutory duty to continually improve has been termed the 'death of improvement' and is a key finding for this research. This is not wholly negative, however, and authorities are developing new and more authentic forms of performance management in order to better engage with citizens, businesses and other stakeholders.

Chapter 5 will now move on to discuss the findings that relate to inspection, accountability and, crucially, the impact of austerity on organizational behaviours, values, and actions.

Chapter 5. Findings: Inspection, accountability, and austerity

The previous chapter articulated the findings as they relate to organizational and institutional issues examining democratic processes and engagement, impact on staffing, structural concerns and finally the use of performance management approaches. This chapter continues developing the findings with a focus on the financial, decisional, and regulatory elements of the research.

5.1 Inspection and accountability

Accountability is a fundamental part of management of public services, and specifically performance management. Three first order codes emerged, which are:

- Responses to deregulation (IA1)
- Differing forms of accountability (IA2)
- Residual external inspections and peer or sector-led improvement (IA3)

Responses to deregulation – the removal of the organizational regulatory processes of CPA / CAA, and the removal of the supporting performance management arrangements – provoked nuanced responses. Initially the coding structure separated positive and negative responses into different first order codes. More detailed analysis of the findings, however, suggested that responses were rarely wholly positive or wholly negative. Whilst some interviewees were more critical of the existing frameworks than others, most recognised that their removal raised problems around performance management and accountability, but that it also increased authorities' ability to control the agenda for service delivery – sometimes termed being 'masters of our own destiny'.

5.1.1 Responses to deregulation (IA1)

The most common positive response to deregulation was around the removal of the reporting burden. Where this was referenced, the metaphors used tended to be around 'feeding the machine' or 'feeding the beast'.

Yes, so the removal of CPA/CAA, the focus often became too much about CPA and CAA and the evidence and it really was a process you were feeding to a greater degree. (S2 SERVICE)

A little bit because in my role at HR there were contributions to make in terms of feeding the, the various inspectors with information. (B6 SERVICE)

I think sort of CPA and CAA help to raise standards and yet people think in a different way, I think it probably went too far! (laughs) So it was a bit of a monster, wasn't it? (B2 DEPARTMENTAL)

Merry Park's cabinet member for performance (M1) related the experience of taking over control of a system that they felt had developed out of an understandable desire to manage things but where the process drove action, and not the values behind it.

[...] when I came in, we sort of inherited the legacy of the previous government and I understand why Tony Blair and others went down that line of putting lots of performance indicators in. But it became, like it always does, a tick box exercise and the process was the master and the performance was the servant... (M1 CORPORATE)

If I'm honest, it gave you a bit of a focus when they're in there, because you have no choice. It focused the organization's attention on it. Because it was then relaxed, because it went, and then you're left to your own internal devices, I suppose it's keeping that momentum and keeping that emphasis going. It's been quite a big challenge, I would say. It's only really because of the requirement to deliver efficiencies that has focused the attention more on making sure we are still doing that. If we hadn't, I personally think it would have dropped off the radar. (S3 DEPARTMENTAL)

Rudgeway's performance lead for health and social care had seen reductions in the performance burden, particularly in adults' social care.

[...] nationally, things like the ASCOF [Adult Social Care Outcomes Framework], it is a reduced version of the reporting that we used to do, statutory reporting. We're no longer regulated and inspected at the moment. [...] Again, ADASS [Association of Directors of Adult Social Services in England] were very key (R1 DEPARTMENTAL)

Merry Park's social care performance manager (M4), on the other hand, felt that little had actually changed, and that the statutory returns to central government departments had meant that the burden had not actually reduced.

I think the, you know, the so-called reducing the burdens by removing the performance management stuff, actually has just come in through the back door. Because you've still got to do it in terms of the statutory returns. (M4 SERVICE)

One respondent from Bell Tower, who had worked for the Audit Commission before taking up a local government role, felt that the overall inspection regime had been unnecessarily burdensome, but that the lack of a replacement mechanism left authorities without a reference point to assess their delivery for local residents.

[...] because having sat on both sides of the fence, it's certainly burdensome for local authorities, having a CPA or whatever. Massively burdensome. And I think that could have been simplified. So I agree with the reforms that were done. But I think by not replacing it with anything, it kind

of leaves us a little bit, we're not really sure, we'd like to be sure that we're doing a good job and that we're delivering the best for our residents, but I'm not sure we really know. (B4 DEPARTMENTAL)

This raises some important questions about the tension around the political importance of the data collected (linking with section 4.2.1: Politicization of performance (OP1) on page 105), what might be termed 'small p' versus 'large P' political significance, or the classical politics / administration split (Svara 2008): i.e. to what extent 'real' data is being used for decision-making, and the extent to which politicians use that data for management or achievement of political purposes, assuming those do not coincide. They went on to suggest that the lack of independent view meant authorities would construct their own narrative, and that there was little likelihood that authorities would be challenged on these views.

But all the local authorities are saying, ooh we're excellent, we're an excellent authority, because there's nobody there to challenge it, so there's nobody there to say ...well you might be good at this, this and this, but what about these other things that you're not doing so well at? (B4 DEPARTMENTAL)

Another interviewee from the same organization went on to suggest that the established level of performance and commitment to continuous improvement would directly influence the likelihood of successful performance management continuity within organizations or teams.

So we've got a good track record of delivery, and I think that's down to you know the great team I've got. So that commitment continued, you know it wasn't kind of a, oh great, the shackles of BVPIs have been now lifted, we can just basically do nothing. But I think then, you know, if you're not committed, if you're not kind of high achieving and you're not committed to continuous improvement, then it's an easy way out for us in departments I think. And you know because who cares, you know, I mean as long as you kind of, your complaints database isn't kind of growing then who really cares? (B3 DEPARTMENTAL)

Not all services would have this "easy way out" open to them, and this interviewee perhaps contradicted themselves earlier when talking about the sense of overreaction senior officers to what they felt were minor problems.

You know and I think it's difficult for services like mine to feature, you know, particularly on the corporate you know ... agenda, when you know they're not being measured particularly. And you kind of see that, you know when for instance periodically we'll get a letter from the Office of the Surveillance Commissioner, you know it's, and they kind of raise some minor issues with performance, and I say minor because of my experience will lead me to interpret that as minor, however, because it lands on the chief exec's desk it becomes major. (B3 DEPARTMENTAL)

This suggests that visibility at the corporate and external level was one of the aspects of the regulatory system that some services are now missing. The CPA / CAA regimes highlighted a large number of services, and in the view of managers, the concomitant lack of visibility post-2010 may be causing either good performance to go unrecognised by corporate organizational and political decision-makers, or to lead these decision-makers to feel that the service is a suitable target for cuts, if it were generating few complaints. Boyne (1996) suggests that internal competition for resources could be considered a valid mode of competition for public services, and this sense of missing the external validation of service 'value', coupled with a lack of visibility within corporate performance reporting may be ultimately harmful for longer-term viability or sustainability.

And I think that's what's happened, you know, at the end of that it's taken us then a few years to think, OK, we're on our own now, but what does that mean for us and what does ... I mean I think we welcome it in the sense that we are now masters more of our own destiny, I mean obviously we've still got Ofsted and CQC [...] (L1 DEPARTMENTAL)

I'm not sure the overall CPA type thing really was of great use. I think it was probably more to the government to say, "We've got the system by which we're going to hold them to account. We've got a system by which we can understand good or bad." (S2 SERVICE)

Overall, a fairly balanced picture emerged of the perceptions of deregulation. Respondents balanced the view that the regulatory mechanisms had become overly burdensome, an awareness of now lacking clear direction and priority that CPA / CAA brought. When considering the scale of the financial cuts facing local government, there were some views that the historic performance management framework would have highlighted the fact that many services are facing reductions in performance levels, and the ways in which performance reporting services can enable accountability.

Key finding 7: Deregulation of performance regimes

The removal of the regulatory regimes has had a significant impact on attitudes and motivations towards improvement in a climate of austerity. This has included both negative and positive aspects. One positive feature is the feeling of being 'master of one's own destiny', as deregulation has removed the tight central control over performance goals and allowed the politicisation of performance discussed in section 4.2.1. One concern is whether the government has a clear view of local authority

performance and hence the impact of austerity, or even whether local authorities understand their own performance sufficiently.

5.1.2 Differing forms of accountability (IA2)

Whilst the subject of a specific first order code, accountability also emerged as a facet of the findings in section 4.2.1: Politicization of performance (OP1) on page 105, where deregulation had facilitated an increasing sense of politicization of performance, i.e. the remove of centrally imposed targets has allowed politicians to develop stronger political pledges and manifesto commitments that had subsequently been translated into the performance management framework; this then can become an instrument of managerial accountability. All council officers were clear that they were hierarchically accountable to their line of management. That is to say, that they were tasked with action by their management, or in some cases, by other managers more senior to them but not within a direct line of authority, such as commissioners. This accountability for the 'day job' sat alongside other specific accountabilities, such as for key change or transformation projects.

There is this big project underway, if you like, around the [integrating health and social care] that in some ways is quite exciting in the world that we're in, because we're looking at bringing two different sectors together [...]. Alongside that we've still got the day job to do, so there is a bit of a capacity issue for that whole service around that. (S3 DEPARTMENTAL)

So, where everyone's busy with their day job, sometimes it's difficult for them to step back and look at the whole thing and take time to evaluate it properly, whereas we can go in and have the time to say, right, we'll do that work for you, we'll identify where you are now and what steps you need to ... and free up some capacity for you to actually make those changes. (L4 CORPORATE)

Castle Gate's communication manager saw this as a regular occurrence when looking to engage with services about their communications.

So, if it's just us sending the messages out, it won't work, yes, we are there to kind of gather some of that information and disseminate it, but it's senior managers to kind of expand on that, then to feedback, it has to be more than just us. That's hard because people have got their day job to do and sometimes comms to them isn't a priority. (C2 SERVICE)

Communications activity was increasingly focused on sharing messages about changes, or attempting to mediate the reputational fallout of service changes. A senior social care manager from Rudgeway highlighted the tensions between delivering external change activity and daily responsibilities for service management.

This year, it was becoming a little bit more difficult because there are other projects, activities, shifts in the sector that means that we're having to spend other time, that maybe we wouldn't have in previous years, doing other work that has then stopped us actually getting on with the day job. So, all a challenge. (R1 DEPARTMENTAL)

Castle Gate were seeking to introduce a new accountability framework to address organizational issues that had occurred, including poor external inspection results, but again this notion of the 'day job' of managerial line accountability comes into conflict with transformation or more significant changes to the organization.

So that, so hopefully the new accountability framework will make a difference, I think it's just taken a long time coming because [the head of service] will tell you she designed a bit of a framework for [the chief exec] in about November but he's not got round to doing it yet because other things, the day job gets in the way, as it were. (C7 DEPARTMENTAL)

One senior manager at Castle Gate also highlighted a sense of accountability down the managerial line as well as up:

But that's about me as sort of the director ensuring that that staff below me and then that ...It's about that sort of very clear message being cascaded down, whilst in the same time not removing sort of innovation and creativity for people. I'd say that's the trickiest (laughs) part! (C4 CORPORATE).

Although they went on to demonstrate that accountability for staff was also in reality because of a reliance on those staff to provide the delivery against which they themselves would be held to account – a sense of looped accountability.

Yes, it's about that constant communication, saying actually you're ... I keep reminding them, you know, you are my staff team and you will either make or break me as a director because my success is actually dependent on your success, you know. (C4 CORPORATE)

Castle Gate's chief executive articulated well the challenges around multiple sets of formal and informal accountabilities, particularly in an environment of financial cuts and service reductions, and doubly so where the local political party is not the same as the national governing party.

So you know they, they pointed at the national Government and blamed them, and that's fair enough, but they see their role as protecting their people from the ravages of the Government. And what that means is deterioration isn't an option for them, you know, so yeah, they know they're being forced to do it by somebody who they didn't elect and nobody up here voted for and everything else. (C1 CORPORATE)

They went on to add that the relationship between executive (here 'senior') members and ward members represented tensions that needed to be resolved if the authority were to be able to meet its statutory duty to meet a balanced budget.

But still that's no excuse. So the challenge is, you know I ... what we've been talking about for the last half an hour or so about sort of understanding that there's a tipping point and it's, the tipping point's moved considerably over the last six years or so. That's not a conversation ... I could sit here with our senior members and say that and they'd say, yeah, yeah, yeah, and then they'd say, but don't go down the tri-weekly route and by the way get the grass cut, because at the end of the day they've just got to do the ... So there's a hell of a lot of pressure. (C1 CORPORATE)

This raised issues about how to best communicate with residents around service reductions or loss in order to protect the elected members.

The members aren't in the same boat, which is yes, we'll accept those tipping points moving because we are logical and we understand. And my job is to explain to them the inevitability of that, and try and get the communication strategy right so you explain to the public that it's not the local member's fault. (C1 CORPORATE)

Other interviewees expressed similar tensions between what members of the public were interested in and what elected members were most concerned with. Stocks Green's cabinet member focused on the services that most directly affect tangible quality of life for most people, e.g. more universal of services.

For all the years I've been knocking on doors and talking to people, nobody has ever said to me, "I think you should improve your adult services. I think you should spend more money on children's services." I've never had it yet. What they do say is, "The streets are dirty and you don't empty my bins. What about my library?" Those sort of services are the services that are going to be cut. (S1 CORPORATE)

Officers from Bell Tower and Rudgeway, on the other hand, saw members as being the drivers of setting priorities for cuts.

The members are quite... The dialogue with them is all about... We've just been through more than 100 individual proposals with them to make a financial change, and what the implementation of that would involve. That could be about people, it could be about restructuring, it could be about technology. That's where the political interface and officer interface has been taking place, and actually, it's happened through a set of summits. Not

summits, but commissioning panels. That's what's going to drive the change once the political side of life has decided that's what they want to go ahead and do. (R5 CORPORATE)

But I think having had the grass cutting, I think members are less keen and we do have [...] have a process, won't you, there's a process there where we go and agree budget proposals with members every year and they're quite unwilling to accept proposals like the grass cutting anymore because they know what happens. So they're looking more for transformation rather than, what they call transformation, which is the same for less, more for less. (B4 DEPARTMENTAL)

A Stocks Green service manager suggested that this reduction in services could lead to a democratic deficit at the local level.

The council is going to be left with very few – they are going to be left probably back where they started about the drains and the... which is fine maybe, but where is the democratic accountability to the most enormous part of the public sector, which is education and health? It will have no democratic accountability except for at a national level. (S2 SERVICE)

Whilst it would appear appropriate and desirable for elected members to express political ambitions and to have those reflected in organizational plans and strategies, as identified in CPA and CAA guidance, there were some concerns expressed that this was at times driven by political concerns rather than identified needs.

And dare I say that I think some indicators have been put in there because they're particular hobby-horses of lead [executive] members. Rather than because, actually that's such a killer service, if we don't keep an eye on it, you know, we'd be falling by the wayside. (M4 SERVICE)

This reflections tensions outlined in OP1 around increased political intervention in organizational performance management since 2010, and ties into tensions between managerial and political accountabilities. Merry Park provided some clear views here in this regard.

But yes, I think accountability's a funny thing in this context, I have to say. I mean the lead members would say they want to know because they're accountable to the residents. And it is a heavily...that's a heavy driver for them, in everything, is about residents first, what the residents think about this. (M4 SERVICE)

I think there are hobbyhorses. I think there are differences of opinion, to be honest, in some things as to what the members see as more important relative to what officers might see as important. An example of that might be the number of foster carers we've recruited, which is a KPI. We were, I think, averaging between four and eight a few years ago and they decided that we needed to take that to 20. It was an overnight shift. (M3 DEPARTMENTAL)

It should be noted, however, that Merry Park represents an example of strong political control over services. This was the subject of several comments from council officers

interviewed about the level of political involvement in more operational decisions, particularly around where this circumvented managerial accountabilities.

There is still quite a lot of intervention from them [members]. [...] Is there time being taken out by constant interruption from members? Do you need to say, "Right, we need to restrict their access on to the floor?" I mean there are some authorities, and we did have it I think at [a former authority] where members didn't come into the department without going and okaying it with the head of service. They weren't naturally accessible. (M5 SERVICE)

Another facet of accountability related to legislated accountabilities. This included the 'statutory' roles. These are explained further in section 7.2.4: Legislated accountability on p.236, but in brief are roles that are enshrined in law and each authority must have a person responsible for those roles. Merry Park's monitoring officer (senior legal and democratic officer) suggested a weakening of the professional basis previously expected of staff in this role.

[C]ertainly when I attended a monitoring officer how-to-be course probably three or four months ago now, about half the people in the room weren't legally qualified. The guy delivering it said, "If I'd asked that question three years ago, I'd have had the odd hand". (M3 DEPARTMENTAL)

This officer went on to suggest a similar role change within children's services may have taken place.

I think I only know what I know but I suspect that I've seen in children's services the move away necessarily from specialisms. I was head of education for over two years and, all right, I've got a Post-Graduate Certificate in Education, I haven't actually ever taught. I certainly haven't had a career in teaching, let's put it that way. (M3 DEPARTMENTAL)

In Bell Tower, the two resources statutory officers report to the deputy chief executive.

*Sure, well I'm the deputy chief executive here at [Bell Tower] and I've been here since 2009. And I've got a very wide ranging portfolio of a whole range of back office services, like finance, HR, legal, partnerships, performance and I'm also very much involved in our joint commissioning work with health and social care and police and community safety. And I'm the deputy to the chief executive, so I get involved in a lot of issues around democracy and member issues and elections and general running of the council. [RG: **Sure, you're monitoring officer or ...?**]. He reports to me. [RG: **OK, as does Section 151?**] They do. (B5 CORPORATE)*

Conversely, in Castle Gate, the Director of Adult Social Services (the statutory role, or DASS) reports directly to the chief executive, and blurs the lines of accountability; they felt that responsibilities to the people of the borough were driven in part by professional disciplines and values.

Well obviously, I'm very accountable as the statutory officer, very accountable to them that's, you know chief exec, a direct line to the chief exec, but you know whether it's the social worker in me or not, I don't know, at the end of the day I must not lose sight of the service users, and that's part and parcel of what social work is. Now that pose some challenges but mainly that's what the senior officer is all about! (C4 CORPORATE)

The other form of legislated accountability present was that of existing external inspections. Whilst this is discussed in more detail in section 5.1.3, the main features observed were a strong sense of data and outcome accountability from Ofsted, and a much lower level of challenge from the Care Quality Commission (CQC), which was felt to be less demanding and to have fewer sanctions than Ofsted. Many service areas are now deregulated and hence not held to forms of legislated accountability.

OK, I'd say it's quite ... service specific. So in some areas where there's still a high number of national regulation I think you'd find a good deal of sort of commonplace approaches and you would find a rigour in performance management and in counting of metrics and understanding of the business performance through the use of performance management. I think in other services, say in sort of our environmental services, where there's no real national regulation any longer, it's much more fluid, more project oriented, more on delivery of programme to resources, and I think that the fact that they have very little national regulation for a good deal of the work in that area has led to, I would say it's more difficult now to ascertain the impact of those services. (B5 CORPORATE)

Generally, Ofsted was considered to be very detail focused, and thus demanded a significant amount of statistical evidence and observational evidence.

Ofsted tries to be about outcomes, but a lot of it's still about things that you can come in and observe. (R5 CORPORATE)

I think the obligation on us still to provide Appendix A data [Ofsted statistical return] at potentially very short notice. (M3 DEPARTMENTAL)

I think [...] the so-called reducing the burdens by removing the performance management stuff, actually has just come in through the back door. Because you've still got to do it in terms of the statutory returns [...] Ofsted's still measuring us on those old indicators. And that's in a sense where you feel accountable to. [...] You know it's- so I think that there are different accountabilities. So there's that sense of ensuring that the lead member is very clear about where the problem areas might be. So there's an accountability that way I would say. That's less measured by performance indicators than by issues, I would suggest. (M4 SERVICE)

There was general agreement (e.g. B2, L1, R5, M3) that the CQC was not significant in terms of how people viewed the externally imposed accountability. In fact, no interviewees offered any detailed views on the effect or impact of CQC inspections, whereas the Ofsted regime was considered a significant threat (and two authorities were

coming out of significantly negative inspections), demonstrating more clearly Lindberg's (2013) principle of sanction as a fundamental part of accountability.

It think it will end up being a lot easier to make those cuts in Adults than in Children's, because of the weaker inspection process. (R5 CORPORATE)

I've always said it for adults, CQC were not inspecting. As soon as they stopped, the thing is with the white paper they always ignore it but there is a little bit in there which says they may well start. That is what they have to keep in mind. I mean I think the inspections by Ofsted are very intensive. I mean even so we knew they were coming back in. That build-up of the six months where we were thinking, "Right it is this week. It is next week", it can harm. But it also gives them a means that they actually know they need to improve. They don't have that struggle in adults. You have kind of different struggles trying to keep things consistent. (M2 SERVICE)

Castle Gate had recently had negative children's and adults' inspections and the response to the children's inspection informed the way improvement in adults' services was approached in terms of independent governance mechanisms to drive improvement and a 'layering up' of accountability. This was well supported by the chief executive (C1).

Children's services for example, we've got an independently chaired improvement board, it was given to us (laughs), the Department for Education decided you will have an improvement board and it will be independently chaired and you need to find somebody and we suggested somebody and he's great. And when ... when that improvement board closes because we've got ourselves out the hole, I would want to carry on with an improvement board, and I might well want somebody independent to chair it because it's been a hugely impressive discipline, in terms of managing the overall performance and improvement of children's services. Having to go every six weeks or so to somebody who's an expert in his field, and be tested...you know it's a ball ache, but do you know what it's hugely important and it's got us where ... We have done immeasurably better over the last twelve months particularly. So I like that model. And we're doing the same thing with adult social care, although it's not independently chaired, and I might decide I want it independently chaired (C1 CORPORATE).

External accountability was often expressed in terms of accountability and transparency. Whilst those concepts are not synonymous, there was a blurring of the two when discussed in terms of accounting for past action to members of the public and accepting service failure, as well as attempting to mitigate it.

I'm very interested in accountability and transparency to the public. And then as I said the people bit, so how we deliver it through our people, which is fascinating and that's fairly new to me, and then I have the engagement bit, how we tell people how brilliant we are or try and help the council save face when we don't do it ... (L5 SERVICE)

I think what I would say is that generally, the general public in their own mind don't care about performance, they care about their experience. (C2 SERVICE)

However, there were some questions around the meaningfulness of using performance data account to the public, particularly around the risk of compliance-based thinking.

[...] the danger is the internal accountability will resort to 'have you balanced your budgets and did the teams check in before nine and check out after five?' type approaches, rather than is the activity we're doing fundamentally making a difference to the populations we serve? (C6 DEPARTMENTAL)

We publish for the benefit of the public to know if they choose to want to see it more information than ever before. That's seen very much in terms of transparency, the administration saying, "We've got nothing to hide". I think, in terms of performance, it's about saying this is what we've achieved. (M3 DEPARTMENTAL)

In part, this relationship is swayed by the perception that members of the public are 'customers', 'buying' something through their council tax payments. This relationship was felt to be a challenging one, and again we see the relationship between elected members, the council, and the public as a tripartite one. Members are accountable democratically, but officers are accountable from a legislated perspective.

[...] if I announce, not that we are, but if I said, right, 'we're going down to tri-weekly bin collection', "well last year I was paying the same amount of money council tax and it was fortnightly, so am I going to get a council tax refund?" And the answer to that is no, because the revenue support grant, which comes from Government has been cut, no one gets that. "I pay my council tax..." No, your council tax pays for 20% of the council services. "No, I pay my council tax." (C1 CORPORATE)

It was also recognised by Castle Gate that businesses were included in public or civic accountability frameworks.

you know I'm working really closely with the private sector, we are working as enablers to get them to kind of lead the charge on telling people how great [Castle Gate] is. So I'm not accountable to them in terms of they don't pay my wage, but if my level of service wasn't appropriate, they wouldn't be so willing to join in. So for us, our accountability is broadening as what we do is changing so dramatically, it must be different in different service areas, but for me, the list feels endless sometimes! (C2 SERVICE)

But you wanted to be able to say, you know, we were talking earlier about going to the Labour Party conference, I went to a property conference in October and it was about saying, come to [Castle Gate] ... We had a meeting last week, we had a thing called The [Castle Gate] Ambassadors, which is about businesses in [Castle Gate] talking [Castle Gate] rather than me doing it. (C1 CORPORATE)

Stocks Green had attempted to engage with members of the public to involve them in budget consultations but this had not worked well. It was not clear to what extent this may have been an attempt to shift responsibility onto the public for decisions around cuts,

or whether it was a genuine attempt to be more transparent and base decisions on feedback, but neither approach was served well by the public response.

You'd be aware we're doing the budget consultations? [RG: Yes]. Very limited. We've just done a consultation on the council tax support scheme. We sent out 58,000 letters, we've had 20 people respond. (S1 CORPORATE)

Again, this reinforces the perception that accountability to the public is largely about backwards-looking accounting for performance. Rudgeway outlined this clearly and suggested that CPA offered an ineffective mechanism to share the reality of service provision. They further stated that operating in an environment of service restrictions and cuts meant that the accountability mechanism as envisaged by New Labour approaches would have been even less effective.

In terms of service delivery, it was pretty much probably in the good category if you looked at it from the old CPA world, yet reputationally the Council was suffering. So, there is this disconnect, I think, between a local authority being able to say, "Aren't we brilliant because we're delivering all of these outputs and some sense of measurement of outcomes", and the reality of what public perception is of what the local authority is doing and their satisfaction with that. (R4 DEPARTMENTAL)

You can run an election every year about it and have your say and criticise it, but nobody is on Twitter slagging off the NHS all day long but there is a vast amount of spending there and there is plenty of potential for improvement. It's not just the democratic accountability of elections and councils, people go on and can criticise councils because of the elections. It's not just they haven't got an elected official; it also means the public ignores it to a degree. (S2 SERVICE)

Civic accountability therefore, unlike, other forms may rest more heavily on reputational impact, ethical obligations from officers, as well as democratic obligations from members, and perceptions of what the public feel is 'owed' to them in return for their participation in tax raising. Another type of civic accountability, however, may also run alongside this, i.e. individual recipients of more actively consumed public services, such as social care, or education, for example.

Different accountability types such as professional, civic, political, managerial, or regulatory may draw on different value bases, and thus be enacted in different ways. This is discussed further in section 7.2, p.223. Returning to deregulation, as discussed in 5.1.1, the removal of the CPA and CAA regimes may have changed the dynamic of external accountability. Whilst previously authorities had to submit public performance data on a range of statutory indicators, this appears to have been replaced by an increasing

politicization of performance (see section 4.2.1, p.105), meaning that the ways in which authorities need to engage with the public presentation of information is also changing. Section 7.1.3 proposes a new performance zones model that articulates these changes via legitimacy and accountability zones.

Key finding 8: differing forms of accountability

Accountability remains an important concept in public service delivery. Findings here suggest that different forms of accountability have emerged, and that austerity is making new demands on local authorities, particularly around the expectations of the users of public services, when faced with service reductions and cuts.

5.1.3 Residual external inspections and peer or sector-led improvement (IA3)

When we examine accountability as discussed above, the most frequent references to were to Ofsted and the Care Quality Commission (CQC). Numerous interviewees reported that Ofsted inspections were onerous, challenging, and a source of some anxiety in terms of managerial accountability and potential reputational damage. In those case studies that had received poor inspection results, particularly Castle Gate and Merry Park, the requirement to act was much more explicit at the corporate level.

Well it probably comes back to the answer to this. Because actually, Ofsted's still measuring us on those old indicators. And that's in a sense where you feel accountable to. So you kind of get-it's interesting because we had our inspection last March. So everything has always been preparing for inspection. And you get past inspection and it's kind of like, oh. So what do we do now then? (M4 SERVICE)

Rudgeway's corporate commissioning lead (R4) articulated a sense of organisational anxiety driven by Ofsted experience, but exacerbated by public sentiment around emotive issues of child protection.

Then there is always this sense that we are afraid of- so Ofsted, it's a fear culture created largely by the fact of central government being fearful of the backlash on it of these things. So, Ofsted fearing that it can't give a judgement that if in two weeks' time there happens to be a child death or big case of child sexual exploitation or something like that with the media sniffing around all of the stuff all the time, you're guilty unless proven innocent. I just think the culture that that's kind of breeding is one where actually you're not interested necessarily in

performance anymore, you're interested in reputation management and the management of what would they think. (R4 DEPARTMENTAL)

R4 went on to place these sorts of inspections in the context of sanctions and punishment for poor performance, and the concerns this had generated for organizational behaviours, especially around risk.

I just think it shifts the confidence in local government, which creates a much more different leadership dimension to how...because, you know, the Ofsted guidelines saying basically, "Chief Executive, if anything goes wrong you're liable. DCS, you're liable. Legal Counsel, you're liable." You're all completely liable in an Ofsted failure and we expect heads to roll because that's what the public mood is, without recognising what does that do for recruitment, what does that do for leadership, what does that do for risk taking? (R4 DEPARTMENTAL)

Rudgeway, in particular, felt that the cuts were more likely to be easier to implement in adults' services, because of the comparative weakness of CQC against Ofsted.

Well, I think we are about to go through, in all local authorities, two, three, four years of quite draconian cuts. I think it will end up being a lot easier to make those cuts in Adults than in Children's, because of the weaker inspection process (R6 CORPORATE)

External inspections were not only viewed negatively, however. They were also seen as an opportunity to validate and improve services, and as a mechanism for improving the 'fit' between a service and the corporate centre. The impact of this was seen in Castle Gate, which had received a poor Ofsted inspection result, and the corporate performance lead's view was that the departmental performance staff had not engaged well with the corporate performance team. This negative inspection, however, had allowed the corporate team to change the nature of the relationship with departmental staff.

Yeah, I think we, over the years it's, our input's varied and I think if you'd look at the team and at the officer level, a lot of people get involved in doing that work, but depending on, you know, if you look at the Children's Services inspection and all, you know what happened a year or so ago, that was led very much by Children's Services, so their own people were coordinating it and we'd provide them intel, but that was it. I think where we've made a difference more recently, is that members of the performance team have actually come up with some sharper performance management frameworks (C7 DEPARTMENTAL)

Whereas Bell Tower's corporate performance manager reported that the rigour of Ofsted inspections had had a positive effect in their view.

I think that's probably what the savings culture has done for us [...] it's driven out that kind of thing where people are a bit, you know complacent, unwilling to change, unwilling to take up the barrier. I suppose the only other thing might be, is our capacity to understand where we

are. I mean children's obviously driven by Ofsted, very keen to get a good result, so massive amounts of you know kind of performance culture in there. (B4 DEPARTMENTAL)

Merry Park's cabinet member with responsibility for corporate performance also reported that Ofsted accountability and the level of expertise and challenge was a positive factor in developing the organization.

[...] we do need to be accountable to other organizations and those other organizations that have expertise come and have a conversation, like OFSTED is very useful. (M1 CORPORATE)

However, the view of Merry Park's children's performance manager provided a contradictory perspective on the impact of inspections, and was probably closer to the detail of the inspection.

[I]t's interesting because we had our inspection last March. So everything has always been preparing for inspection. And you get past inspection and it's kind of like, oh. So what do we do now then? Because we haven't got that, we've got at least probably another three years before, unless something- oh God, touch wood, nothing goes. You know it's- so I think that there are different accountabilities. So there's that sense of ensuring that the lead member is very clear about where the problem areas might be. (M4 SERVICE)

Residual inspections, therefore, present a managerial challenge for authorities in their implementation, and a political and public challenge in the event of negative inspection results. The impact of these results was observed strongly in Castle Gate and Merry Park, who had received relatively recent poor results. One interesting observation was that these two authorities had been able to draw the departmental performance teams and departmental management teams closer into the corporate centre, and used the negative inspection to leverage this rapprochement with the intention of gaining stronger managerial and political control. However, where inspection results have been strong, for example, Rudgeway or to a lesser extent, Stocks Green, departmental social care teams were more strongly independent of the centre. This may have had an effect on the ability of corporate teams to support or drive improvement.

Peer inspections within social care were also listed as a mechanism for developing improvement action within departments – this was part of a shift in preference for sector-led improvement, as opposed to corporate-led, particularly in Castle Gate.

I think what we're looking to do for, on the North West footprint, is make it that there's, it's the value, it adds value to the system. And as a sort of cohort of DASS's I guess. It's ... you know

we have to try and make that happen [...]. I think it's that external scrutiny. And I think sometimes if maybe your view of your service is maybe out of kilter with the organizational view of the service for example, well it does give some sort of external challenge really if you like and scrutiny that you know, well either challenges your view or supports it and underpins what you're looking to do. (C4 CORPORATE)

Yes, so benchmarking and peer reviews. I'm very much in favour of that approach rather than an internal-looking approach. (C5 DEPARTMENTAL)

What I think...that compliance framework stuff has broadly been replaced by kind of peer review type stuff, hasn't it? And you get your friends in to have a look and...I think that's useful... (C6 DEPARTMENTAL)

You know, we have various peer reviews, I only yesterday was involved in a peer review involved ... with other [...] local authorities. (B1 DEPARTMENTAL)

Long Reach staff linked the resurgence of benchmarking to part of the overall sector-led improvement activity taking place

So the [regional] benchmarking club started up a couple of years ago, we used to find it became a talking shop, so everyone just got fed up with it, and then they relaunched it through the DCS's as part of sector led improvement. (L5 SERVICE)

Another Long Reach interview suggested that one side benefit of the (re)development of this form of discipline-based benchmarking was a strengthening of networks and contacts.

But also actually, I'm not sure how much they really told you because councils collected the data differently and reported it differently, so you can never be absolutely sure, it was a very vague guide. But actually you can, you can still get hold of the information you need but it just, it perhaps takes a little bit longer because you've actually got to contact the councils and ...yeah, talk to them and identify and have a conversation about how they do things and what ... So I suppose in that way it's made a bit of a difference, but actually I think sometimes it's probably more positive ... [laughs]...because you get a better ... if you actually pick up the phone and talk to someone, you get more information out of them, it's just the time, it just takes longer. (L4 CORPORATE)

However, when reflecting on the actual value of this information, they suggested it did not give much more information than the organization should already know.

I suppose it, it does give key indications of where perhaps we need to focus our resource, but I think it doesn't tell you anything you don't already know. (L4 CORPORATE)

Key finding 9: Impact of external inspections

Overall, residual external inspections continued to exert a strong influence over council attitudes to performance management, although the focus was largely limited to social care and education. A palpable culture of fear, driven by expectations of sanctions

emerged. Peer inspections and sector-led mechanisms were, however, starting to perhaps fill some of the gaps left by the loss of council-wide inspection regimes.

5.2 Austerity and finance

The single most prominent feature of the discussion was the financial context in which local authorities were operating. Financial discussions took in the severity of budget constraint, which in turn informed value for money propositions and the role played by commissioning and outsourcing:

- Dominance of financial targets (AF1)
- Value for money in an age of austerity (AF2)
- Commissioning and insourcing / outsourcing (AF3)

5.2.1 Dominance of austerity financial targets (AF1)

Whilst not the subject of an explicit interview question, the matter of financial considerations exerted a considerable influence over interviewees' views on the planning and management of public services. Local government is no stranger to being expected to generate organizational efficiencies. In 1998, Sir Peter Gershon was asked to conduct a review of government procurement in which it made several recommendations about how central government and local government purchased goods and services. In 2003 he was asked to conduct a review of operations across all public services, resulting in the Gershon Efficiency Review, which recommended a series of changes to organizational processes and structures across central and local government to generate savings. For local government, these savings requirements were integrated in the Comprehensive Spending Reviews, i.e. the agreement of three-year funding plans for local authorities. These savings requirements were embedded into local authority medium-term financial planning, and outlined as part of the key lines of inquiry in CPA.

However, the political and funding environments changed significantly in 2010. The austerity regime imposed by the Coalition government (2010-2015) as part of their deficit reduction programme was continued by the Conservative government from 2015 onwards. The Department for Communities and Local Government accepted the largest cuts in percentage terms of any government department. For local government, this equated to

around 51% cuts in real terms between 2010/11 and 2015/16, with additional cuts imposed for the remaining years of the 2015-2020 Conservative parliament. It was therefore predictable that this would be a serious issue, but the scale of impact of financial stresses on public services was surprising.

Well, I think we are about to go through, in all local authorities, two, three, four years of quite draconian cuts. (R6 CORPORATE)

What tends to happen then is, you finance your adult services, you finance your children's services, not a lot left for anything else to do with. (S1 CORPORATE)

This level of cuts is unlikely to spare any public service delivered by a local authority, and authorities were clear that this was a significant challenge. As one of Stocks Green put it, this level of radical change has required councils to reconsider some of their fundamental purposes and boundaries.

What you'll find, anybody at my level now, our day job has become delivering the unthinkable. What we might laugh at now in this interview could be the business plan next year. We just don't know. (S4 DEPARTMENTAL)

Interviewees discussed the impact of the cuts in various ways and a common theme was the linking of financial monitoring to spending cuts.

I have to account for my spend. You know, on a periodical basis. And it's every period, it's every month. We report 12 times a year, really. It's a case of me sitting down every month with our resources and finance team and finding out what we've spent, where it's gone, what impact that's had, what changes we need to make. Based on what we plan to do going forward and what the costs coming in are, I make the strategic changes to the service to- we're trying to exceed our savings expectations. (S4 DEPARTMENTAL)

Staff from Bell Tower, Merry Park, Rudgeway, and Castle Gate discussed the long-term sustainability of their services, and the impact on notions around improvement. As discussed earlier, the size of cuts needed had driven the emphasis away from improving effectiveness and towards reducing inputs, i.e. the cost of service provision.

[Austerity and diminishing financial resources] Oh it's a- I mean, that whole kind of- it's a key driver. You know what I mean, that whole financial savings bit is. I mean this authority hasn't put council tax up for God knows how many years. (M4 SERVICE)

If the crisis is money, which it is...the starting point from a fin...it's interesting for me. The starting point from a finance person's, or from an accountant is: what's the least you can spend on this? The starting point from a social care, a social care worker, a social worker might be

what's the most we can spend on this? The answer has to be in the middle, somewhere. What's the framework that allows us to get to that? (C6 DEPARTMENTAL)

A head of service in an environmental services department felt that the pain of the cuts had gone so far as to require a shift in thinking, and that critical mass had been lost in some services.

I think there's a recognition that we need performance to lead the business now, rather than it being savings... and the reason for that is that I would say you almost- it's the wrong term. But you almost had to hit rock bottom before you realised, "Oh, hang on a minute. We've gone too far." And I would say that's probably where we've got to. We've probably hit the point where we cannot deliver any more, and therefore, you have to re-look at, "Well, what do you want to reinvest in?" So, it's almost, "Have your cuts in some areas gone so deep that they're the wrong cuts, and therefore you have to reinvest?" (C5 DEPARTMENTAL)

There was a marked difference between the way that corporate staff described the financial situation, and the way that staff within social care did. Generally speaking, social care (children's and adults' combined) account for the majority of council spending, in part driven by an ageing population and high profile child protection issues such as those in Rotherham.

I wouldn't say that ... the problem's very much there, you know nationally there's, you know because of all the issues around Rotherham, Rochdale...you know there's definitely a rise in terms of children that are becoming, you know, fitting the criteria of child protection. So it's not like we're waiting you know for these issues to emerge, those issues are there, they're real, you know, nobody's like making those up. (B1 DEPARTMENTAL)

Whereas here it's much more about the change programmes, so we've identified that obviously you know we need to change the way we do things and to balance the budget, you know like 62% of our spending goes on adult social care, so it's obvious that that's where we need to be spending most of our resource (L4 CORPORATE)

And I think this whole thing with the- I think the big issue will be whether they [politicians] put council tax up this year with the adult precept. Because that I think, the ones that are more understanding will recognise if they don't, we are on an absolute hiding to nothing. You know we, our demographic is so much of an aging population [...] (M4 SERVICE)

Adults' and children's services were cited by interviewees as generally accounting for a large part of council expenditure and Rudgey's corporate performance lead R3 suggested this was over 60% of the council's expenditure. Adults' and children's services are 'low volume', 'high variation', and 'high variety' services, i.e. from a traditional operations management perspective (Slack et al., 2010) in that they deliver a smaller number of more intensive transactions, where demand is unpredictable and the nature of

the services varies significantly (as compared with high volume, low variation operations such as refuse waste collection). Given this is the case, we might expect the matter of cost savings to be mentioned prominently. Instead, this is cast more as an issue of balancing performance and cost.

It is, indeed. It is a challenge. Obviously, we do have to balance, for example, delay discharges. We have to balance performance against cost. (R1 DEPARTMENTAL)

Castle Gate's senior adults' social care lead framed this discussion around empowering staff to have budget delegation, but balancing the needs / demands of the staff. Reductions in costs were associated with changes in 'mindset', rather than an outright discussion of reducing the costs of service provision to hand money back to the centre, with a suggestion of inefficient procurement.

So one of the things we're doing at the moment is sort of delegating some of the budget responsibility, so that those people, those team managers know what they've got to spend that month and can actually start to understand, well say Joe comes in on Monday, if I give him too much because I'm ... then by the time Joe 2 ...comes in on a Friday, I've nothing left for him! what we're looking to move towards is that asset based approach, so it is about what else is out there in the community that you're not even looking at or touching. And we've got examples of where we've got care packages that have cost us £100,000 a year, and because we've reassessed but reassessed with a different mindset, it's come down to £35,000 a year. (C4 CORPORATE)

This contrasts with a different perspective from an environmental service in Bell Tower.

Now it's about how do we constantly look at prioritization, you know and that kind of prioritization that we have to do on a daily basis is not kind of supported by our performance management agenda, you know, it's kind of separated almost. So this is more about kind of intelligence management, so we more ... it's more like the way the kind of police operate now in terms of you know you get a thousand requests for service intervention, you can only deliver 200 of those, how do you deal with the 800? And that's what it's like these days. (B3 DEPARTMENTAL)

Whereas in Bell Tower's children's social care context, a very different view of demand emerged that did accept that there are legitimate concerns around some of the more environmental quality of life issues, but again highlighted the differences in how financial cuts were considered within the social care context.

I hope this isn't controversial, but I do think that if you're talking about children's lives, then obviously that's quite a powerful argument, and it should be, and it has to be the forefront of everything that we do. But you don't want to go down that whole shroud waving you know way of looking at things because I think then you start to lose the argument. I think that actually

we have to ground that in a way that's accessible to all. And I think that one of the tensions currently, I imagine, in all councils, is how do you ... how do you balance demand and impact on children, vulnerable children, with the more, you know grass cutting, waste management...the issues that members, councillors, get engaged around. And actually I think that to do that, you have to be clear about your message and how do you make communities have a resonance with outcomes for children. (B1 DEPARTMENTAL)

A member of Long Reach's improvement team who worked closely with social care also highlighted the need to manage demand, but expressed frustration with the inability to fully engage with these services, a feeling that was replicated in other contexts and discussions outside of the interviews themselves.

Managing demand in adult social care, and children's services, those are the two key things. I mean we've already got a programme of work in place which will get all of the kind of getting our house in order things sorted, getting a basic standard of performance across the organization, but those are the key areas where we've really got to make some changes because the budget's getting smaller, the demand's getting bigger and we've got to look at different ways of doing things. And, as I said before, they're the slightly more difficult areas to really get involved in. (L4 CORPORATE)

This was reflective of a distanced position for adults' and children's social care with reference to cuts. Whilst other services (e.g. largely environmental, regeneration or cultural services) accepted the overall imperative for council reductions in expenditure, social care staff tended to see this as either a demand problem or a need to deliver services in a more engaged, co-productive manner, rather than a need to cut expenditure as the primary goal, as was expected of other services.

One being the improvement board, as I say, which is a quarterly improvement reporting. So, everything from our people side, you know, iPads and everything else, through to our complaints, through to our performance. Everything is channelled through that, which obviously can be quite challenging. It's members-led, so it is a challenge back to us. Obviously, a big part of that is our finances and budgets, which in this period of austerity, is very challenging at the moment. (R1 DEPARTMENTAL)

This translated into a specific focus on prevention, efficiency and improving outcomes or managing demand. However, whilst in other services this came across as reducing demand and thus expenditure, a different discourse tended to operate in social care, where this moved towards what is called 'reablement', i.e. investing in early intervention with social care services after, say, a fall to get (primarily older) people 're-abled', i.e. supported to be able to continue to live independently, as opposed to waiting until they develop critical care needs before qualifying for an assessment for supporting services.

This notion of distance or separation from the primary discourse of budget saving was reflected in interviews with staff in social care departments, and in how the corporate teams viewed those departments themselves.

I think it's about showing the evidence of, OK, that, what you're saying is perhaps true but actually if we can make these changes and we can do this stuff, then you'll be able to support more people in a more efficient way. That's the thing, if you're doing things efficiently and there's no waste and everything is working as it should be and you're reducing demand, so you're targeting some investment into prevention, intervention and prevention, so that actually you're supporting people before there's a problem, which ... which reduces demand here and enables you to focus your resource on helping more people that have already gone beyond that, that sort of cut-off point. (L4 CORPORATE)

One of the corporate responses to the financial challenge was to attempt to 'grow their way out of financial problems' by channelling inward investment to encourage more people to move to the borough, in theory a version of the Tiebout effect (Tiebout 1956, John 1997). Castle Gate outlined this 'growth agenda'.

[RG: Okay. I suppose I could be- if I was cynical, and I probably am a bit cynical, is that essentially-? Is it actually, "Here's what we want the borough to be like," or is it, "Here's how we think we're going to grow our way out of some of the financial pressures," or a mix of both? What does the balance feel like, maybe, for you?] I think it's a bit of a mix of both. I think when we started off on that route of identifying the local plan, it started off from a, "What do we want the borough to be?" Quite idealistic. During the period of time, that has also merged with, "By us being like that, it will also deliver these additional benefits of council tax and business rates." But it didn't start like that. (C5 DEPARTMENTAL)

I suppose part of what we've tried, we've been doing this for a number of years, is we talk about the sustainability of the borough, so we push in the growth agenda in terms of the housing in particular, to get more council tax in. (C7 DEPARTMENTAL)

Bell Tower, too, were trying to grow their way out of the cuts, although this was seen as the 'right' thing for the authority to be doing in terms of improving outcomes for local people, and not just a route towards financial sustainability.

I think the drive's different now, it's around you know we know we can, we know we can be a strong economy, we know we can do that and there is investment in those areas to ... You know when I say investment, I mean people to generate businesses coming in, massive financial investment in [Bell Tower], I think you'd be surprised if you look at our, you know, budgets and things like that ... the money that's being put into you know the town centre for example, [...] all being supported by the council finance. So I think there is a massive drive. (B4 DEPARTMENTAL)

Long Reach's vision was driven by economic development and this was being used to drive other services.

You know things, you know, but the passage of time means that you mean you know hindsight's a wonderful thing and all of that, but currently we're in a terrible situation with our regen, we've got a region JV [joint venture] whatever, a regen partner, which we said to ourselves ... a company called [NAME], which sits over, not very far away ... [RG: So an inward investment vehicle?] Yeah, but they also, yeah, they're doing quite a lot of our regen work, so they'll project manage small you know investment stuff. And bearing in mind, and all of our vision is about economy really, you know driven, if we can get the economy and education right, everything else will follow, is basically the principle. (L4 CORPORATE)

The relationship between finance and performance has often been a difficult one to unpick. Whilst pre-2010 assumptions of continued improvement were supported with additional financial compensation, either as general funding, targeted funding such as neighbourhood renewal funding, or contractual style financial incentives such as local public service agreements, the post-2010 period was characterised by interviewees as being dominated by the stark reality of wide-scale cuts to local government finances.

This was not wholly negative, however. Authorities reported that this had forced them to become more risk-taking and had prompted both efficiencies and innovation.

I think this is more about getting the organization ready for the fact that it is changes in delivery model as it becomes, again, more about what the outcome is more than obsessed about who is doing it and what it is that is being done. Therefore, you can almost pause to some extent what the performance- how do we maintain performance? The old CPA world that was- and in probably the last parliament that was how do you maintain performance in this transformative way, where you're making efficiencies and capacity. I just think we're about to edge into a new dawn where ultimately we might be measuring different things. (R4 DEPARTMENTAL)

I think certainly through...there's been a lot of efficiencies, so through the changing transformation and business improvement there have been efficiencies that have been made in quite a number of services and you know better use of IT and all of those sorts of things that we've done. (C7 DEPARTMENTAL)

I think it's a ... yeah, I think it's an absolute need because I don't think, with the efficiencies that we're making at the moment, I think it calls for transformation, I don't think that we can continue to deliver less of the same, I think we have to be much more radical than that. And actually I think it creates a climate for us to be much more innovative and creative. And I feel that the mistake that a lot of councils are making is that they're trying to still do the same but less of it. (B1 DEPARTMENTAL)

Financial savings targets dominated the discussion around change and improvement, and this has been reflected in the analysis of performance management frameworks in section 4.3.2 of the previous chapter. Section 5.2.2 goes on to discuss how the two issues are drawn together in the pursuit of 'value for money'.

Key finding 10: Austerity dominated the interviews

Austerity in budget cuts has had an overwhelming effect on local authority planning and service provision. Whilst this has driven out some efficiencies, every interviewee was highly concerned about the sustainability of their service or the local authority.

5.2.2 Value for money in an age of austerity (AF2)

Value for money now represented a challenging concept for authorities to understand, deliver or demonstrate. The prior regulatory value for money assessments were not considered particularly helpful by Rudgeway.

The value of money assessment, which was not really value for money at all, was spread and far and wide. (R7 DEPARTMENTAL)

The VFM stuff that's gone, I mean, we're driving so much cost saving and so many cuts out of the organization, then at such a rate, that's the task and naturally we're saving money and we become more efficient. The VFM process was always too out of date, and never sophisticated enough to offer any serious insight into it. (R6 CORPORATE)

Painful, hard, detailed as it was, there are, like the value for money stuff, there is a recognition that actually Best Value reviews, there's probably a place for something of that nature that that's exactly where we're heading with that approach. (B6 SERVICE)

However, Stocks Green and Bell Tower were concerned about the ability to tell a story around value for money now that the mechanisms had been removed, and that the focus was again on cutting costs, rather than value in the broader sense.

Yes. Again, have we got much reassurance in what that data is telling us? It's the best that's out there in some cases. Can we really make some key decisions? (S3 DEPARTMENTAL)

[RG: So essentially your service challenge is a form of value for money review, shall we call it?] I think we anticipate it evolving into that ...But right now ... no, right, now it's just a...can you find some money? (B6 SERVICE)

Stocks Green's S2 also discussed the importance of comparative information, but that this was tempered by what was available now.

"What's our trend over time? What's our trend over time for comparators?" whichever's the most appropriate comparator, GM, statistical enablers, whichever is there. (S2 SERVICE)

The dominance of the cuts agenda was clearly felt in Stocks Green in terms of the impact on how value for money was perceived. This is explored more in section 7.3

(reconceptualising value for money), but S2 outlined a lack of capability to consider future investment, and felt that VFM was predominantly a backwards-looking tool.

If the situation changes in a few years' time and the funding situation becomes stronger, I think that will be interesting to see we will respond to that and how we can make wise decisions on investing money. So where we're good now at understanding that if we take money out, what is the impact of it, how do we make decisions safe and can we improve within it, if somebody says you've got five million pounds to spend on something, would we be able to make sound decisions on investment that would get value for money because we've lost that skill, because that's a whole different – that would be interesting. (S2 SERVICE)

As with performance, pre-2010 conceptions of value for money centred on comparative performance against statistical nearest neighbours, and a generalised goal of driving down unit or beneficiary costs compared with these peer group authorities. Interviews began to express doubts about the validity of benchmarking, although it should also be noted that former mechanisms like the PriceWaterhouseCoopers benchmarking club were being revisited, driven by the lack of current comparative data held by central government, apart from selected social care and education data.

*But I think by not replacing it with anything, it kind of leaves us a little bit, we're not really sure, we'd like to be sure that we're doing a good job and that we're delivering the best for our residents, but I'm not sure we really know. We still do some benchmarking but that's quite difficult when you haven't got, you know ... [RG: **Is that mainly APSE or through AGMA or ...?**] We do the, the LGA Inform website and we have a CIPFA benchmarking club for some nearest neighbours and we can still do it across children's and adults. (B4 DEPARTMENTAL)*

you need to have an Ofsted type inspection regime which keeps you on your toes, but there is this whole argument about you know peer review type processes and I do wonder whether there is, you know, I know benchmarking data is incredibly useful, but I'm not sure that we're always benchmarking the same stuff. (L5 SERVICE)

Within the discussions around scaling back services, and the relationship between council tax and expectations from the public (which will also be discussed in section 7.2.3 *civic accountability*), the focus has therefore shifted onto justifying the cuts proposed and made, and developing 'new delivery models', such as commissioned services, mutuals, and trusts etc.

Bell Tower's executive director responsible for performance (B2) also felt that the nature of the relationship between the centre's performance teams and departmental services, as discussed in section 4.2.2: *Corporate, departmental, and external relationships (OP2)*,

meant that central teams needed to negotiate this relationship when looking at redeveloping value for money intelligence around new delivery models.

I mean there are, making everybody sound really bad, you know there's service managers out there that you know are really engaged and want to do this, so you know some of it's about working with them and kind of creating that network at that level. Adjusting what we do, I suppose in these value for money reviews now, hopefully we can get people to see you know how we can provide more assistance and in providing intelligence to inform future models and then working alongside help develop business cases. (B2 DEPARTMENTAL)

Interviewees also tended to focus on some of the negative consequences, framing some of the interview discussion around 'survival', and not continuous improvement.

So the first thing is going to be survival as, I mean quite literally if you were to ask [name of director] that will we be, you know would we be here in five years? Will we be swallowed up by a neighbouring authority? (L1 DEPARTMENTAL)

Actually, the opportunity cost is we continue doing what we're doing and we end up bankrupt. If we end up bankrupt nobody wins. So, the risk of doing nothing gets bigger. [...] Yes. So, from that and I think yes there is a risk that we might be passing more onto the community but in the world that we're looking that feels like the safest option to deliver statutory duties. (R4 DEPARTMENTAL)

Rudgeway's senior performance lead for social care (R4) also articulated a sense of having to balance ambition and realism with regards to comparative performance. This was linked to a more constrained view of desired performance levels.

We don't want to be first in [our sub-region], or nationally, for getting people out of hospitals because that would mean, actually, that we're spending money that we probably don't need to spend. You know, we try and balance that. We try and want to be in the top quartile of things like that. We wouldn't want to be number one. It costs too much money. (R1 DEPARTMENTAL)

Another aspect of value for money and differing delivery models concerned generating more income from non-traditional sources.

The other aspect is that we're going into more of a commercial mind-set where some of the ways in order to cross subsidise those services that are either statutory or non-income generating in their nature, with greater income from other sources. (R4 DEPARTMENTAL)

Castle Gate's workforce development lead (C3) translated this pressure into changing workforce skills and behaviours.

[the chief exec] expects a flexible and responsive workforce, who's flexible enough to move into a [leisure trust] or you know flexible enough to also do income generation, as well as provide a service to the core staff. (C3 SERVICE)

Bell Tower's regulatory services lead also discussed generating more commercialised approaches to income generation in existing services.

However, in kind of building control, the income that we generate through this service, which is not like planning, you know planning you deal with the applications in your area alone, some little bits and pieces you can do to generate more income, but it's very much demand led, whereas building control you can develop that demand, you can develop your customer base and you can trade externally. (B3 DEPARTMENTAL)

Stock's Green's head of service for environmental services (S4), on the other hand, perceived the managed decline as a clear example of reducing value for money, particularly when taking council tax into account.

People are still paying the council tax. You know, there's been no reduction in council tax, has there? I'm not saying to you, you know, "You might take your kids to the park but the grass is a little longer and it looks a bit untidy, so we're going to charge you a little less." We're not. We're charging you exactly the same or more, but you're going to get less for your money because- it's not all about council tax, is it? Because we get it from Central London grants. (S4 DEPARTMENTAL)

And the planning service lead for Merry Park (M5) presented a sense of perverse incentives provided by additional charging for previously 'free' (i.e. at the point of delivery) services, using bulky waste collection and fly-tipping as an example.

Yes, like [previous authority], they introduced picking up bulky goods at £10. It was costing them £30 to process that payment. Why are you charging them? Why don't you make a big thing; we're not going to charge you because unless you're going to charge them £30 or £31, there's no point in doing it. (M5 SERVICE)

Not only is the individual using the service receiving a more expensive service, i.e. charges now apply, but also the general populace is receiving a worsening service overall because fly-tipping is being left uncollected to retain the incentive to pay for this service. This is a good example of problematizing the principle of 'consumer pays' in a public service context. This was supported by a comment from Long Reach's corporate performance lead.

because we've just started charging for removal of big waste or green waste and therefore people don't pay for it, they fly tip it, but we are not removing it because then if we remove it for nothing, they'll never pay for it. (L1 DEPARTMENTAL)

In M5's previous authority, the disparity between the full economic cost of waste collection and the public charge suggested that this may well not be value for money either, and could represent a sub-optimal situation for both parties.

Key finding 11: Value for money

We can see that value for money is a complex subject. Whilst insufficient data was generated from the interviews to establish a clear theoretical perspective on value for money, sufficient challenge was presented to suggest that current policy and academic interpretations need to be adapted to better reflect the reality of practical VFM issues in contemporary public service provision. Simplistic unit or beneficiary costs neither take into account recent scholarship around service experience, nor reflect the reality of delivering public services in a climate of austerity. This is discussed in section 7.3.5, although further empirical research would also be beneficial.

5.2.3 Commissioning and insourcing / outsourcing (AF3)

A key part of the discussion around value for money was whether local authorities should deliver services or simply commission them. There was a fair degree of discussion around the need to become a commissioning organization, but this rarely took account of the statutory service provision and the bulk (in terms of numbers of services) received by the population, i.e. the high volume, low variety, lower visibility services such as environmental, streetscene, libraries etc. Rudgeway's senior corporate services officer interviewed saw commissioning as a principal mechanism for developing a new form of service delivery in order to achieve the required budget cuts.

I'm not sure what the answer to that question is, because it's happening very locally. The members are quite... The dialogue with them is all about... We've just been through more than 100 individual proposals with them to make a financial change, and what the implementation of that would involve. That could be about people, it could be about restructuring, it could be about technology. That's where the political interface and officer interface has been taking place, and actually, it's happened through a set of summits. Not summits, but commissioning panels. That's what's going to drive the change once the political side of life has decided that's what they want to go ahead and do. (R5 CORPORATE)

At a lower level within a service, Bell Tower was using a “commissioning-led approach” to focus school improvement work on areas of greatest need, and a second interview there also tried to draw a connection to commissioning as an improvement mechanism to better outcomes, as opposed to way of making cuts.

So what I've adopted is a commissioning led approach to school improvement, where I've talked to schools about your, the funding is going directly to you, so in terms, to enable you to support better outcomes for your most vulnerable children, you need to be working with your communities, you need to be working with health, you know so we've got health profiles for each of our schools, so we've, we're not exclusively looking at performance data, i.e. GCSE progress, we're looking at how many of your children are children in care, how many of your children fit the criteria for free school meals (B1 DEPARTMENTAL)

I mean we tried over the last couple of years to make the strong connection to the budget and get people to think, because people talk about outcomes but they don't necessarily make, you know, in the context of commissioning, we don't necessarily make the connection between outcomes and the performance and the service improvement or delivery improvement. (B2 DEPARTMENTAL)

In contrast, Long Reach interviews reflected a more generalised (political) ambition to outsource and commission services. This had not been as successful as anticipated.

Seven years ago, we moved to quite an outsourcing and wanted to be a commissioning organization and very lean. The world's changed. So, in five years we've gone from being outsourced and arms' length company, so like our direct labour organization and support services, to bringing it all back in-house. So, we are now a deliverer and a commissioner again. So, that's the biggest change, which has made us look differently at what we do. It's built some great benefits around having ownership of the end to end process and line of sight. (L1 DEPARTMENTAL)

I had a great relationship with somebody from Capita at [another authority] and was like it's just your mess for less, that's what we ... that's what you've done in the contract that you've put out, you haven't gone, this is absolutely brilliant. Because otherwise we'd have been saying to you, it will cost you X to get into this standard and then we'll start ...pulling money out (L5 SERVICE)

Rudgeway also provided views on commissioning and co-production where the implicit assumption was around cutting costs.

That is often the context on which we're discussing it. It's like, we've got to save money, so let's do some co-production, let's do some volunteering. (R3 DEPARTMENTAL)

The same interviewee went on to add a note of cynicism around the practicalities of relying on volunteers to deliver council services.

I was never sure whether I just didn't see his [Richard Selwyn – a practitioner/ academic who writes about commissioning and co-production] vision, or whether he was just lacking the scepticism that is, kind of, necessary sometimes. I just thought my neighbours were a long way from, I'm one of the ones who will get involved in stuff, and we have a street party every year, but the jump from that to actual co-production of council services is kind of huge. (R3 DEPARTMENTAL)

Another Rudgeway employee also saw commissioning as a tool for service development or reduction.

I think in some regards that comes down a bit more to the commissioning side of things because I think the big issue at the moment is that we're at the cusp of, or maybe even have gone further than it. If we look back in a few years' time at the journey, where the things which delivered in the world we were in and delivered well, will have gone...unaffordable systems. So, we need to be breaking those down and rebuilding new ones at the same time as maintaining performance or managing its decline slightly. (R4 DEPARTMENTAL)

Finally, Rudgeway's senior corporate performance lead reflected on the moves towards commissioning via disbursing funds to individuals, i.e. personal independence payments or individual care budgets, as shifting the relationship between state (central government), local authorities and individuals.

It actually puts a slightly odd role for the state, which is to dole out money. (R5 CORPORATE)

Key finding 12: Insourcing services

The level of savings required is pushing authorities to keep services in-house, so that they can 'bank' savings made through service efficiencies. Commissioning was also being used as a tool to generate savings or service improvements, particularly in social care, and was seen as a different process to outsourcing.

5.3 Chapter conclusions

This chapter has explored the findings that relate to inspection, accountability, and austerity. Financial savings targets dominated the discussions with interviewees, and set the context for almost every other action in the organization.

Clear divisions began to appear between how targeted, non-universal services such as social care are behaving, such as Rudgeway's developments (R1) or Castle Gate's (C4), where new approaches to commissioning and co-production were potentially changing

the relationship between services and the people they serve. Whilst cost containment was clearly evident, the focus was on service ‘transformation’.

This is in stark contrast to the more generic, universal service provision of refuse collection, or environmental management of the street scene, as explored by Stocks Green’s head of waste services (S4), or Bell Tower’s head of regulatory services (B3). In both these services, budget cuts were resulting in ‘managed decline’ – cost and service reductions were both evident.

Accountability emerged as an area of interest, with multiple and sometimes competing forms of accountability being discussed; these need to be better understood and contextualised within a theoretical framework. Castle Gate’s head of social care (C4) outlined a sense of managerial accountability, as well as referring back to accountability to service users, which they contextualised via their sense of professional discipline. Castle Gate’s chief executive, on the other hand, outlined some of the difficulties in engaging in difficult conversations with elected members on which services to protect, and which to cut. Stocks Green’s cabinet member (S1) also explained how difficult it had been to engage communities in the same type of conversation.

Here, linkages to the politicization of performance outlined in section 4.2.1 begin to generate tensions around accountability directly to community and to elected members. Traditional forms of performance management were being replaced with political pledges and manifesto commitments, especially in Rudgeway, Long Reach, and Bell Tower. Responses also introduced the notion of moving towards a model of governing austerity, rather than managing it. This raises the question: are traditional models of accountability, focused on principal / agent theory and a sanctions-based approach, suitable to embrace the complexities of governing austerity? This is considered further in section 7.2 *Accountability: five types* on p.223, where differing types of accountabilities are proposed and explored.

Finally, the chapter explored commissioning and conceptions of value for money in a climate of austerity. Again, current thinking may be inadequate to best understand the impact of austerity on contemporary local authorities and their service provision.

This research began with an initial series of dimensions against which changes or reforms to local government bodies could be attributed or understood. The dominance of financial questions has meant responses to the interviews did not provide sufficient scope to respond to the model, and thus a new inductive set of dimensions has emerged that stratifies the findings into a more appropriate structure.

Chapter 6 will now provide an analysis of the emergent and initial dimensions, and then develop thinking more fully around the areas of theoretical development highlighted in Chapter 4 and Chapter 5.

Chapter 6. Analysis of findings

6.1 Introduction:

This research sought to explore the experiences of six case study local authorities coping with a post-2010 environment characterised by severe austerity and a deregulated performance environment. Chapters 4 and 5 outlined the findings from the interview data and, through a cyclical process of coding and re-coding, developed four aggregated dimensions to structure the findings and allow patterns and connections to emerge.

The analysis of the interview data as described in section 3.8, *Approach to data analysis* on page 99 enabled a structured format to the emergent data that resulted in four aggregated dimensions as per the Zimmermann et al. (2015) model, which for this research are:

- Organizational and political challenges (OPC) Section 4.2
- Performance management frameworks (PMF) Section 4.3
- Inspection and accountability (IA) Section 5.1
- Austerity and finance (AF) Section 5.2

These codes cover a range of areas of conversation arising out of the primary data gathering, and a discussion of these codes requires a more selective view to be taken, rather than attempting to discuss every element of the findings. This chapter draws together the findings from the empirical data gathering, and interprets them against the *a priori* dimensions developed from the consideration of the literature in Chapter 2: *Literature review and conceptual background*, as well as revisiting the existing research questions, which are addressed in further detail in Chapter 7.

This research is purposefully not generalizable, although the purpose of the analytical stage is to draw out themes, patterns and contradictions that are used to formulate both recommendations for practice and future research propositions; these are covered in more detail in Chapter 8.

The structure of this chapter is driven by an analysis of the seven previously established dimensions and the four aggregate dimensions that emerged from the previous chapter. It then develops thinking around three key areas of development, and a cross-cutting

issue around observed phenomena in the language used by interviewees. The original dimensions were established from the literature prior to data collection and are described fully in section 2.9.3 on p.58. This table is replicated in part here:

Table 17: Summary of seven original dimensions

Dimension (in original order)	Nature
Instrumental	Changes focused on the use of a specific instrument or technique (these can often be applied to a range of areas), but the primary focus is the tool
Structural	Changes that focus on the structure of organizations or services
Market / role	Changes driven by the overall role of the organization and / or changes to the relationship with the market
People- or staff-centred	Changes that centre on people or personality traits, behaviours, or issues
Democratic / decisional / community	Major changes to the nature of the democratic institution, or the way major decisions are made
Institutional	Changes that affect the nature of the institution, beyond mere structural changes, including institutional value-driven changes
Financial	Changes driven by primarily financial goals, or that are financial levers (not including financial incentives for other changes)

This research has also sought to explore these dimensions and the resulting research questions through a three-stage segmentation of the level of effect (the *conceptualization*, *operationalization*, and *implementation* discussed in section 2.10: *Interim analysis and development of research questions*, p.642.10).

6.2 Original research questions:

The original research questions that drove the primary data collection are repeated here for clarity. The overarching question explored the legacy of the approaches to performance management and improvement initiated during the New Labour

administrations in the UK, i.e. covering the period from 1997-2010. This headline question was broken down into three sub-questions:

RQ1: How do organizations discuss and create meaning around their preferred ways of managing performance and service improvement? (i.e. the **conceptualization** of performance and service improvement)

RQ2: How have the emergent governance structures affected the sustainability and legitimacy of performance and service improvement efforts? (i.e. the **operationalization** of performance governance)

RQ3: How has the removal of statutory performance reporting impacted on tool selection, their operation, and the ways that organizations publicly justify their achievement? (i.e. the **implementation** of tools and techniques)

Together these three questions explored the residual impact of the New Labour administration's approach to local government reform on local authorities, by examining the status quo and attempting to unpick the case study organizations' individual approaches to the management of performance and improvement in the current climate of austerity. A deliberately open approach to the interpretation of key terms such as performance management, or accountability, etc. was taken in order to allow the fullest responses from interviewees, who were encouraged to interpret those terms in the way that was most meaningful to their role and organization. A one-page flyer (Appendix iv) was shared with each organization prior to the research interviews, and this contained the conceptual model identified in section 2.9.4, page 62. However, no explicit attempt was made to encourage or force answers to fit into any of the conceptual model elements.

Table 18 summarises some of the most relevant findings against the initial dimensions. Inevitably, a set of conceptual and theoretical propositions derived from the literature is not going to align seamlessly with inductive data drawn directly from primary research; this is to be expected. When we compare the two sets, however, we can observe that some of the relationships outlined in the section above are stronger than others. This is described more fully in Table 19: Analysis of a priori and inductive codes on page 180.

The discussion that follows provides a comparison of the two sets and highlights some key areas that merit further discussion and suggests where additional theoretical development can take place. These areas are developed further in sections 7.1, 7.2, and 7.3.

Table 18: Summary of findings against seven dimensions (original order)

Type	Nature	Examples	Developments from findings
Instrumental	Changes focused on the use of a specific instrument or technique (these can often be applied to a range of areas), but the primary focus is the tool	TQM, Lean, BPI/R, ISO9000, scorecards, benchmarking, league tables, Six Sigma, 'transformation', Beacon Council, NHS National Programme for IT (NpfiT), Best Value Performance Indicators, National Indicator Set, business planning	Frequent bit of use of benchmarking, and / or repeated concerns raised where benchmarking is no longer used. Whilst some tools were used, largely approaches to improvement were largely bespoke and project specific. Some service assessment frameworks were used.
Structural	Changes that focus on the structure of organizations or services	Merging health and social care, children's and adults' social services, pooled facilities – link to markets and purchaser / provider split	Some structural changes had taken place. In one case a merged health and social care organization was being developed. Little in the way of formalised pooling of budgets was identified.
Market / role	Changes driven by the overall role of the organization and / or changes to the relationship with the market	Competition, contestability, commissioning, service rationing, demand management, CCT, Best Value reviews	<p>Withdrawing from non-statutory services, transferring assets to community groups, increased commercialization in almost every case (income generation) – these were starting to influence the relationship with residents</p> <p>Lots of commissioning approaches were discussed. Some attempts to develop thinking around what this might mean, but this was often under-developed in areas.</p> <p>Real differences between social care and other services such as street scene emerged.</p>
People-centred or staff-centred	Changes that centre on people or personality traits, behaviours, or issues	Investors in People, Senn-Delaney, Common Purpose, change agent, cultural change, staff engagement, core competencies	<p>Loss of staffing, expertise, competence</p> <p>More political engagement around service cuts, leadership, or politicisation of performance</p>

Type	Nature	Examples	Developments from findings
Democratic / decisional	Major changes to the nature of the democratic institution, or the way major decisions are made	Foundation trust, free schools, mayors, scrutiny, participation, (double) devolution, e-petitions, community calls for action	Links to the politicisation mentioned above Less use of scrutiny emerging, but more member and officer shared working Less public transparency around performance or performance discussions (a growing sense of resolving problems behind closed doors?)
Institutional	Changes that affect the nature of the institution, beyond mere structural changes, including institutional value-driven changes	LGR, public health transfer, NHS agenda for change, clinical commissioning groups	Social care and health integration in one case study, but discussions in others Splitting of children's and adults' services appears to be emerging in some authorities but this was not universal.
Financial	Changes driven by primarily financial goals, or that are financial levers (not including financial incentives for other changes)	Gershon efficiencies, three Es, council tax and funding allocations, armchair auditors, pooled budgets, universal credit,	Dominance of austerity and financial cuts driving transformation programmes (cost-cutting) Managed decline of some services

Source: Author and research findings.

This chapter will now consider each original dimension in turn, linking answers to the emergent, aggregate dimensions that arose out of the inductive analysis. After this it will then move on to consider the interrelationship of the two different sets of dimensions.

6.3 Comparison of emergent codes and previously established codes

This section carries out a comparison of the original dimensions and emerging codes, and provides a discussion under each of the seven existing codes that further unpacks the relationship between the two sets.

Table 19 below provides a qualitative assessment of the *a priori* codes and the emergent first order codes. This cross-referencing analyses the impact of each of the emergent codes on the initial seven dimensions.

It does so by making qualitative judgements on the frequency of relevant comments within the interviews and the significance of such comments. For example, austerity and budget restrictions came up in every single interview, and the views expressed by participants were explicit that the budgetary restraint was having a very significant impact on the ability of services to deliver against either political, managerial, or community expectations, especially for the financial, instrumental, democratic / decisional / community, and people- or staff-centred dimensions. Institutional questions or issues were evaluated as emerging primarily in connection with 'responses to deregulation' (IA1), 'differing forms of accountability' (IA2), and 'residual external inspections and peer or sector-led improvement' (IA3). Therefore, challenges to inspections and accountability from across different institutional boundaries and responsibilities (especially with reference to health and social care) and thus these intersections were scored as 'high'. Whilst 'politicisation of performance' (OP1) or the 'death of improvement' (PM1) were significant topics, these only related to institutional issues in a more detached or tangential way, i.e. the challenges around the 'death of improvement' were not facilitating significant changes to the institution, although they were stimulating a shift in the focus of performance teams or staff towards 'transformation' as opposed to improvement, and thus changing the focus of their role at the team level. Hence, these codes were scored as 'medium' impact on the institutional dimension. However, there were few comments that addressed

institutional concerns that related to the authenticity of performance management, meaning this intersection was scored as 'low'.

The degree of interaction for each intersection was scored on a three-point scale, where low=1, med=3, and high=5. This allowed each of the two axes to be summed and then ranked. The table was then reordered to place each set of headings (e.g. the existing dimensions and the inductive first-order codes) in descending order of significance / relevance in order to focus the analysis.

As can be seen from *Table 19: Analysis of a priori and inductive codes* (below), the most significant relationships were between the financial, performance and accountability codes. This is reflected in the development in this chapter of three areas of value for money, performance management, and accountability (see Figure 4, page 203). The following top six first-order codes emerged as the most significant.

- AF1 Dominance of austerity financial targets
- PMF2 Renewal of performance management frameworks
- IA2 Differing forms of accountability
- IA3 Residual external inspections and peer or sector-led improvement
- PMF1 The 'death of improvement'
- AF2 Value for money in an age of austerity

The other findings are still meaningful, and will form part of future research, but in order to focus the remaining portions of the thesis, the six most relevant first-order codes are placed centrally in the ongoing analysis and discussion, and will be consolidated into three headings in Chapter 7 *Discussion: performance as governance system*:

- 7.1 Performance management frameworks: models, theories, and practices (PMF1 and PMF2)
- 7.2 Accountability: five types (IA2 and IA3)
- 7.3 Value for money: reconceptualising VFM for public services (AF1 and AF2)

The remainder of this chapter is devoted to reinterpreting the original seven dimensions against the four inductive, aggregated dimensions. These seven dimensions have been reordered to rank them from the strongest association to the weakest.

Table 19: Analysis of a priori and inductive codes (reordered by level of significance)

Aggregate dimensions	Code	First-order codes	Financial	Institutional	Instrumental	Democratic / decisional / community	Structural	People / Staff- Centred	Market / role	Agg. Score
Austerity and finance	AF1	Dominance of austerity financial targets	H	M	H	H	M	H	M	29
Performance management frameworks	PMF2	Renewal of performance management frameworks	H	M	H	M	H	L	L	23
Inspection and accountability	IA2	Differing forms of accountability	H	H	M	H	L	L	L	21
Inspection and accountability	IA3	Residual external inspections and peer or sector-led improvement	H	H	M	M	L	M	L	21
Performance management frameworks	PMF1	The 'death of improvement'	H	M	H	M	L	L	L	19
Austerity and finance	AF2	Value for money in an age of austerity	H	M	M	L	M	L	M	19
Organizational and political challenges	OPC1	Politicization of performance	H	M	L	H	L	L	L	17
Inspection and accountability	IA1	Responses to deregulation	H	H	L	M	L	L	L	17
Austerity and finance	AF3	Commissioning and insourcing / outsourcing	H	M	L	L	L	L	H	17
Organizational and political challenges	OPC2	Corporate, departmental, and external relationships	H	M	L	L	H	L	L	17
Performance management frameworks	PMF3	Authentic performance management	M	L	H	M	L	L	L	15
Organizational and political challenges	OPC3	Staffing levels and the loss of individual expertise	M	L	L	L	L	H	L	15
Aggregated score			56	40	34	34	24	22	20	

The original dimensions established sought to synthesise perspectives from across both Public Administration and Public Management domains, as well as integrating Public Value and New Public Governance ideas.

These broad reform efforts were plotted on a timeline (see Appendix viii) to show their relationship and begin to establish a more comprehensive picture of the fields relating to local government. As has been shown by the emergence of New Public Governance, the two existing domains show only a partial picture (Osborne, 2006), and further investigation is needed to better understand the impact of changes to the local government environment.

6.3.1 Financial dimension

The financial dimension in the literature largely considered value for money, financial stewardship, and budgeting processes. The financial domain had the strongest observed relationship with the inductive codes, primarily because of the overbearing pressure of financial cuts on authorities. Most of the first order codes were classed as having high impact on the financial dimension, including:

- Dominance of austerity financial targets (AF1)
- Value for money in an age of austerity (AF2)
- Commissioning and insourcing / outsourcing (AF3)
- The 'death of improvement' (PM1)
- Renewal of performance management frameworks (PM2)
- Responses to deregulation (IA1)
- Differing forms of accountability (IA2)
- Residual external inspections and peer or sector-led improvement (IA3)
- Politicization of performance (OP1)
- Corporate, departmental, and external relationships (OP2)

Secondary effects were also observed in:

- Authentic performance management (PM3)
- Staffing levels, and the loss of individual expertise (OP3)
- Corporate, departmental, and external relationships (OP2)

Practically speaking, very few interventions or tools that were primarily financially-focused were used. Nevertheless, almost every action or change described in interviews and in general conversations across all the case studies had a financial motivation. The levels of savings required cannot be underestimated, and even in Merry Park, an affluent authority, finance remained a battleground between members and officers. M4, the authority's monitoring officer, described anxiety around whether members would take the opportunity of the 2% social care ring-fenced council tax rise. The affluence of the borough made this more financially beneficial than, say, Stocks Green, where a much larger proportion of homes were in council tax bands A-D, and the 2% would apparently equate to around £1.9m, against a social funding gap of at least £6m. Merry Park, however, had reduced council tax over the preceding years, using the mechanisms as a way of demonstrating value for money to residents.

Even in this affluent authority, officers felt that they were approaching the limits of what could be done with diminishing budgets. More deprived authorities like Stocks Green or Castle Gate were expressing concerns about whether they could meet even their statutory duties in future years.

Within all this, a clear divide exists between attitudes of staff in the corporate centre and those in the social care and education departments. This divide was also mediated by recent inspection results. Castle Gate had received significant negative results for both children's and adults' social care inspections, and as a result C1 reported being able to renegotiate the relationship between centre and department. Rudgeway, on the other hand, was considered a strong performer in social care, and R1 went so far as to suggest that the corporate centre (particularly for performance) would need to shrink.

As regards formal financial mechanisms, both Castle Gate and Bell Tower had recently (i.e. within the last one to two years) implemented outcome- or performance-based budgeting (OBB). Although writing from a US perspective, where attention is more predominantly focused on program(me)s than on delivering services and outcomes-based budgeting was a legislated requirement, Heinrich (2002) suggests that whilst OBB had a small positive effect on performance, the complexities of the organizational goals

and the service environment meant that information coherence was difficult to achieve – a complaint reflected in some American studies (Radin, 2000, 2006).

These American experiences with outcome-based budgeting have thus not been completely successful (e.g. Radin, 2008; Radin, 2000, 2006) despite the US programmatic focus, as opposed to the organizational basis of UK budgeting. These challenges were echoed in Bell Tower and Castle Gate, neither of whom had particularly positive comments to make about outcomes based budgeting as a process, particularly in the context of austerity, as Bell Tower's respondents highlight.

I mean we've had a programme of outcomes based budgeting for about eighteen months now and it is hard to keep the organization focused on that because I think many people prefer the ease of cuts. (B5 CORPORATE)

So, we have kind of worked to try and make those connections, so we've had what we call outcomes based budgeting...one or two other people have mentioned that! Which was, you know, a stealth way of getting people to think about the kind of performance and delivery side of things, alongside just doing salami slicing budget cuts. (B2 DEPARTMENTAL)

The only point I'm making there is...if we assume that everybody: officers, chief execs, elected members, and the general public will automatically understand what performance and what outcomes are important, and what ones aren't important, we're wrong. (C6 DEPARTMENTAL)

As C7 (section 4.3.1) and B3 (section 4.3.1) suggest, prioritization is a challenge for local authorities who have to deliver over 600 different services, and the financial climate only serves to make that more difficult. Outcomes-based budgeting was not felt to be the answer, although this was due to the challenges around implementation, rather than the concept itself; bringing finance and performance together was a common goal in the discussion.

Attempts to better understand the balance of performance and finance was something many case studies were attempting to do, often through benchmarking. This was seemingly deployed out of a sense of lacking external reference data from regulators such as the Audit Commission. It may be that authorities were seeking to test the extent to which they could 'get away' with reductions in service levels by establishing comparisons with other comparable authorities, although there was a preference from within social care teams for peer inspection and feedback as supplementing external regulation and perhaps replacing corporate feedback. This was not explicitly discussed

but seems a plausible interpretation alongside the more traditional view that benchmarking is around identifying potential improvements.

The financial dimension, therefore, had a high degree of contact across the emergent codes, but this is largely due to the pressure of savings. Conceptions of performance against budget were a key topic of conversation – this was not always expressed as ‘value for money’, but conversations were aligned with this topic, which is explored more in section 7.3: Value for money: reconceptualising VFM for public services, p.243.

6.3.2 Institutional dimension

Institutional interventions within the original dimensions considered changes that affect the nature of the institution, beyond mere structural changes, including institutional value-driven changes.

The primary relationships between this dimension and the emergent codes are:

- Differing forms of accountability (IA2)
- Residual external inspections and peer or sector-led improvement (IA3)
- Responses to deregulation (IA1)

Secondary relationships were observed between the institutional dimensions and:

- Dominance of austerity financial targets (AF1)
- Value for money in an age of austerity (AF2)
- Commissioning and insourcing / outsourcing (AF3)
- Politicization of performance (OP1)
- Corporate, departmental, and external relationships (OP2)
- The ‘death of improvement’ (PM1)
- Renewal of performance management frameworks (PM2)

Institutional questions are concerned with the sociological aspects of organizations – the values and wider forces that affect them, and the rules, informal structures, and relationships within and between them. It seems relatively self-evident from the interviews that the relationship between local and central government has undergone a significant change, and that the nature of local government as an institution has been one of a state of flux. In effect, the psychological contract between the two has been altered

by central government by the reduction in core funding, i.e. the government grants. This has been done under the goal of making local government 'sustainable', which in current political parlance means reliant on locally derived taxation. Ostensibly this is a perfectly reasonable sounding aspiration, yet the consequence of this is significantly reduced budgets. The percentage of income that a local authority generates from local taxation can vary between roughly 14% and 75%, meaning that more deprived authorities, which raise far less income due to their low taxable base, are much more severely impacted by government grant reductions.

The pressure of savings has challenged the inter- and intra-organizational relationships at a point where wider public sector funding cuts make these relationships more important than ever. A sense of retrenchment into institutionalised roles was observed, other than in health and social care, and Stocks Green was a notable example of this. Institutional change is most likely to be initiated as a result of externally imposed conditions; for example, city deals are only being opened for discussion where participating authorities agree to have an elected mayor.

Internally, this translated into tensions between service departments and the corporate centre around responsibility and support for service improvements and cost savings (see sections 4.2.2, 4.3.2, and 5.1.1). There were still divisions between improvement staff, whose roles in most cases centred on supporting the service departments to implement process changes with an espoused rationale around improving service delivery, and performance management staff, whose roles tended to focus on performance accountability. Corporate performance staff tended to be very aware of this tension, and despite attempts to reinforce their supportive role, were concerned about skills, acceptability, and legitimacy of their teams.

Many of the interviewees from corporate (performance) roles (e.g. R3, C7, L1, B5) were still coming to terms with the loss of legitimacy associated with the corporate assessment regimes (CPA, CAA), although there was a growing sense of shifting focus to change and improvement work, as well as renewing performance management frameworks to meet current information requirements, and be more sustainable with the staffing resource available. The scale of change facing authorities may have disrupted previously stable

hierarchies and power structures – losing senior management figures, external inspections, differing levels of savings requirements, and changes in political control may all be factors in this destabilization of institutional norms.

Wider institutional change as a response to austerity was still largely in a deliberative phase. Several interviewees (e.g. S4, M4) felt that local authorities were facing an existential crisis – what could or should be the role of local government? S1 and L4's comments serve as good examples of the pressure of social care costs. These services account for a huge amount of overall local government expenditure, and conversations tended to circle around the need to 'do something different', or move to 'alternative delivery models'.

Long Reach staff described traversing the route from being an outsourcing or commissioning council to taking things back in house, and as described in section 5.2.3, others had also brought services back in house. The question therefore revolves around whether councils should continue to deliver services, or whether they should outsource or commission them from the private, public or third sector. Osborne and Gaebler's (1992) controversial but noteworthy contribution to this debate was to suggest that local authorities were impeding local economic growth and should thus limit themselves to steering (commissioning), rather than rowing (delivery).

The rationale behind Conservative ambitions to remove reliance on state funding for local government aligns well with this mindset: by removing the grant funding, authorities will have a greater incentive to work to develop the economy of their local area. The policy flaws in this are myriad, and not for this thesis to unpick. Yet Castle Gate, Bell Tower and to a lesser extent Merry Park were all relying on stimulating economic activity as a way of growing their way out of financial constraints. This is similar in some ways to the 'place-shaping' role of local government that was popularised during the 1997-2010 era, but with a much more explicit focus on growing the tax base. This is likely to have significant social implications as well as service implications, and may require a change to the values of the institution if plans are to be achieved.

6.3.3 Instrumental dimension

In this research, the term 'instrumental dimension' of change was used to refer to changes to the structure, processes or people within the organization that were initiated through an instrumental or tool-based approach. From the literature, this focus on tool-driven reforms is common amongst public management inspired literature (e.g. Bourne et al., 2003; Furterer and Elshennawy, 2005; Magd and Curry, 2003; Mi Dahlgaard-Park et al., 2006; Radnor and Osborne, 2013; Van Dooren and Van de Walle, 2011), and performance management is a relatively common topic within this domain.

In the instrumental dimension, the strongest associations with the emergent findings were in the three first order codes relating to the aggregate dimension of performance management frameworks - i.e.

- The 'death of improvement' (PM1)
- Renewal of performance management frameworks (PM2)
- Authentic performance management (PM3)
- Dominance of austerity financial targets (AF1)
- Commissioning and insourcing / outsourcing (AF3)

Secondary impacts (e.g. medium rating in Table 19) were also observed in:

- Differing forms of accountability (IA2)
- Residual external inspections and peer or sector-led improvement (IA3)
- Value for money in an age of austerity (AF2)

The instrumental approaches most discussed in the interviews included performance management (universally discussed), benchmarking (discussed by at least one or two in each authority e.g. M4, B4, C7, L5, R3, S3), systemic approaches such as lean management (mainly Merry Park's M1 and M4 and Rudgeway's R5, Bell Tower's B1 in terms of system thinking), process improvement and 'transformation' methodologies (this arose in 18 interviews, most strongly in Bell Tower and Long Reach with four interviewees each bringing up the transformation programme). Whilst these vary in scale and implementation, they were prominent in every authority examined. The balance and importance of each one was affected by two factors: firstly, the context of financial cuts dominated every discussion, as highlighted in the findings section; and secondly, the

individual context and history of each organization tended to guide the deployment of their tools and techniques.

All authorities were either actively renewing their performance management, or had recently done so. The focus, however, for performance teams tended to be split between corporate performance reporting, challenging services regarding their performance, and improvement projects. Use of performance management tools was often discussed in instrumental terms. For example, Merry Park's use of their performance report demonstrated a sense of performance as artefact or ritual (e.g. discussion with M1), or what this research calls 'the performance of performance', that is, a ritualised stage of activity more focused on organizational legitimacy than on driving improvement. M4, in particular, accepted that the form of the performance report was much too big, and interestingly raised criticism from the cabinet member as rationale for changing it.

There were differing approaches being used across authorities. Those that were focused more on larger change or transformation projects (e.g. Bell Tower: B2, B5, B6, Long Reach: L1, L2, L4, and Stocks Green: S2, S4) discussed the use of a business case approach, with a corporately managed format or template.

This highlights the significance of performance reporting, which is discussed in more detail in section 7.1.

6.3.4 Democratic / decisional / community dimension

This dimension considered changes to the democratic and decision-making apparatus. This encompassed both political and officer decisions, as well as the interface between the two.

The primary impacts on this theme were found in:

- Dominance of austerity financial targets (AF1)
- Commissioning and insourcing / outsourcing (AF3)
- Politicization of performance (OP1)
- Differing forms of accountability (IA2)

Secondary impacts were observed in:

- Renewal of performance management frameworks (PM2)
- Residual external inspections and peer or sector-led improvement (IA3)
- The 'death of improvement' (PM1)
- Responses to deregulation (IA1)
- Authentic performance management (PM3)

The austerity question again proved dominant. Here, though, the focus moved from managing austerity to governing austerity. From one perspective, elected members are accountable for decisions regarding service delivery, although the reality is somewhat more complex. In half the case studies, an elected member was interviewed – these were cabinet members with responsibility for performance management. Additional research would be required to explore the perceptions of a wider range of members, and this would be a valuable avenue to explore.

The main features observed showed an increasing political confidence in driving the performance objective-setting process compared with under the old CPA / CAA regime. Whilst a rhetoric of local determination existed within the modernization programme, in reality, much of the terrain was heavily prescribed by central diktat – this was delivered through the creation of a list of government departmental objectives for which local government was the delivery agent, called public service agreements (PSAs). These were further developed into contractual performance arrangements where local authorities agreed to deliver a 'stretched' performance (i.e. achieving better levels of performance than would have been already expected) in return for additional funds. There were several of these mechanisms, including local public service agreements (LPSA), local area agreements (LAA), and multi-area agreements (MAA). Additionally, under the 1997-2010 system, the performance indicators were created and defined by central government, and the assumptions of continual performance growth tended to dominate the target-setting agenda.

Legislative (i.e. coercive) requirements were also applied. Beyond the statutory services that all authorities must deliver, the Local Government Act (1999) imposed the duty of Best Value and continuous improvement, and the Local Government Act (2000) imposed the duty to improve the economic, social, and environmental well-being of an area. The

Local Government and Public Involvement in Health Act (2007) mandated additional performance, partnership and regulatory actions including, for the first time, Comprehensive Performance Assessment. Authorities were thus largely directed as to what to achieve, how to measure that achievement, and what sort of levels of performance were acceptable.

One of the more positive reactions to the deregulation of some of this apparatus was a sense of being 'masters of their own destiny' from authorities (e.g. L1 and S2). This relaxation from central control was welcomed by many, although some interviewees expressed some concerns about this allowing some services to drop off the priority list, due to a lack of external regulation (see section 5.1.1 and for example, B3, S3). Stocks Green, for example, had interviewees who were positive about deregulation (S2), but also those who expressed concerns (S3).

Deregulation, then, has provided an opportunity for authorities to be more confident in expressing their local ambition through the performance management system. Rudgeway in particular had a clear set of manifesto pledges that officers were expected to operationalise in the performance system, and the performance of these were reviewed by improvement boards. These boards were mixed officer member groups, but led by executive members.

Stocks Green also had mixed member officer performance boards, which met behind closed doors. This is significant because there was a requirement for members to discuss performance in cabinet meetings, which must be open to the public. Stocks Green's cabinet member for performance therefore outlined the process of non-public meetings (corporate performance group, cabinet) before going to public meetings (executive cabinet and full council).

[Q: how does overview of performance work?] Corporate Performance Group, if there are any issues, we can report that through the cabinet. The cabinet then goes to executive cabinet and that goes to full council. So, there is that trail there that it can be audited. (S1 CORPORATE)

Whilst S1 states there is an auditable trail, it is not unthinkable to consider that these closed meetings where problems are discussed may not fully minute those discussions.

Informal meetings to discuss performance problems have probably always existed, but the removal of requirements to externally publish performance via BVPPs, and the lack of external assessment of the performance management framework and associated review mechanisms, have allowed authorities the freedom to move towards more locally determined approaches, both in terms of setting objectives and managing the performance of the council towards achieving them.

Setting organizational goals and dealing with austerity raises questions of accountability. A simplistic response would be that members are responsible for decisions and officers manage the council – a version of the classical NPM exhortation to be ‘steering not rowing’ (Osborne, Gaebler 1992). However, this cannot take account of the complexities of managing a complex set of public services, particularly in the context of austerity. The scale of savings required means that services are being badly hit, and this carries with it political fallout.

Democratic and governance changes were taking place, but as a result of other changes, and not as a driver. This provoked changes to accountability processes, and as is discussed further in section 7.2 *Accountability: five types*, divergent forms of accountability were observed and need to be understood in the context of financial cuts, and of who can and should be held accountable.

6.3.5 Structural dimension

Structural questions concern changes made to the internal structure of local authorities to shape the way services are delivered. Whilst the local authorities examined have undergone some limited changes to their structures, this has primarily been as a response to the reductions in overall staffing levels, and not because of intentional structural developments. These staffing reductions have affected both front line and managerial cadres, and have thus influenced the decision-making structures and hierarchical control of services. For example, Castle Gate, Merry Park, and Bell Tower had restructures within the last 12 months that had influenced the split between corporate and departmental performance teams, and there have been attempts to centralise performance team members. Stocks Green was undergoing an inter-organizational

change around health and social care (the details of this may allow the case study to be identified and thus should not be discussed in detail).

Integration of health and social care (which could be considered both structural and institutional) was a significant feature in discussions, not least because of the significant levels of expenditure on these services, often accounting for over 60% of total council spending.

The main impacts on structural questions were observed in:

- Renewal of performance management frameworks (PM2)
- Corporate, departmental, and external relationships (OP2)

There were also secondary effects observed in:

- Dominance of austerity financial targets (AF1)
- Value for money in an age of austerity (AF2)
- Commissioning and insourcing / outsourcing (AF3)

PM2 and OP2 are interrelated here due to the nature of divided performance responsibilities across departments and the central team. Rudgeway's improvement boards were developed to follow broader organizational structures rather than traditional departmental ones, with a number of staff having to provide data (a similar reporting structure can be found in Merry Park and Stocks Green). Corporate performance staff essentially operated within governance structures that included elected members, and were not simply hierarchical management structures. Castle Gate centralised the performance team and were creating a "stronger" structure, whereas Long Reach's L2 reported that they were in a 'central' team between social care and education in children's services. Clearly role changes that fit within the staff- and people-centred dimension may well also have an impact on structural changes, and vice versa.

Centralization was, at least in part, driven by financial motivations as people reported that every part of the council was being compelled to make savings. Bell Tower, Castle Gate, and Long Reach had all begun to constitute specific change or improvement teams, with

a remit around improving value for money, or supporting parts of the council to reduce the cost of service delivery.

6.3.6 People-centred or staff-centred dimension

This was one of the weaker categories in terms of strong connections with the inductive codes. The main points of contact were:

- Staffing levels, and the loss of individual expertise (OP3)
- Dominance of austerity financial targets (AF1)
- Commissioning and insourcing / outsourcing (AF3)

There was a secondary connection with:

- Residual external inspections and peer or sector-led improvement (IA3)

In the case study organizations, like most others, staff are the main resource for service delivery. This is a truism, and almost all changes, techniques or intervention would thus have an impact on staffing, including cognitive, behavioural, structural (i.e. staffing establishment) or skills bases. This domain considered interventions that aimed primarily at influencing or changing staff, rather than the institution itself. Clearly the necessary reductions in budgets can only have been achieved by losing staff. These losses had occurred across all parts of the organization and all levels. Anecdotally, simply walking around the council offices suggested that occupancy levels were very low, and empty desks were notable. Informal conversations with staff outside of interviews confirmed this. Losses had been deployed through early voluntary severance, i.e. voluntary redundancy, in many cases, such as Castle Gate, Stocks Green, and Long Reach.

These concerns covered three main areas: capacity of staff to deliver, particularly given the delivery challenges raised by the extent of the cuts; staff skills or capabilities; and affective commitment to working in local government.

Unsurprisingly, staffing reductions had caused morale problems. The workload has not significantly reduced, and 'customer' expectations continue to rise, creating pressure on staff, hence comments from C5, C7, and B3 to that effect.

One of the effects of this staffing loss was that an experienced core of staff in the middle of the organization's hierarchy had been lost – what is being called here the 'competent middle core'. Long-served staff and experienced middle management have left the organization, creating knowledge and competence gaps. Graduate trainees, apprentices and volunteering were all being used to various degrees to fill those gaps where funding permitted, and each of those three groups would be considerably cheaper, albeit less effective, than experienced staff. Local authorities have a series of established professional disciplines (planning, engineering, lawyers, HR staff, social workers, teachers etc.) and there was concern from B3 that these skills were being lost, and that young apprentices were being brought in that required training, but to whom the authority were not committed. B4 suggested that more advanced training and development had started to wane (e.g. Master's degrees), and that junior staff were effectively being given greater responsibility. S3 also mentioned that financial certification progression (e.g. from AAT to chartered accountant) had been frozen for staff. This could be argued to be a false economy, given the severe financial circumstances facing the authority, and had only served to hasten the loss of staff, as other partner organizations such as NHS bodies were seen as providing more stable and secure working environments, with better prospects. Not only do inexperienced staff lack the professional skills, but also the skills to navigate the organizational and institutional challenges, especially around working with elected members. This is not wholly negative, however, and fresh perspectives sometimes allowed a challenge to the status quo.

One unexpected finding was that several case studies were implementing a new management or leadership development programme (Rudgeway, Merry Park, Castle Gate, Long Reach). This was unexpected because there is an historical view that training and development is the sort of activity that is often cut early, as there is no direct impact on the quality of service delivery, and management or leadership development would seem to have a less direct impact than, say, front line developing in customer care skills etc. Whilst in part some of these management development programmes were addressing what might be considered basic management competencies (and establishing a clearer common understanding of what those were), some interviewees started to articulate the changes in skills required. Strategic and change management skills were

a key area, but commissioning skills and project management also emerged, as did training in more specific methodologies around improvement and transformation. Focus groups also suggested that manipulation of big data, geo-data and web development were areas where skills development was needed.

6.3.7 Market / role dimension

Markets and / or contestability of public services has been a key part of New Public Management since the 1980s, and formed a core of both Conservative and New Labour reforms. Initially the Conservative *Compulsory Competitive Tendering* (CCT) obligated all authorities to market test a specified range of blue collar (i.e. 'manual' labour such as refuse collection etc.) services, with a presumption that external provision, i.e. outsourcing, would be the 'default' preference; some local authorities resisted this, and others did not. The New Labour *Best Value* (BV) regime extended this to all council services, but weakened the compulsion to outsource services.

The primary connection with the interview data was with:

- Commissioning and insourcing / outsourcing (AF3)

Secondary connections were observed in:

- Politicization of performance (OP1)
- Dominance of austerity financial targets (AF1)
- Value for money in an age of austerity (AF2)
- Commissioning and insourcing / outsourcing (AF3)

Again, results varied according to the views of local authority elected members' desire to retain or outsource services. Within this dimension, three main areas of discussion emerged:

- Contestability and commissioning
- Narratives around political preferences for internal versus external delivery
- Commercialization and the income-generation drive

A meta-narrative exists around the role for local government, particularly, but not exclusively, in health and social care and what sort of services a local authority should deliver – this also links to the institutional dimension.

Merry Park, for example, had a clear emphasis on reducing the burden of taxation on local residents, and thus had sought to reduce council tax at the expense of service delivery for the last few years. Merry Park is in the top 20% most affluent authorities, and thus had avoided some of the biggest impacts of public funding cuts. More affluent councils derive a larger percentage of their income from local taxation, i.e. council tax, and hence any cuts to government funding such as revenue support grant have a proportionately smaller effect on overall council funds. It may be that this ‘down gearing’ effect of the ratio of central to local funding has an impact on political ambitions around the role of the council; this is hard to disentangle from the correlation between wealthy areas, Conservative control, and lower levels of socio-demographic demand, which translated into comparatively lower levels of funding during the 1997-2010 period, and which may have generated resentment in affluent councils towards more deprived authorities. However, whilst the ambition to lower council tax was, within these case studies, unique to Merry Park, the internalised debate around the role of councils now and in the future was not.

A Bell Tower interview (B2) also referenced ‘soft market testing’, which was described as a form of replacement for Best Value reviews, whereby service areas would be put through internal reviews and at the end of that review, a form of ‘soft’ market test, i.e. not a formal tendering or procurement process, would be carried out, generating some ideas around ‘delivery models’. B2 described the borough as being ‘obsessed’ with soft market testing. This was felt to be a management team imperative more than a political one.

Commissioning was a clear area of discussion. Again, social care services were heavily invested in commissioning approaches across all authorities. From discussions within interviews and without, commissioning was felt to be the answer to financial challenges, although no clear rationale was advanced as the basis for its likely success. Within social care, commissioning was often interpreted as a form of outsourcing, and closely linked to individual budgets, i.e. the authority agrees a care budget based on need and the

council's access criteria, and that individual then purchases the care themselves from a portal or constrained market place. This was viewed as part of integrating health and social care (e.g. R1, C4, S2) and the phrase 'delivery model' was being used as shorthand for commissioning. Castle Gate mentioned the need for an 'alternative delivery model' (C4) and Rudgeway discussed the need to explore delivery models with regard to commissioning (e.g. R4).

Castle Gate had established a clear political preference for reviewing alternative delivery models that started with in-house or 'mutual' style creations of organizations from existing staff teams. Outsourcing directly via the market was unpopular politically. This perhaps reflected a generalised concern about how likely it was that outsourcing a service would make the savings required. As L5 put it, the danger of "your mess for less" is that outcomes and outputs associated with the services may well not improve, and that secondly, the ability to make additional savings is much diminished, and was focused largely on contract renewal. In a climate of extreme austerity, this is an unacceptable risk for services.

This shift in language from 'outsourcing' to 'alternative delivery models' and use of 'commissioning portals' etc. is characteristic firstly of authorities who have had poor experiences of outsourcing significant services and who had pulled these services back in-house at contract break points (Rudgeway, Merry Park, Long Reach), and secondly of the need to consider any and all tactics available to authorities when looking to make costs. Whilst the normalised narrative behind New Public Management suggests that the private sector can deliver services more cheaply (and this may well be true in many areas), it does not follow that those savings will translate into sufficient reductions in core expenditure, as the profit motive encourages private sector organizations to retain as much of those cost savings as possible.

Another avenue being explored was that of income generation, from charging for services that were originally free; bulky waste collection was one example given by Long Reach (L1). The corollary of this is that it generates fly-tipping, and if the fly-tipped items are removed for free, then the incentive to pay for the collection service is reduced. This is similar in effect to reducing service quality (e.g. grass cutting) but still charging the same

council tax (S4), both of which have the potential to generate negative perceptions amongst residents or businesses.

A further example involved offering or competing to deliver services for other councils. Merry Park had an example of a 'shared service' with neighbouring authorities, although the ability to generate income depends largely on who leads the service.

Added to these two types was a more entrepreneurial version of commercialization of council services; this was a focus in Merry Park, Rudgeway and Castle Gate, although in Castle Gate this was more of a proposition than a fully-fledged approach.

Given the strength of competition, choice, and market-based approaches in NPM (Ferlie et al., 1996; Hoggett, 1996), the interviews suggest that these were surprisingly lacking in power within the context of budget savings required. Authorities were either focusing on integration with other parts of the public sector like Stocks Green, bringing services back in house, such as Long Reach, Rudgeway, and Merry Park, or expressing political objections to outsourcing as a principle, such as Castle Gate.

6.3.8 Reading across the existing dimensions

One of the weaknesses of the initial conceptual model was that it assumed each of the original dimensions were of a similar 'level' of detail to each other; both the findings and additional exploration of the literature would suggest this is unlikely to be fully accurate.

Table 20: Analysis of original dimensions against three levels of application below offers a qualitative judgement by the researcher based on the literature in section 2.4 and more general reading of the interviewees' experiences in order to express the likely point of impact or locus of interventions against each of the dimensions, e.g. as shown below, interventions or reforms that are aligned with the financial dimension are likely have a high degree of impact on all three levels of organizational arrangements, and the findings confirm this. But is this the case for the other dimensions?

Table 20: Analysis of original dimensions against three levels of application

	Financial	People / staff-centred	Democratic / decisional / community	Market / role	Institutional	Instrumental	Structural
Conceptualisation	High	Med	High	High	High	Low	Med
Operationalisation	High	Med	Med	Med	Low	Low	Low
Implementation	High	High	Low	Low	Low	High	Low

(Source: Author) Note: dimensions have been reordered to show strongest association to the weakest.

If we consider the market / role dimensions, changes to the nature of the relationship with the market are likely to have a ‘high’ impact on the conceptualisation of the organization – for example see L3’s comment about the organization returning to the state of being a ‘deliverer and a commissioner’. Yet the activity in question would not have changed at the implementation level, and outsourcing services would ordinarily transfer existing staff under TUPE legislation, hence a ‘low’ rating under implementation.

Instrumental approaches, on the other hand, tend to be localised at the implementation interface, for example, benchmarking, or customer flow mapping. These would thus be unlikely to have a high impact on the conceptualisation of the organization, i.e. its overall vision and sense of meaning-making. Arguments about the implementation of lean by Radnor and others (Radnor et al., 2012; Radnor and Johnston, 2013; Radnor and Osborne, 2013) would seem to support this, essentially arguing that an instrumental approach differs from one where the organization embraces lean as a philosophy, with the former approach alone delivering only limited benefit.

The seven *a priori* dimensions represent points or levers of change that had been established from the literature. A synthesising approach was used to assemble different perspectives from across the broad paradigms of the context of local authority studies, including New Public Management, Public Administration, Public Value, and New Public

Governance. Whilst connections can clearly be drawn between the two sets of concepts, the initial proposal behind the research was to consider a very exploratory view of the case studies that might be able to go further than these connections and establish a series of archetypes (Hood, 1998). Ultimately, this proved to be difficult to develop from the interview data, not least because of the dominance of financial considerations.

The weight of austerity's influence on the authority's approaches to performance and service improvement is difficult to overestimate. Coupled with this, the original conception of seven dimensions did not easily facilitate a comparative view being taken as when considered empirically, the seven dimensions tend to interact differently at the different levels subsequently proposed for this research, i.e. *conceptualization*, *operationalization*, and *implementation*.

Instrumental reforms by necessity tend to be located in the *implementation* of tools and practices. Here, the rebalancing of change, performance, and transformation, and the interactions with the 'death of improvement' and austerity, are triggering changes to performance management approaches. There is perhaps insufficient space here in this thesis to fully discuss this, but a shift is visible in moving from continuous improvement to step change, or transformational approaches. Continuous improvement was a key feature of *Best Value* and remains a statutory duty on local authorities, yet the 'death of improvement' suggests that this generic focus on improving all services has been replaced with a specific and targeted focus on key areas where 'transformation' is desired. What 'transformation' actually means is never fully explained, and the *Open Public Services White Paper* (Cabinet Office, 2011) relies on articulating some broad policy ambitions about personalization and individualization, as well as returning to the well-trodden notion of competition. Arising from the research, a model of new performance zones is proposed that allows a variety of approaches to handling the tensions outlined here. This model is discussed in section 7.1.

The notion of governance and democratic, decisional, or community questions arose in sections 4.2.1: *Politicization of performance (OP1)* and 5.1.2: *Differing forms of accountability (IA2)*, where stronger politicisation of performance emerged as a reaction to austerity. Community engagement remains a challenge, however, as the experiences

of Stocks Green demonstrate when attempting to engage residents in a discussion around priorities for protecting or cutting services.

Differing forms of accountability, and the relationship between political and operational attitudes to budget cuts, are discussed in section 7.2: *Accountability: five types*. Here, we may begin to question whether the established methods of accountability are sufficient to enable the governing of austerity, as authorities begin to scale back some services and have to cope with the increasing demands being made by social care. We may also ask how the presumption of an individualised relationship between individual and service can embrace the wider sense of public value and public goods that is arguably central to the core of public service delivery.

Finally, conceptual and institutional notions of what authorities are for begin to emerge from discussions around value for money, and whether this concept remains valid in a climate of austerity. This is the subject of discussion in section 7.3 *Value for money: reconceptualising VFM for public services*.

This chapter ends with a brief summary in Table 18 of the findings as related back to the original dimensions, and Chapter 7 moves to present the discussion of the findings and analysis, entitled: Figure 4: *Findings - performance as system of governance*.

Chapter 7. Discussion: performance as governance system

The aim of this research was to understand the legacy of the 1997-2010 New Labour regulatory and policy system for achieving continuous improvement in the delivery of public services. It was necessary for that to examine performance management in its widest sense, i.e. not simply the mechanistic processes of gathering and reviewing performance information, but the idea of the performance management system or framework as an intellectual construct within a local authority. Many of the findings thus directly address the nature of this ‘system’ (here again this refers to the theoretical system, not an IT system).

The three sub-questions (RQ1, RQ1, and RQ3) addressed different facets of that idea at different levels of abstraction; this was outlined in section 2.9.3, where the three questions addressed the *conceptualization*, *operationalization*, and *implementation* of public sector reforms on page 61. Section 6.2 *Original research questions*: returned to these questions and compared the findings that emerged from the interview data with the original dimensions, and thus highlighted six primary areas of significance that are then grouped into three blocks.

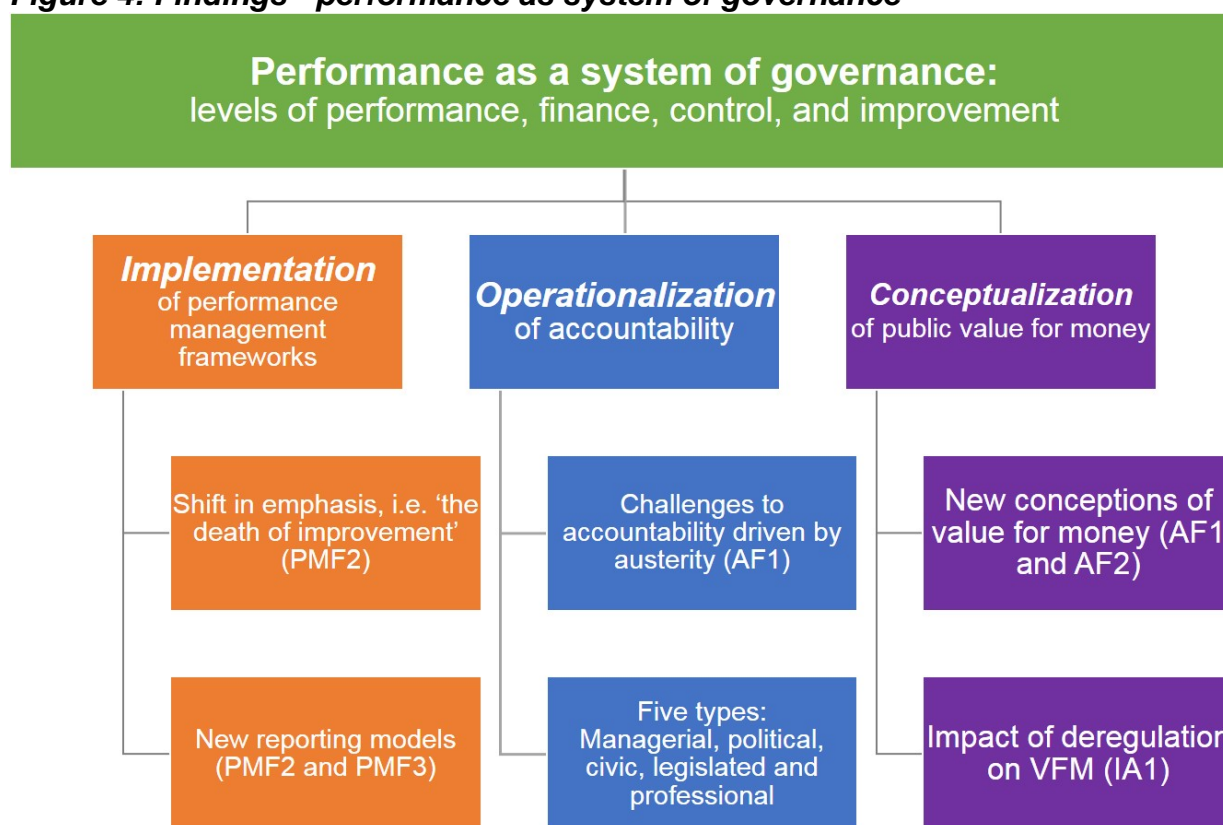
Table 21: How the key findings have been used

Key finding	First order code	How the key finding has been used
Key finding 1: politicization of performance	OP1	Future work – section 8.8, page 288
Key finding 2: Corporate and departmental	OP2	Future work – section 8.8, page 288
Key finding 3: impact of cuts on staffing and skills	OP3	Paper submitted to Australian Journal of Public Administration
Key finding 4: 'Death of improvement'	PMF1	<i>Implementation</i> of performance management frameworks
Key finding 5: Renewing performance management frameworks	PMF2	<i>Implementation</i> of performance management frameworks
Key finding 6: Authentic performance management	PMF3	<i>Implementation</i> of performance management frameworks
Key finding 7: Deregulation of performance regimes	IA1	<i>Conceptualisation</i> of public value for money
Key finding 8: differing forms of accountability	IA2	<i>Operationalisation</i> of accountability

Key finding	First order code	How the key finding has been used
Key finding 9: Impact of external inspections	IA3	<i>Operationalisation</i> of accountability
Key finding 10: Austerity dominated the interviews	AF1	<i>Conceptualisation</i> of public value for money
Key finding 11: Value for money	AF2	<i>Conceptualisation</i> of public value for money
Key finding 12: Insourcing services	AF3	Future work

The findings of this research conceptualise performance management as a **system of governance** that incorporates levels of *conceptualization*, operationalization, and *implementation*. This is shown Figure 4 below:

Figure 4: Findings - performance as system of governance



(Source: Author)

The three sub-questions, therefore, guide the discussion that emerges from the findings. Whilst the original three questions were framed as breaking down the overarching research question, and are presented here in that order (in Figure 4), they are addressed

in the following sections from the bottom up, i.e. from implementation to conceptualisation. This allows the discussion to build upwards from the more concrete and empirical to the more abstract and theoretical positions, which can then, in turn, draw on support from the previous level(s).

Research Question 3: How has the removal of statutory performance reporting impacted on tool selection, their operation, and the ways that organizations publicly justify their achievement? (The **implementation** of tools and techniques)

The nature and deployment of performance management tools and techniques has emerged as a primary concern at the *implementation* level. External frameworks have been removed through deregulation (section 5.1.1), and authorities have sought to develop newer, more authentic forms of performance (section 4.3.3) that link performance and budgets, and respond to the challenges of austerity (section 5.2.1). The previous notion of the ‘golden thread’ no longer drives the implementation of performance management, and the ‘death of improvement’ (section 4.3.1) has challenged the very basis of the duty that drove public service reform in 1997-2010, and continues to be part of the statutory environment for local authorities now. A new model of more fragmented performance management is outlined in this chapter that addresses some of the concerns about performance

Research Question 2: How have the emergent governance structures affected the sustainability and legitimacy of performance and service improvement efforts? (The **operationalization** of performance governance)

Accountability emerged as a complex and sophisticated challenge to public service delivery in the post-2010 period at the *operationalisation* level, in how authorities need to ‘govern for austerity’ and poses questions about different types of accountability in this context. The ‘death of improvement’ again raises real challenges for local authorities faced with severe budget restraint and the need to make choices about scaling back services, reducing investment, or prioritising delivery that balance managerial, political, civic, legislated, and professional demands. These five differing forms are discussed in section 7.2: *Accountability: five types*, and section 7.2.6 goes on to advance some

propositions and conclusions that draw on the findings to examine the governance, legitimacy, and sustainability of accountability.

Research Question 1: How do organizations discuss and create meaning around their preferred ways of managing performance and service improvement? (i.e. the **conceptualization** of performance and service improvement)

Finally, the overwhelming shadow cast by austerity across the data collection and the experience of local authorities (section 5.2.1) presents a challenge to improvement as an end goal (section 4.3.1), as well as problematizing the notion of value for money (section 5.2.2) in the post-2010 context. Most practitioners and regulators would agree that value for money remains a necessary concept, yet it may be limited in how it reacts to shifting paradigms of public management and the values on which each is based. These limitations may pose an existential challenge to both local authorities and regulators. What is their purpose in the current climate? How can a richer conceptualisation of value for money move beyond NPM's short-term focus on efficiency above other concerns? Section 7.3.5 advances an idea of *public value for money* that seeks to address these conceptual limitations.

Figure 4: Findings - performance as system of governance does not suggest that these are the only, or even primary, components of a performance management framework; this research does not aim for a normative discussion of that sort. Rather, these are areas of significance that emerged from within the research findings and that relate to a systemic view of performance management in the wider sense. They enable propositions for future research and theoretical development to emerge that will hopefully continue the trajectory of this research.

These points represent areas of both significance and distinctiveness observed from within the research findings. The following sections explore these areas in further detail, and provide a discussion of their nature in practice compared with the literature and what might have been predicted or expected prior to the research.

7.1 Performance management frameworks: models, theories, and practices

As stated in section 4.3.1, New Labour modernization was predicated on the objective of continual growth in performance; however, whilst this might have been practicable during the 1997-2010 era, the findings from this research suggest this presumption of continual growth in performance is now neither realistic nor practical. This section establishes the previous dominance of ‘continuous improvement’ assumptions in local government policy and legislation. Austerity has now effectively undermined these assumptions, and findings suggest a radical shift has occurred in the focus for local authorities, termed here the ‘death of improvement’. A response by local authorities is thus probably needed in order to retain the commitment to continuous improvement in some form.

During the New Labour administrations, the primary focus of the regulatory and performance regimes was continuous improvement. This is expressed as a legal duty to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” (DETR, 1999). This required the regulatory system to put in place performance measures for all functions, including both the mandatory BVPIs, but carried an expectation that the local authority would further develop its performance management framework to include other services not covered by BVPIs but that the authority felt were significant to the achievement of local ambitions. Individual indicator levels of performance (outturns) were classified in quartiles (e.g. a relative ranking from the best performing authority down to the worst performing), as well as forming part of the heuristic judgements within the CPA and CAA mechanisms. Another key part of the assessment frameworks was the ‘direction of travel’, which attempted to measure (and compare) rates of improvement across the authority as a whole and within specific services. When put together, these requirements and expectations resulted in a systemic assumption that all services (statutory and non-statutory) would be expected to generate improvements in their outturn each year, and hence targets for indicators in future years (each BVPP contained a rolling schedule of targets for the next three years as well as the last year’s outturn) should demonstrate continued improvement.

Additionally, a range of financial incentives were deployed, including *local public service agreements (LPSA)*, *local area agreements (LAA)*, and *multi-area agreements (MAA)*. These were attempts by central government to incentivise performance improvements in key indicators by agreeing a quasi-contractual arrangement. Initially, in the case of LPSAs (2001-2004), this was more directed, in that central government (via the agencies of regional governmental bodies (e.g. Government Office North West or GONW) ‘agreed’ targets with local authorities from a pre-approved list of national priorities via negotiation, but where the starting point was provided by central government. Later iterations, including local area agreements, were more consensually formulated, and the *Local Government and Public Involvement in Health Act 2007* included the expectation that local authorities would be considered *primus inter pares*, and that LAAs would be the primary mechanism through which central government would agree targets with “local authorities and their partners.

Responsibilities for local authorities include both provision of specific services (e.g. the *Public Libraries Act 1964*), and generalised duties such as the requirement for continuous improvement, the social, economic, and environmental well-being duty arising from the 2001 Local Government Act, the power of general competence from the Localism Act 2011, or the now abolished Every Child Matters framework.

This journey from centrally-imposed to locally-negotiated performance goals and reporting is one of the key areas of interest in the empirical data gathering. The research questions considered what is being measured, how and why. Findings have demonstrated that shifts in the organizational context and strategy for performance have triggered changes in performance management frameworks. These developments are reflected in the discussion here, which will cover:

- New frameworks, and narrative and numerical data tensions in performance management
- Challenges to traditionally structured performance reports
- A proposed new performance zones model

7.1.1 New frameworks, and narrative and numerical data tensions in performance management

As discussed in section 4.3.2, p.131, all authorities were revisiting their performance management frameworks, either via step change like Castle Gate and Bell Tower, or in more incremental fashion for Rudgeway, which had carried out a formal review 2-3 years ago. Notably, discussions tended to focus strongly on performance management as artefact (Sanderson, 2001; Simons, 1995) – the format and process of sharing performance information was more dominant in responses to interview questions, and quite often interviewees needed follow-up questions to bring the discussion back to performance management at a systemic level. There was reasonable discussion around narrative, strategic outcomes etc. (Heinrich, 2002) and reducing the content and scope of corporate plans. These have become smaller and more aligned to either political pledges, and / or have acted as tools for reputation management (L'Etang, 2007); this is considered important given the reduction in services and the negative publicity or reputational damage that could ensue.

Clearer differences emerged between children's and adults' social care, which still have formal inspection regimes from Ofsted and the Care Quality Commission. Traditionally operations management theory classifies services by reference to the 4 Vs: volume, variety, variation in demand and visibility (Slack, Chambers et al. 2010). Here high volume, low variety services (e.g. waste collection, grass verge cutting, etc.) are undergoing what has been called 'managed decline', i.e. a purposeful reduction in service levels, which is antithetical to the continuous improvement imperative (Bourne et al., 2007; Bourne et al., 2000).

However, the low volume, higher visibility, and high variety services such as children's and adults' social care were consuming an increasing proportion of council resources, providing a shift from community services to individual services. These services form a dividing line between politically acceptable cuts and publicly acceptable ones. As the Stocks Green respondent S4 suggested earlier, managing public services was now an exercise in "delivering the unthinkable".

Arising from the findings chapters, a series of influences have converged to change the way that performance management has been conceived and developed in the post-2010 environment. These were classified in Chapter 5 as:

- The ‘death of improvement’ (section 4.3.1),
- The search for more ‘authentic’ forms for performance management (section 4.3.2), and
- Renewal of performance management frameworks (section 4.3.3).

Together these three codes describe the shifts observed across the case studies. There was a varied discussion around performance measures, which viewed measures through the prism of New Public Management view: inputs, outputs, and outcomes. Most tended to argue that outcome measures were useful in terms of legitimacy and a sense of ‘what the council should be delivering’, yet also accepting their limitations in terms of managing declining services and budgets.

The fracturing of the link between performance management and continuous improvement was simultaneously highly visible and yet overlooked in conversations – revealing a dichotomy. At one level, there was acknowledgement of the challenges facing authorities in simply meeting statutory requirements, and that a range of services were being scaled back. At another level, there was a perception that authority-wide performance management should be focusing on achieving improvements in a wide range of outcomes; these two positions would appear to be at odds. It may be that the level of financial savings required have shifted the discourse from one of continuous improvement, with a focus on incremental improvement in performance (Neely and Bourne, 2000), to one of step change, or transformation, and hence the explicit focus on outcomes (Heinrich, 2002).

There was some acknowledgement of the problems with measuring outcomes. Several discussions (e.g. with L5, C7, C1) articulated the challenges around measuring the building of a new school by outcomes, i.e. General Certificate of Secondary Education (GCSE) success. This story came out of an unrecorded conversation and was put to several interviewees when felt appropriate to the conversation. GCSE outcomes don’t tell you, for example, if the construction is going to budget, or how well it has been

designed. The discourse around outcomes and public value risks assuming that a single measure of success is sufficient (Espeland and Stevens, 1998), particularly for performance management implementation models that cascade objectives down in the classical 'golden thread' formulation.

Despite this, the attachment of value to directing the organizations towards long-term outcomes was significant. This supports the general orthodoxy within service operations management of the importance of balancing outcome and experience as mediated by processes (Johnston, Clark et al. 2012), although more senior interviewees tended to focus more on outcomes, and those involved within public health, social care, or education were also more likely to discuss things in these terms (e.g. R1, C4, C6, M4, B1, etc.).

This represented a further dissonance between espoused perceptions of the role of performance and the reality of performance management practices within the environment facing councils (Micheli and Neely, 2010; Neely and Bourne, 2000). On the one hand, interviewees were clear on the need to manage the long-term outcomes that authorities were seeking to achieve (or felt compelled to achieve) and tended to view the weaknesses of performance management through that lens. On the other hand, it is unclear from discussions if this form of longer-term, more strategic is either affordable or likely to be effective approach (Melnik et al., 2014). There was little explicit discussion of what was previously called 'invest to save', although it is possible to observe some of this in discussions around 'transformation'. The main focus, rather, was on budget savings (Hoggett, 1996).

Generally, most interviewees felt that within the processes for assigning budget savings, children's and adults' social care often overplayed the emotional narrative of 'people will die if you cut our budgets' (excluding managers of those services, naturally). Corporate performance staff in Castle Gate, Long Reach, Stocks Green, Rudgeway and Bell Tower (C7, L1, S2, R3, R4, B4, B5) reported that it was still very hard to gain access to those services to understand the reality of performance in these expensive, high visibility and low volume services. Therefore, these highly emotive narratives became difficult to challenge, particularly given the level of variety, which served to individualise the

interactions between service users and providers. For authorities that had experienced recent, negative inspection results in social care, this had reduced the barriers to gaining performance data and intelligence. Again, here we began to see tensions between narrative and numerical forms of performance management.

Numerical data-driven performance management evidently did take place in adults' and children's services (Ofsted inspections in particular are highly data-dependent), but the reported discussions intra-organizationally tended to appeal to emotion, or operate defensively (Oliver, 1991) – presenting a service that was either performing well, so should be left to make its own budget savings (Long Reach and Bell Tower), or was pursuing innovative methods of service redesign and should be thus left alone to innovate (Rudgeway, Merry Park).

Numbers of corporate performance team staff had seen some reductions as part of overall council staffing cuts, but perhaps not as much as anticipated (for example, Castle Gate's head of performance C7 spoke of retaining a significant performance and policy team – see page 4.2.3, p.119). Generally, authorities were centralising resources, rather than deploying 'hub and spoke' or 'centrally provided, locally managed' models (see Table 16 on page 114), although the notional allocation of staff to departments as liaising officers was commonplace. Again, this largely served to problematize relationships between the centre and departments (particularly children's and adults' services).

Common criticisms of corporate performance monitoring (raised by both corporate and departmental staff) were that it was too slow, had lagging data, and that by the time it entered the accountability mechanisms, problems had often either been resolved or circumstances had changed. This meant that much corporate performance monitoring became ritualised around legitimacy or prestige (Hartley and Downe, 2007; Sanderson, 2001), or perhaps focused on informing future or current resources allocations (Hoggett, 1996; Wilson and Hinton, 1993), rather than 'managing' the journey of the organization (Behn, 2003) or the experience of service users (Hennala and Melkas, 2016).

One of the features of discussions with operational performance staff, and particularly the focus groups was around the systematization of performance – i.e. replacing the

structures that had developed to service the requirements of the regulatory system and instead focusing on the performance management framework as a whole system, working in partnerships, and joining up intelligence systems. For example, all six case studies had a public health intelligence team, who were often perceived to be outside of the corporate performance and intelligence functions.

There may be two reasons for this: firstly, public health responsibilities were transferred to local authorities, but only within the last few years. Thus, teams may have legitimately not yet been integrated. Added to this, there was an observable view, particularly in Long Reach, Bell Tower, and Rudgeway, that the duties, skills and responsibilities of corporate performance teams and public health teams were different. Public health staff specifically tended to frame their work around 'intelligence', and longer-term demographic and epidemiological planning, whereas 'intelligence' work in corporate teams tended to relate to economic development and planning. This may be due to conflicting value sets, e.g. high volume, low complexity services versus low volume, high complexity, e.g. refuse bin collections versus social care, or inward investment versus planning cancer care.

Both sets of responsibilities, however, were changing in relation to deregulation and the desire to work on longer-term outcome planning. The historical performance reports were no longer required; more 'authentic' forms of performance were required, and corporate performance teams themselves had generally reduced capacity.

It should also be recognised that very different interpretations of performance exist within authorities, as well as between them. As highlighted in Table 2: *Uses of performance management: perspectives from literature*, page 37, no single, instrumentally rational understanding of performance management exists. Within the interviews and discussions outside the interview process, several differing operationalizations of performance management were observed:

- The 'deficit' model (highlighting problems) exception reporting (often punitive)
- The 'political' model – performance as delivering pledges and commitments
- The 'opportunity' model – where can we make changes? This was linked to commissioning at some points

- The 'accountability' model i.e. how services are held to account for what they deliver (against their budgets)
- The 'concern' model – flagging issues for consideration (but often used in a defensive manner)
- The 'narrative' or 'telling the story' model – reputation management and minimising the public impact of poor performance
- The 'what went wrong' model – understanding the reasons in order to correct future problems

It would be simplistic to attempt to ascribe these modes of operationalization to single authorities – there were multiple and conflicting presentations within individual authorities. Rather, these different perspectives all begin to challenge the established, reductive notion that performance management is simply about highlighting poor performance and taking corrective action (e.g. Behn, 2003); rather, it has socially constructed layers that operate in different ways (Moynihan, 2008; Radin, 2006).

7.1.2 Challenges to traditionally structured performance reports

When examining these initial findings, we can observe that the traditional concept of a unified corporate plan, used to communicate future promises of outcomes or demonstrate achievement of past performance, still remains (Bourne et al., 2000). However, the detailed performance data that has previously accompanied these documents has begun to drop away, leaving a more outcomes-focused and less process-focused plan as an artefact to generate political or organizational legitimacy (Sanderson, 2001). This is subject to critiques around its worth as an informational document for the majority of citizens, most of whom, it was felt by interviewees, tended to judge the authority on daily service interactions (Grönroos, 2007; Needham, 2006). The corporate plan was still being used internally as a management tool to motivate staff by illustrating their position in achieving the goals of the plan (the anecdote about John F Kennedy visiting Cape Canaveral in the 1960s development of the space programme was used five or six times. In this apocryphal story, JFK asks an older staff member who is sweeping the floor what his role is. The man replies, 'I'm helping put a man on the moon'.) Radin's critique, however, is that this sort of goal congruence is largely illusory (Radin, 2006).

As is obvious by this point, all authorities were facing significant budget cuts and were largely struggling to make the required savings. As has been described, some direct services were undergoing ‘managed decline’ where service standards were set to reduce, rather than increase – these needed a different type of performance management compared with more ‘strategic’ services. A sense began to emerge from authorities that expectations needed to be managed both with communities and elected members. Performance management could play a part in this via integrated financial and performance models (Osborne et al., 1995; Redburn et al., 2008). However, this required difficult conversations with elected members, who often relied on pet projects or activities for institutional and democratic legitimacy. Ritualistic performance management review also took place – what has here been called ‘the performance of performance’ – as an expected activity (Pollitt, 2013c). Accountable managers often used several strategies to minimise exposure to criticisms and negative feedback. These strategies were also effectively approved by institutions, who were sensitive to accusations of reducing public service quality due to budgetary restraint, but were unwilling generally to discuss this in terms of addressing *Realpolitik*.

Furthermore, the statutory duty to produce corporate reports as specified in the legislation and guidance around Best Value has now disappeared. Authorities are no longer obliged to externally publish the statutory documents like the Best Value Performance Plan (BVPP) or annual performance returns (Audit Commission and I&DeA, 2002). These documents encouraged a sense of the ‘golden thread’ – the cascading set of objectives and targets. Whilst it is debatable as to whether evidence for this thread can be found (Micheli and Neely, 2010), or indeed whether it is desirable even to have a golden thread, it is clear that the guidance anticipated being able to implement, observe and evaluate one (Audit Commission, 2005). It was also mentioned by some of the interviewees (e.g. C3, L1) as an explicit artefact, and the concept was raised by other interviewees as part of narratives around strategic planning (e.g. C7, R4, M3), often as part of the reduction in effort around performance reporting that reflected a move away from glossy performance reports, and an acceptance that members of the public are either less interested or benefit less (or both) from the provision of performance reports than the New Labour policies anticipated (Bovaird and Loeffler, 2012).

RQ3 asked: How has the removal of statutory performance reporting impacted on tool selection, their operation, and the ways that organizations publicly justify their achievement? (i.e. the **implementation** of tools and techniques)

In answer to this, two primary reasons may indicate that traditional tools for performance are no longer suitable: a) the deregulation of the CPA / CAA performance regime, and b) financial pressures forcing changes to the operating context for local authorities as suggested above.

Additionally, every authority was struggling with the tensions of justifying performance in an environment where ‘managed decline’ in services that are often universal and well-regarded by residents and businesses, such as street cleaning or parks. This feature also emerges in the accountability codes discussed in section 7.2, as well as in the value for money discussion in section 7.3.

Section 5.1.1: *Responses to deregulation (IA1)* on p. 139 discusses the mixed responses to deregulation. Corporate performance staff felt the loss of the performance frameworks more keenly than those in service (i.e. non-corporate) departments, although even service department staff such as Bell Tower’s head of regulatory services (B3) and Castle Gate’s public health lead (C6) acknowledged the helpful nature of direction provided by statutory indicators, particularly when having to negotiate with elected members, which had historically proved problematic (Leach, 2010). The enduring and almost universal view was that deregulation allowed authorities to become ‘masters of their own destiny’ and hence have a different conversation with members about priorities. Bell Tower’s narrative of the tensions between performance staff and improvement staff, and how each was received differently by services, accords with the experiences of Long Reach, Merry Park, Castle Gate, and Stocks Green. As outlined in section 6.3.3: *Instrumental dimension*, page 187, the instrumental focus observed began to highlight ‘transformation’ based around operational service management as a significant development (Hartley, 2005). Yet, NPM and performance management have failed to provide the promised revolution in performance or efficiency (Neely, 1999; Pollitt; Pollitt and Dan; Radnor et al., 2016)

To some extent, criticisms of NPM and performance management have been partially addressed through the development of public value / networked governance as negotiated processes (Newman, 2002; Rhodes, 1997; Stoker, 2006). Whilst public value emerged in response to NPM weaknesses, its focus on systems, and networks may be insufficient to address the requirements of sustainable performance management frameworks in the post-2010 era. New Public Governance approaches (Osborne, 2010b) and the development of public service dominant logics (Osborne et al., 2013), which embrace the distinctive nature of service processes compared to manufacturing ones, may hold insights into how to balance service management with corporate and policy management.

The thesis now moves on to propose a model of performance management that builds on these principles.

7.1.3 Proposed new performance zones model

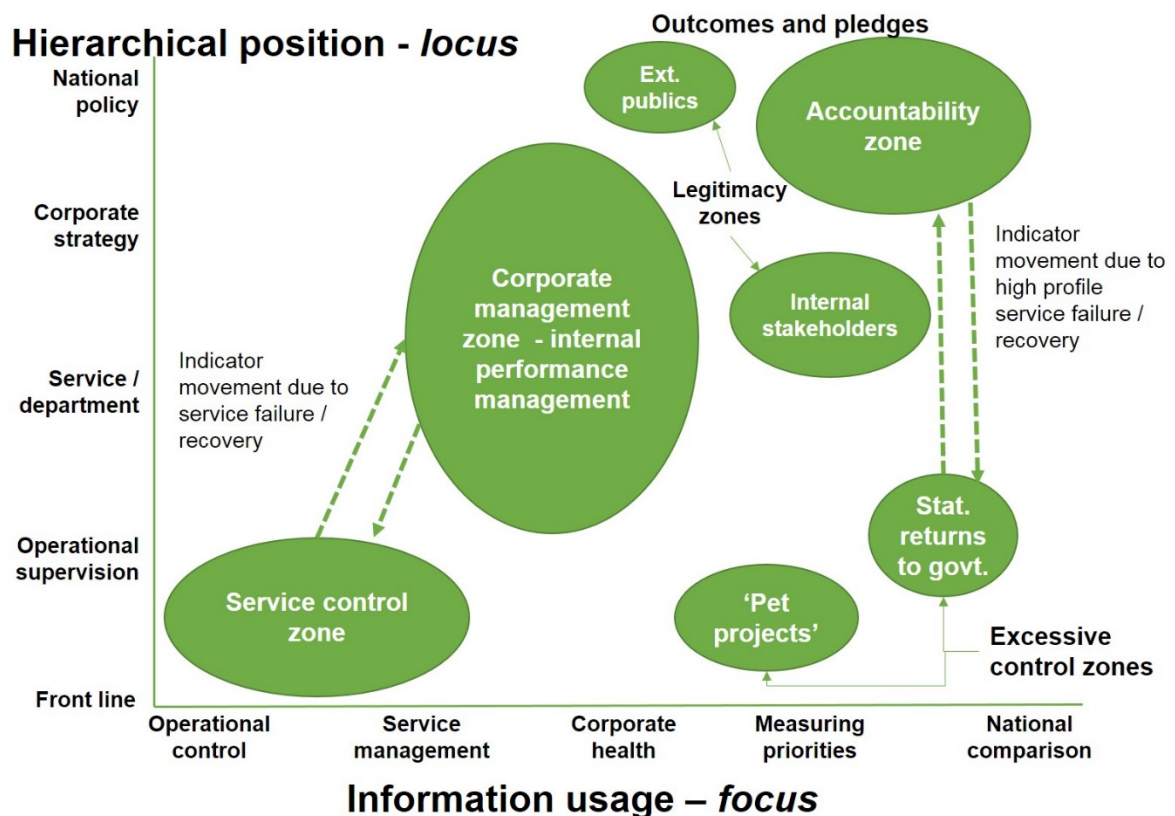
This research proposes a model developed from the empirical findings that challenges the established notion of cascading objectives, and addresses the tensions around use of performance management at the *implementation* level outlined in RQ3. It describes a fragmentation of the way performance information is used, and proposes a series of aggregated performance ‘zones’. From case data, the model identifies a zone of service control, where management information is used for operational service and management and should be focused more closely on service users, customers, or citizens. This is compared with overall corporate performance reporting against corporate / departmental objectives (corporate management zone), and (comparative) data used for internal and external legitimacy (accountability zone). Alongside this, are zones of excessive control, where the granularity of the data is misaligned with the level at which it is reviewed or used, i.e. local government collects data either absent-mindedly or via central government demand yet the information is barely used; it effectively enters a ‘black hole’, unless there is some form of acute service failure such as the death of a child. This type of high-profile failure would result in a measure or measures (or perhaps more accurately, the service they represent) being dragged into the accountability zone, where additional scrutiny is applied. This resembles the mechanism that operates between the service control zone

and the corporate management zone as shown in the diagram below, Figure 5, which maps out these performance zones.

This model plots the information on two axes: the position within the informational hierarchy, equating to the 'locus', and the modality of information usage, here the 'focus'. It synthesises a conceptual performance management system derived from the empirical data that describes a 'fragmented' system, rather than the traditional 'golden thread' or cascading objective system. Here, the ovals represent areas of performance management activity and their relationship to the performance management system. This model separates this activity into five zones:

- Service control
- Corporate management
- Excessive control
- Legitimacy
- Accountability

Figure 5: Performance zones model



Source: Author

Micheli and Neely (2010) examined whether the 'golden thread' was observable in two case studies, finding questionable evidence of the existence of such threads, in part confounded by the multiple stakeholders and priorities evident in public services. Their conception of the golden thread – that a golden thread is only present if objectives, targets, and indicators are consistent throughout the different levels from central government to service delivery – becomes a hard test to meet when the range and nature of such services are considered. Clearly the term 'golden thread' has currency within both policy and practice domains and was recognised by many interviewees, perhaps referencing a sense of internal cohesion within their performance management framework. However, case evidence challenged this normative integration ideal and may support 'decoupling' (Brignall and Modell, 2000). Although some (e.g. Johnsen, 2005) accept that 'central planning', for which we can read cascading objectives from a top down perspective, has fallen out of favour, within a considerable amount of the literature it is considered a key component (e.g. Ballantine et al., 1998; Bourne et al., 2000; De Bruijn, 2002; Heinrich, 2002; Kaplan and Norton, 1992; Kloot and Martin, 2000).

This could be explained in part by the bounded set of strategic objectives open to local government. Many services are statutory, such as provision of a "comprehensive and efficient library service", as outlined in the *Public Libraries and Museums Act 1964*. Multiple strategies for the delivery of such a service can be conceived, but the duty to deliver a service endures. To an extent, the need to have appropriate mechanisms for managing performance at different levels could be considered common sense, and has been discussed previously (Osborne et al., 1995 Tricker & Waterson 1995), yet this has remained a challenge for organizations to implement. This research suggests two reasons for this at least: firstly, the regulatory assessment explicitly demanded an integrated performance management system, and secondly, established practice and thinking from the private sector saw performance management as a tool of strategy deployment (Kaplan and Norton, 1992). Despite a paucity of evidence supporting integrated performance management approaches, they have remained a dominant form in local government, that is, until the twin forces of deregulation and austerity have combined to derail the established practices.

One consistent finding was that all six organizations were in the process of renewing or revitalising their performance management framework. This took different forms in some authorities, but some themes and patterns began to emerge. Rudgeway, for example, was refocusing the performance management framework around political pledges, and established a series of mixed boards to oversee this governance. Castle Gate were attempting to establish better links between finance and performance, as well as establishing a stronger set of performance control after poor inspection results.

Overall, authorities were attempting to focus their performance management more clearly, and most were doubtful about the value of publicly communicated performance data. What seemed to matter most to people who contacted the council was the specific service-based interactions they had with the council; within the service management literature, service value is generated at the point of service contact (Vargo and Lusch, 2004), the 'moment of truth' (Normann, 2000). Consequently, efforts to develop compelling narratives based around performance data had been primarily of interest for external regulation or for political purposes. Case study authorities were moving towards narrative-based, more promotional or reputational material, in order to communicate priorities, rather than rely on traditional numerical performance data, the publishing of which had previously been a legislative requirement.

Within some authorities, particularly Castle Gate, Long Reach and Stocks Green, there was support for more substantial 'sandboxing' of performance measures. A 'sandbox' within software development refers to a mechanism allowing an application to run as standalone, separate from the main operating system to avoid slowing the system down. Here, we use this term to refer to establishing a sub-system of performance measurement that does not attempt to integrate with a 'full' performance management system in terms of regular reporting up a hierarchical chain at numerous points (e.g. departmental, corporate, executive / cabinet, and scrutiny etc.)

Whilst the budget for delivering all council services had shrunk, the range of services had not. Democratic mechanisms such as scrutiny committees were in all cases struggling to engage effectively with performance management without simply duplicating executive

roles, and for Rudgeway and Merry Park, alternative mechanisms such as performance challenge panels were being used that risked usurping the backbench scrutiny role.

As was articulated earlier, differences were observed between statutory and discretionary services, and between high volume / low variety and low volume / high variety services, which homogenous or integrated performance delivery often failed to differentiate sufficiently for the purposes of control and management of resources. Visibility, too, played a part in this relationship.

Involuntary / non-contestable service delivery (i.e. most statutory services) is sometimes presented as having a captive audience, but it can be argued that the coercive aspects of the service are reciprocal – the service deliverer is compelled to deliver that service, irrespective of level of take-up, just as the citizen is largely restricted to single provider for many services. This is subtly different to the rights of citizens to have services provided to them, and addresses some of the more insular concerns presented when discussing, say, local taxation and its relationship to service expectations. Many practitioners, if asked, will be able to tell tales of citizens arguing: ‘I pay my council tax and expect to have my rubbish bin collected weekly, the grass cut, potholes filled, or whichever preferred service’ – S4 suggested they heard this once a week. The relationship between citizen and statutory body is, as many have accepted, multi-dimensional and is affected by the nature and type of service delivered; as others have pointed out, one-size rarely fits all (Radin, 2000; Stolt et al., 2011), e.g. some citizens may want (or demand better) recycling provision; others may never use it, but it still has to be provided out of everyone’s council tax contribution.

In theory, the requirements on local authorities to report performance (as opposed perhaps to ‘manage’ performance) have changed dramatically and it would be reasonable to expect to see this reflected in the current situation; this is largely the case. This deregulation, however, has served to both increase divergent forms between authorities, and also to change the nature of the relationship between the state, local government, and key stakeholders, including citizens. Nonetheless, some patterns emerged that can be identified.

The performance zones model suggests that a differential approach is needed to optimise the use of performance management as a practice. The accountability and legitimacy zones indicate that the socialised, defensive perspective of performance management (Oliver, 1991) is actually a legitimate practice, and that to embrace the politicization of performance (section 4.2.1), more narrative forms of performance discussion would be more appropriate. This emerged particularly in Rudgeway and Merry Park around the narrative and visual documents explaining to residents and businesses how key promises had been met or addressed. Bell Tower was also developed a new mechanism for sharing outcome achievements with residents, particularly at a community or neighbourhood level. Here, accountability zones operate to provide an opportunity for external accounting for the overall performance, vision, and achievements of the authority; the political level pledges and manifesto commitments primarily operate here. Action within the legitimacy zone serves to establish the rationale for service development, by engaging with internal stakeholders and external publics, but on a more specific level than the accountability zones.

Service control zones allow for fast-moving data analysis such as customer contact data, missed bin collections, and benefits application processing backlogs to be monitored and managed at the operational level without forming part of the corporate performance management zone. The 'golden thread' approach would have integrated such measures into corporate performance reports, potentially creating a significant time-lag, as corporate performance reporting rarely occurs more frequently than monthly. This type of 'on the ground' performance reporting is likely to be happening already – certainly the case studies suggested this. However, the 'sandboxing' of such performance measures was being actively developed in Castle Gate, Long Reach and Rudgeway, with the flexibility to 'promote' measures to being monitored at a higher level within the organizational hierarchy if poor performance continued.

Excessive control zones represent levels of granular data still required by central government, including, but not limited to, education and social care data. This set of performance measurement activities represented a considerable, continuing burden for some operational performance teams, and was highlighted particularly by Long Reach,

Bell Tower, and Castle Gate, particularly by the operational staff in the focus groups. This data is either collected absent-mindedly, i.e. through institutionalised habit (Oliver, 1991) or because of demand from members or central government, which may itself be the result of an institutionalised process. This control is 'excessive' because the use of the data does not appear to justify the effort in gathering it. A recent comment from the Director of Local Government at the National Audit Office suggested that DCLG collects 40,000 pieces of data each day, yet does not make significant use of this data (Murphie, 2017). Evidence cited in an earlier section (2.9.3, on page 58) suggests that high profile service failure results in increased scrutiny of that area of delivery.

Merry Park staff also indicated that there was an unnecessary level of control by elected members around what one of the focus group members called 'pet projects', and M3, M4 and M5 shared experiences of members generating numerical performance targets without reference to advice from officers, and thus creating unintended consequences for services and their use of resources.

Finally, the corporate performance zone would contain the performance management activity necessary to manage the business of the authority via higher-level service management (i.e. at a level above the service control), as well as what might be termed 'corporate health' indicators, such as sickness absence, budget control, staff turnover, and other indicators of corporate infrastructure performance. This should not be fully integrated as a cascading set of objectives. Measures or targets (which may be projects as much as indicators) in the accountability zone may not be completely aligned with the most appropriate measures to manage the core business of council services.

The analysis presented here synthesises a new framework for understanding and development more effective performance management frameworks, and articulates the 'snipping' of the golden thread (Audit Commission, 2002) leading to the decoupling of formerly integrated frameworks. Future propositions for the performance zones model are explored in section 8.3 Table 25: Performance management recommendations on page 271.

This brings implications for the use of performance management as a tool of accountability, which is now discussed further in section 7.2.

7.2 Accountability: five types

Table 2 in section 2.7 discussed a series of potential uses of performance management on p.37, and suggests that a more nuanced understanding of the rationalities of performance is needed beyond the relatively simplistic notion that performance is concerned solely with improving the quality of services. Section 7.1 took this need for more nuance and the empirical data in section 4.3 and developed it into a proposed new performance model.

Holding public services to account is often purported to be one of the key purposes of performance management, particularly within a New Public Management perspective or rational choice perspective (May, 2007; Radin, 2006), i.e. if service managers know they will be asked to account for performance problems, they will be motivated to maximise performance, and that it is desirable to set performance measures to benefit from this accountability.

One of the areas of questioning, therefore, within the research examined to whom people felt accountable, and what form that accountability took, in order to explore how performance management, regulation and accountability interacted.

Lindberg provides a useful summary of the key aspects of accountability from a principal / agent theory perspective (Braun and Guston, 2003), in which he describes the intellectual construction of accountability as requiring the following steps:

- An agent or institution who is to give an account (A for agent);
- An area, responsibilities, or domain subject to accountability (D for domain);
- An agent or institution to whom A is to give account (P for principal);
- The right of P to require A to inform and explain/justify decisions with regard to D; and
- The right of P to sanction A if A fails to inform and/or explain/justify decisions with regard to D. (Lindberg, 2013)

This perspective represents a sanctions-based model, which focuses on punishment, enacted through principal / agent theory. Whilst this is not the only model for understanding accountability, it is a common one within public services, especially through the mechanisms of regulation and accountability to politicians by officers (Behn, 2001; Bovens et al., 2014).

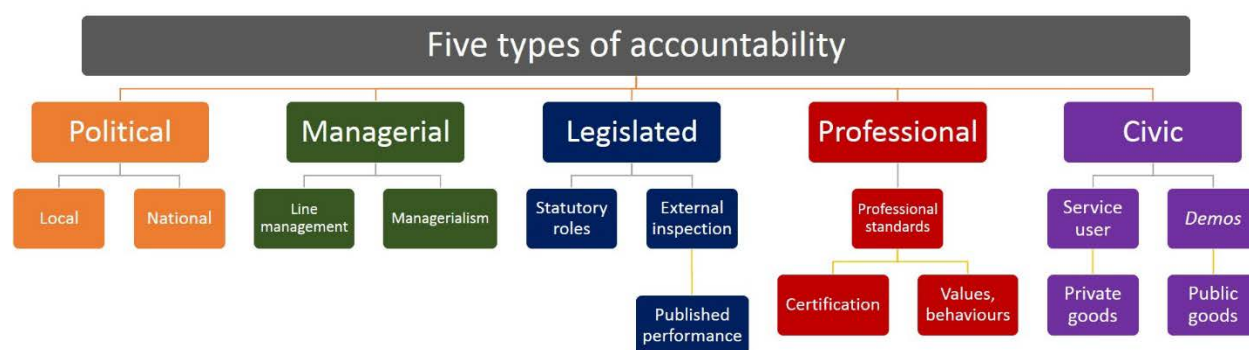
Section 4.2.1 in the findings chapter described a sense of increasing politicization of performance. Whilst the role of members in guiding local authorities and setting priorities is relatively well accepted (Rhodes, 1997) – their fundamental role in a representative democracy such as the UK is to provide democratic leadership to local authorities – this ‘politics / administration’ split has been subject to challenges from Public Administration perspectives (Svara, 2001; Svara, 2008) and from American New Public Management approaches in particular (Osborne and Gaebler, 1992; Osborne and Plastrik, 1997). Public Value literature, particularly (Denhardt and Denhardt, 2011; Denhardt and Aristigueta, 2011) has criticised NPM for refocusing services on customers, rather than citizens. Behn (2001), too, has criticised the ‘fiction’ of the politics / administration split, coining the phrase “separation of responsibility” (2001, p.66), whilst retaining the focus on accountability for delivery of results. This attention to results is a common theme amongst policy and accountability, particularly in the US context, which tends to consider programmes rather than services (e.g. OECD, 2004; Radin, 2008; Radin, 2000, 2006). Behn is clear, however, that accountability is less simple than its descriptions would often suggest.

This view is supported by evidence from the transcripts, where different perceptions of accountability started to emerge. In part, this is due to the differences in both the strength and nature of political control in authorities, but this is neither the only nor the dominant factor. Merry Park has a strong Conservative majority, and employs what might be described as a ‘muscular’ or robust set of politics – member ambitions were paramount. Each of the four officers interviewed and the focus group made reference to the strength of politicians’ direct influence on services. Castle Gate, on the other hand, has an equally strong but Labour majority, and here the chief executive (C1) talked about a much more dialogic relationship, although the head of regeneration and housing (C5) discussed the

challenges in getting members to accept that they had less control around private sector regeneration plans. Rudgey has a slim Labour majority, but here, too, politicians were attempting to place stronger emphasis on the achievement of political ambitions through the performance system. This all begins to indicate a more complex set of dynamic relationships around accountability.

The analysis of the qualitative data and the existing literature resulted in the proposition of a model of five types of accountability, which is detailed in Figure 6 below. The next parts of this section then provides some background to the concept of accountability before moving on to explore each of the five types in sections 7.2.1 to 7.2.5, and consolidating these in section 7.2.6.

Figure 6: Five types of accountability



Source: Author and drawn from Romzek (2000); Sinclair (1995)

One of the interview questions (Appendix v) primarily focused on to whom people felt accountable. This was then followed up in questioning by asking what this accountability felt or looked like. Interviewees were encouraged to interpret 'accountability' in whichever way they wished, so as to allow the most divergent set of answers to emerge.

Romzek (2000) advances a model of accountability that can be used to begin to separate differing forms of accountability. She proposes four types of accountability:

- Hierarchical
- Legal
- Political
- Professional

According to Romzek, the four types can co-exist, and multiple presentations of differing accountability types can come into conflict. One weakness of Romzek's model is that it overlooks accountability to the public as a distinct grouping – this is surprising, given that her focus is on public services in reform. Here, she collapses 'the general public' into a wider group of stakeholders within political accountability. This thesis contends here that services to the public represent the *sine qua non* of public management. Without a public to serve, there would be no need for public management. This emerged from both the interviews (section 5.1.2 on page 143) and the literature. A growing body of work around co-production has emerged (e.g. Bovaird and Loeffler, 2012; Durose and Richardson, 2015; Osborne et al., 2016; Osborne and Strokosch, 2013; Radnor et al., 2014) that draws on services marketing theory (Grönroos, 1984, 2007; Heskett et al., 1994; Lovelock and Gummesson, 2004; Lovelock, 1983; Lusch and Vargo, 2006a) that draws attention to the importance of the user / service interface, yet differences need to be drawn between individual users and system processes (Osborne et al., 2016).

Another distinguishing feature is that Romzek draws largely upon the US context for her understanding of accountability processes, although some examples are drawn from UK politics, examining Westminster and the senior civil service. The US federal and city bureaucratic system is very different to the UK central / local government, in terms of the political processes, the nature of services delivered and the relationship between central and local institutions. American research, too, tends to focus on the delivery of programmes, rather than services.

Sinclair (1995), writing from an Australian perspective, identifies five 'forms of accountability' in her research with 15 Australian public sector organization chief executives: political, managerial, public, professional, and personal. Here legal accountability is replaced by personal – a sense of holding oneself to account against a moral or ethical code – what she refers to as 'personal conscience'. As Sinclair observes, however, accountability appears not only to defy definition, but actively becomes fuzzier the more one attempts to do so. Nonetheless, there are compelling reasons for wishing to provide a typology of accountability, and Romzek's and Sinclair's models have merit in this regard. Not all forms of accountability are homogeneous in nature, or equal in

standard or result. Secondly, different stakeholders have asymmetrical power relationships and thus differing ability to hold individuals to account.

Therefore, this research proposes adapting both Sinclair's and Romzek's models, separating out the public (here called 'civic') accountability from the political type, including 'professional' as a category from Romzek's model, and integrating the sense of personal conscience from Sinclair as part of civic and professional accountabilities.

At the heart of this is the debate between public goods and private or individual goods that forms one of the distinguishing features between Public Administration, Public Value, New Public Governance, and New Public Management. Political accountability addresses management's accountability to the political cadre for delivering against political objectives or commitments, whereas civic accountability addresses the rights of citizens to have fair and equitable treatment and services delivered in return for their contribution, i.e. taxation. This research will argue that this latter type of civic accountability would also be sub-divided into individual civic accountability (i.e. as customers), and a wider sense of civic accountability for public goods, i.e. as citizens, or the *demos*.

It is hoped that this goes some way to addressing some of the challenges around the multiple identities of members of the public as citizens, consumers, customers, clients, service users etc. by offering different lenses through which to view their different contributions. However, this thesis will not conclusively address this, and further work will be needed to explore these different accountability modes and how they can and should be addressed.

For most officers interviewed, the different modes of accountability varied according to who held them to account, how they accounted for things, and what they were required to account for. The corporate level officers (e.g. R5, C1, C4, M3, B2) were most likely to see accountability as being to the leader and cabinet. The interviewees managing front-line services (e.g. C5, M5, S4, S5, B3) and the three councillors (R6, S1, and M1) interviewed saw accountability as to the people, via the ballot box. The analysis of the differences has grouped them into different types. Interviewees' responses were

interpreted as reflecting managerial, political, regulated, or civic accountability. In practice, this translated into interviewees saying they were accountable to their organizational line management, local politicians, regulatory bodies, or the ‘people’, either in a general sense of the *demos*, the body of citizens to whom services were provided, or in a more specific sense of service users (or potential services users). Synthesising Romzek and Sinclair’s typologies with the findings suggests five main types:

- Managerial
- Political
- Legislated
- Civic
- Professional

Each of the five types of accountability is now described in further detail.

7.2.1 Managerial accountability

In many ways, this accountability for those tasks or actions staff are formally employed to do was the least complicated and easiest to understand. Interviewees were clear that there was a set of more explicit expectations that would inform performance management – both in terms of how their individual performance would be judged, and the performance of the services they were responsible for. This form of accountability is therefore less worthy of extended discussion as it reinforces the traditional view of accountability as outlined by Lindberg’s model.

This interpretation of managerial accountability reflected notions of professional and managerial practices in which the agent tasked with enacting the delivery is clear (the member of staff), the domain is specific and embedded within organizational practices, and the right of the principal (the manager) to hold the agent to account and sanction if performance is not acceptable or suitably justified is enacted through HR policies, practices, and employment law. This accords with Romzek’s hierarchical mode, which she suggests occurs where there are low levels of autonomy and is largely similar to Sinclair’s managerial form. This form of accountability rarely needed explaining or justifying.

Managerial accountability aligns closely with incremental performance management because of the focus on achievable outputs, as well as with budgetary responsibility, i.e. for not overspending, and for making required budget savings; here it diverges from Romzek's autonomy thesis. Officers, particularly those at more senior levels and especially those responsible for social care or education services, tended to be more likely to discuss performance in terms of outcomes (e.g. C4, S5, B1), and expressed more autonomy and control in terms of addressing those outcomes. But, yet again the dominance of financial savings meant that this overshadowed the debate around performance for most interviewees. Interviewees in more regulated areas like adults' and children's social care also had more to say on legislated accountability, and for them this was largely data and inspection driven.

7.2.2 Political accountability

A genuine political tension emerged from the interviews for contemporary local government service provision in austerity: services that are 'easier' to cut managerially, i.e. those that affect the physical environment (e.g. parks or highways) rather than directly affecting people (e.g. social care), are also those that generate the most political fallout because they are often those that are universal in their application, i.e. high volume and thus their impact is felt by the largest number of people. Here questions of visibility and local community priority come into conflict with the budget realities facing local government, and the professional / social discourses of priority. These local political priorities can emerge from ward member political accountabilities, which are discussed below.

Non-universal (targeted) services such as social care, on the other hand, may be highly visible to service users in the classical operations management sense, but are largely invisible to the majority of users. This matters because of the relationship between taxation and public services, where 'purchasing' a service is more often a coercive, legislated requirement than a conscious choice. As C1 highlights, dissatisfaction for users of public services will have a detrimental effect on political success, as well as raising concerns about future democratic accountability; this dichotomy is acutely important when considering public service cuts. To establish political legitimacy and

palatability, both the needs of the council as institution and the individual democratic accountability of individual members need to be considered and balanced. This is becoming increasingly difficult, and C1's comments were the most reflective of this (C1 is the chief executive). This debate is also reflected in the need to divide civic responsibility into public and individual (section 7.2.3).

Political accountability tended to operate in three main ways: leader or cabinet accountability, i.e. accountability to the decision-making apparatus for general achievement of goals and targets, including savings targets; cabinet member accountability, i.e. the executive elected member with responsibility for the service area; and local member accountability, i.e. individual service-based relationships with members around ward or constituent issues.

Lindberg's model (2013) argues that there are five pre-conditions needed for accountability to be established. This model, however, presumes a linear and somewhat individual or one-to-one relationship between agent and principal. Romzek is more open to "multiple, overlapping accountability relationships" (Romzek, 2000, p.37), and the multiple and sometimes conflicting lines of accountability in political organizations such as local government make the dyadic principal / agent view problematic. As discussed above, managerial accountabilities as identified from research findings align more closely with Lindberg's view, and these relationships are relatively direct and easily understood. Respondents' views concur with this, although the hierarchical nature of managerialism means it is not strictly linear, but networked, i.e. it is a mistake to view the chain of accountability as if it were a train line, where you must pass through one station to get to the next one up the line. Castle Gate's chief executive (C1) felt able to directly intervene with managers without going through the managerial line. Long Reach's L5 felt managerially accountable to multiple lines – working to commissioners. For staff within corporate services who served 'internal customers', this accountability was also more complex. Romzek places professional accountability within field of codes of work 'professionalism' or expected behaviour, but here it can be argued that the professional disciplinary accountability enacted through certification or professional registration (qualified teacher status, certificate of qualification in social work, Chartered Institute of

Public Finance and Accountancy etc.) needs to be more fully considered within its category. The differing forms of accountability beyond the managerialist perspective, on the other hand, challenge it.

Political accountability to democratically elected representatives is problematic because of the potential for conflict with managerial lines of accountability. New Labour democratic renewal reforms encouraged councils to adopt an cabinet and scrutiny split, mirroring national political arrangements (DTLR, 2000), and most authorities followed this model.

The overall result was that the cabinet and backbench model concentrated power in the hands of a small number of 'cabinet' or 'executive' members. Whilst cabinet members do possess legitimate democratic authority, they are extremely limited in sanctions that they can invoke, and their own authority is delegated from whole council authority via a formal 'scheme of delegation' document that outlines what decisions cabinet members can take on their own, and to a lesser extent, what some officers can do under their own authority. Some matters – setting a balanced budget, for example – can only be agreed by the whole council, which by definition includes opposition members. The scheme of delegation must be agreed by the whole council, as well as being subject to oversight by the governance committee (a mandatory democratic mechanism). This creates a tension between allowing more empowered action to be taken (and thus speeding up decision-making), and balancing the concentration of power in a few hands and thus narrowing democratic engagement.

Whilst elected members might be criticised by an external inspection, they cannot be subject to sanctions themselves unless they have breached the code of conduct and standards (other than, naturally, if they have broken any laws, in which case they are subject to the same sanctions as 'ordinary' people). *The Localism Act* (DCLG, 2011b) removed the *Standards Board for England*, an external body created by the *Local Government Act 2000*, which provided an external route for the accountability of elected members, as well as establishing a range of internal mechanisms to do this (Greasley, 2007). Councils now must publish a code of conduct, although the details of this are left to individual authorities, members are obliged to declare pecuniary conflicts of interest, and councils must appoint an independent person who can investigate complaints

(Sandford, 2016). These arrangements are widely accepted to be less rigorous, and certainly represent diminished legislated accountability under the guise of enhanced localism.

Authority is thus a defining feature of political accountability, and indeed other forms. According to Sandberg's model, unless authority is delegated for a service or function, it is, in practical terms, hard to hold anyone to account; Romzek considers situations where no individual sanction is applied, but this merits further unpacking to better explain the UK local government context. Table 22 on p.241, at the end of this section, explores the values and potential for sanctions within each of the five accountability types.

When we consider political accountability, we see that ward members have even less formal authority, beyond that of their role as members of the whole council, which must by law formally agree a number of key decisions, including setting a balanced budget. Ward members, however, are a common route for residents or businesses in a borough to escalate service complaints or issues, and ward members may often raise these directly with service managers, circumventing both formal complaints procedures and the political or managerial hierarchy. Particularly within the domains of environmental and regulatory services, a strong tradition of responding to ward member concerns was demonstrated, despite ward members lacking formal authority to demand an account or invoke sanctions. Ward members, however, are also part of party political arrangements, and may well wield much more significant informal power within that context. At times a sense of *Realpolitik* emerged in which it makes little sense to ignore ward member concerns as this would simply result in the complaint being escalated to the executive member (this is simpler if both members are from the same political party), and thus a more 'legitimate' complaint being raised.

Operations management classically views services as being located along a series of low to high axes: volume, variation in demand, variety, and visibility. High visibility usually means the process is open to view. For public services operations, we can suggest that visibility should focus more on the visibility of the end result, particularly where users have a more passive relationship with the service. For instance, road surface maintenance is highly visible to anyone using the road, be they car user, pedestrian, cyclist or via public

transport. The process of maintenance may be hard to see if it is carried out at quiet times or in the evenings, but the end result is clearly visible.

Discussions within the domain of political accountability included responsibility for agreeing service cuts or the scaling back of services. Within New Labour modernization, democratic reform or renewal was primarily focused on changing forms of governance away from historic committee-based models and moving towards the leader and cabinet model. Coalition reforms, on the other hand, had opened up possibilities of returning to the former committee-based models of political management, perhaps out of concerns around concentration of power in a small number of politicians, or perhaps a sense of nostalgia. This research therefore attempted to secure interviews with cabinet members with responsibility for performance, and three were carried out: Merry Park, Rudgeway, and Stocks Green (M1, R6, and S1).

Political accountability is complex and provokes real tensions when working to mitigate service cuts within local authorities. It represents a potential source of conflict with legislated and managerial accountability, whilst claiming alignment with civic accountability. Politicians (and officers) claim the existence of a mandate for leading local government that is derived from democracy and the electoral process, and thus responsibility for all aspects of service delivery. This has a strong logic, but in terms of managing service provision in volatile and challenging circumstances, it raises questions about the strength of a mandate where only one real sanction exists, i.e. deselection at the ballot box, and that is only achievable once every four years.

7.2.3 Civic accountability

Accountability to the people of the borough was articulated through a sense of moral obligation or duty, compared to the managerial accountability outlined above, which was more driven by professionalism and hierarchical expectations. Again, this feeling of responsibility was more strongly felt in both social care domains and high-volume services such as waste collection, although almost every interviewee talked about the need to deliver high-quality services (presumably to somebody). For those staff working on internal performance improvement or change teams, accountability in this sense also

included notions around ‘internal customers’, i.e. mediating the relationship with ‘external’ customers through the service departments themselves.

In reality, however, beyond the ballot box and complaints – either to council officers or via elected representatives – there are few mechanisms open to members of the public to hold the council to account. This influences civic accountability towards an outwards-facing moral or ethical dimension – the requirement to account *to* the public, rather than being held to account *by* the public. Some other levers do exist, such as appeals to the regulator or ombudsman and the role of the press; these can be powerful forces, but are also reserved for significant events or complaints.

In the British democratic tradition, councillors (or MPs) are chosen to be the representatives of the people and thus have a domain for which they are accountable. This places the people in the role of principal, and councillors as agent – yet the people are both recipients of, and principals for, public service. Neither does this process allow, however, for any significant sanction or mechanism to withdraw that responsibility beyond local elections, as highlighted before. Council officers are slightly more accountable on an individual basis in that formal complaint mechanisms exist to reinforce required behaviours from officers, and there are employment law mechanisms to ensure legal and officially sanctioned behaviour.

NPM’s obsession with a focus on costs and efficiency and hence viewing citizens only as customers places them firmly in the category of individual civic accountability, and sees them as either willing or unwilling recipients of services. The job of public services is therefore to attempt to satisfy or delight customers; this is an almost impossible task where a monopoly exists or where public service operate in a regulatory capacity. Approaches such as the citizens’ charters in the 1991-1997 era (Drewry, 2005) start to blur this divide – using the label ‘citizen’ as a move away from ‘customer’. Public Value literature (e.g. Alford and O’Flynn, 2009; Benington and Moore, 2010; Denhardt and Denhardt, 2011; Moore, 1995; Stoker, 2006) attempted to address NPM’s abandonment of the public and civic value of public services. Denhardt and Denhardt (2011, p. xi) argue that “public servants do not deliver services; they deliver democracy”. This reaffirmation

of public value is encouraging, although many people would hopefully agree that, in some cases at least, public servants *do* deliver services; they deliver democracy *as well*.

The abandonment of Comprehensive Area Assessment and the Audit Commission (Walker, 2011) mean that there is no externally published validation of council corporate performance, or the impact of funding cuts; this may not be coincidental. Some interviewees felt that CPA and CAA, and thus reinforcing accounting to the public via the Best Value regime's artefacts and external accounting was at best ritualistic, and at worst meaningless (section 5.1.1 p.139); a view examined by some academics (Broadbent, 2003; Wilson, 2004b). Others felt the missing framework of guidance and rules meant that it was harder to maintain or justify a focus. A corollary of this, however, can be observed in the quest for more 'authentic' forms of performance management, i.e. more narrative forms of performance management that enable accounting to the wider public on pledges and commitments, rather than performance targets.

Looking once more to central government, it is hard to reconcile the Coalition and Conservative governments' ambitions around making public services financially accountable to the public with the deregulation of legislated accountability that had been enacted through the Audit Commission and assessment regimes. It can be argued that making local government solely reliant on locally-raised taxation is a mechanism for reinforcing accountability to the public. Yet it is unclear what the sanctions would be if this were to occur, or how this addresses wider Public Value notions of equity and justice (Denhardt and Denhardt, 2011; Stoker, 2006), especially as it seems clear that this funding arrangement would (severely) disadvantage authorities with the most deprived communities, where the relationship between deprivation and poor performance has already been established (Andrews, 2004). Mechanisms such as 'armchair auditors' (DCLG, 2011a) appear to attempt a relocation of accountability from legislated to civic, yet seemingly offer little in the way of sanctions other than reputational damage caused by exposure within the social and mass media. Certainly, it would appear unlikely that the 'army of armchair auditors' would be as skilled or as successful as a cadre of trained auditors from the Audit Commission (Ferry et al., 2015).

NPG (Osborne, 2006) and public service dominant logic (Osborne et al., 2015; Osborne et al., 2013) also begin to feature more prominently. These draw on services theory (e.g. Lusch and Vargo, 2006b; Normann, 2000; Vargo and Lusch, 2004) to consider notions of service quality; this relates to the service chain, i.e. members of the public are interested in their experiences with services. Within the concept of accountability, we see that this relates to more individualised notions of experience accountability, whilst it also seeks to address the quality of service systems. Nonetheless this connects more closely with some services than others, as debates around co-production have demonstrated (Durose and Richardson, 2015; Osborne and Strokosch, 2013). Therefore, we need to have a sense of differentiated accountability and accounting for those services, based on a more transactional footing than a series of structured performance reports that contain progress against targets etc. It is also necessary to consider the differences between wider public value and individualised experiential value; both are important, yet a more balanced approach between the two is needed.

7.2.4 Legislated accountability

This research has identified ‘legislated accountability’, that is, externally imposed assessment frameworks that impose demands on services, rather than individuals. In these cases, the organization is expected to nominate a principal agent either as the nominated member of staff responsible – sometimes this is one of the ‘statutory’ officers that are outlined in legislation rather than being nominated. These statutory roles are:

- Head of paid service: chief executive responsible for overall delivery and standards;
 - Section 151 officer: the primary finance officer responsible for, amongst other things, the authority setting a balanced budget and legality of expenditure and procurement;
 - Monitoring officer: responsible for legal and democratic matters including probity, elections, member standards and legality of decision-making;
- Director of adults’ social services (DASS) and director of children’s services (DCS): responsible for standards and outcomes in adults’ and children’s services respectively.

Whilst there are nominated individuals, the regulator can only sanction the organization, although the case of Sharon Shoesmith, the Haringey Director of Children’s Services,

came up in one interview as an example of politically-enacted accountability resulting from the desire to be seen to do something. Shoesmith was sacked after Haringey were found to have failed in their duty of care for Peter Connelly (referred to as Baby P) Arguably this was not an expression of the fifth type discussed here, professional accountability; Shoesmith's sacking resulted from direct intervention of a national politician, Ed Balls (then Secretary of State for Children, Schools and Families) rather than from a professional body. This can be compared with the approach to the two doctors who also treated Peter, GP Dr Jerome Ikwueke, and paediatrician Dr Sabah Al-Zayya, who were investigated by the General Medical Council.

*If something goes wrong at a local level in terms of a child death- if you look at either the Victoria Climbié or the Baby P, something like that, central government doesn't feel like it can't get involved. So, the fact that Ed Balls at the time sacked Sharon Shoesmith, which was illegal, he couldn't do that but the sense that he had to be acting. [RG: **Something had to be done, yes.**] Yes, there is the pressure on central government to intervene in local government failure. Whereas if you look at other models across Europe or in the States, that just doesn't happen. It has to be a state of national emergency before the federal government would... [step in] (R4 DEPARTMENTAL)*

There are two main forms of legislated accountability remaining: statutory officer roles and residual inspections. The statutory officer roles (Head of Paid Service, Section 151 Officer, Monitoring Officer, DCS, and DASS) remain mechanisms for holding individuals to account for legislated action. Whilst this research did not include all the statutory officers in every council, there were sufficient discussions with and about statutory roles to formulate this as a key element of legislated accountability.

Organizational structures have been changing, at least in part due to budgetary cuts, and some authorities were changing the reporting position of the statutory roles. Local authorities had previously kept these statutory roles on corporate management teams, but the move to alternative organizational leadership structures had served to push some of these roles downwards in the hierarchy. Whilst no direct negative comments were associated with these changes, their result is to dilute the influence of the statutory roles in senior management teams and may represent the effect of deinstitutionalization (Oliver, 1992) – the weakening of institutional norms and values driven by challenging circumstances and the reduction in inertial forces. There may be consequences of this for the relationship between corporate teams and service management teams when

resolving differences in how performance is discussed and understood. This connects questions of accountability with the corporate and departmental tensions discussed in section 4.2.2, and the staffing and expertise implications in section 4.2.3

Merry Park had appointed a monitoring officer who was not legally trained. Although there is no legal requirement for the holder of this post to be a qualified lawyer (the section 151 officer must be a qualified accountant, for example, and there are professional accreditations for DASS), this post has historically most often been held by the most senior lawyer in the organization. Changes to executive management structures, however, suggest that this relationship has changed, as perhaps have other statutory roles.

Further change that emerged was driven by the deregulation of the council performance inspections, and the concomitant shift from this legislated accountability to a specific form of professional accountability. Ofsted and CQC clearly remain significant players in the field of external inspection. The dissolution of the Audit Commission and CPA / CAA regime had effectively removed the integrated external inspections. The Audit Commission performed both 'corporate' and 'service' inspections, but was accountable to DCLG and was hence centralised. This left only the specific service-based inspections, which are accountable in different ways: CQC reports to the Secretary of State for Health, whereas Ofsted reports directly to parliament. As discussed in section 5.1.3, sectoral and peer-led improvement activity was starting to fill some of the perceived 'gap' caused by the deregulation of external performance inspection. This brings a different focus to the question of accountability, as most interviewees (e.g. M4, B4, C7, L5, R3, S3) saw this work as part of the improvement agenda, perhaps implicitly drawing a distinction between this work and the regulatory or compliance agendas that may have driven CAA or CPA. In part, these changes may be shifting the focus from legislated to the next type of accountability: professional.

7.2.5 Professional accountability

Romzek's last type of accountability is 'professional', which she interprets as complying with professional standards and expectations. This research has developed this type into two sub-types of professional accountability.

Firstly, many of the occupations within local government require a formalized professional certification to practice, such as lawyers, accountants, planners, social workers, teachers, licensing officers etc. Whilst on the surface this seems related to the statutory officer roles discussed within legislated accountability, there are differences. Meeting professional licensed standards is a part of only some of the statutory roles; the section 151 officer must, for example, be a chartered accountant, but the monitoring officer does not have to be a qualified lawyer. In legislated accountability for statutory roles, the very existence of the nominated accountable roles is a prerequisite for a functioning council, and their legally enacted responsibilities provide a framework for how to hold them to account for at least some of their roles, i.e. a statutory role is necessary but insufficient part of what a senior officer may do.

Professionalized accountability differs because the normalized behaviours and ethics that arise from the professional standards associated with certification may compete with managerial accountability for the delivery of the role's function, i.e. tensions arise between what is desirable for the organization, and what may be considered undesirable from the professional perspective. Accountability here against the professional standards is facilitated by a sense of internalised professional ethics, that is, the individual holding themselves to account for their actions and behaviours against the expected standards inculcated through their professional training; Romzek calls this "individuals who base their decision-making on internalized norms of appropriate practice" (Romzek, 2000, p.26). Professional roles are thus generally only held to account externally after failure in one of the other domains, i.e. as a result of a complaint or managerial investigation.

Romzek sets this sense of accountability in the context of staff with significant role autonomy. Whilst there is a logic to this, it should be recognized that professional accountability also implies a set of internalized constraints and externally imposed role and behaviour expectations that may limit both thinking and behaviour, as well as institutionalized norms and practices from the organization's local culture.

Similarly, some degree of autonomy must be necessary for accountability in any meaningful way. Other than 'sham' forms of accountability, e.g. 'kangaroo courts' in dictatorships, most reasonable definitions of accountability rely on the person being held

to account having some ability to sway the outcome of the processes in question; Behn (2001) has this as a fundamental component of accountability, as well as a distinguishing feature between US and European forms of NPM, and it forms part of the ‘minimal consensus’ around accountability for Bovens et al. (2014).

The second aspect of professionalization is the professionalization of ‘management’ itself as a discipline or domain. In the US or European contexts, ‘public management’ schools exist to provide professional development and training that is more general in nature, compared to the professional disciplines, such as law or social work. There is a stronger sense that public management (e.g., sometimes the ‘Public Administration’ part of Master’s in Public Administration or MPA degrees) as a profession or discipline.

Another point of distinction here between the US and other representations of professional accountability may lie in the notion of professionalization as a competing discourse to managerialism. This may partly explain the gap between corporate teams and health and social care / education within the case studies. Social care and education have very strong discourses of professionalization, including formalised educative processes and knowledge domains, formalised certification to practice, and high levels of professional autonomy (Healy and Meagher, 2004; Weiss - Gal and Welbourne, 2008), whereas performance management lacks most of these aspects, and hence has struggled to assert itself as a discipline, certainly once the legitimising practices of CPA / CAA had been removed.

7.2.6 Consolidating accountabilities

The sections above have articulated the five different types of accountability, adapting Romzek (2000) and Sinclair’s (1995) models of accountability, and using the summation by Lindberg (2013) as a starting platform. A single definition of accountability remains elusive, and would probably prove overly reductive - Bovens et al. (2014, p.4) call this a “minimal conceptual consensus”. The findings from this research have demonstrated that multiple forms of accountability can be observed, and that not all forms are equal in how they operate, or how they engage with the complex social and hierarchical dynamics. Table 22 below captures the synthesised five types and provides some initial views on how these accountabilities are enacted, and how they might provoke tensions.

Table 22: Five different accountabilities in local government

Type	Values	Sanctions available?	Visibility of accountability processes	Examples from case studies	Enacted mode	Paradigm most closely associated
Managerial	Compliance with hierarchy	Readily available but reliant on institutional culture and power dynamics	High	Castle Gate's chief executive's (C1) response to poor inspection results	Hierarchically within organization	New Public Management
Professional	Working within professional ethical framework	Theoretically available but in practice are limited – e.g. decertification	Low	Bell Tower's head of regulation – impact of cuts on regulatory services.	Professionally from outside organization	New Public Management
Legislated	Compliance with rules	Systemic, not individualised	High	Merry Park's monitoring officer (M3)	Heuristically, outside looking in	Public Administration
Political	Primacy of political process	Deferred, Foucauldian self-disciplining, informal power	Low	Merry Park's 'muscular' politicisation; Rudgeway's improvement boards	Culturally	Public Administration
Civic (individual)	Delivering value in terms of private goods	Reputational damage, customer redress	Generally low but can be higher e.g. social media	Various references to co-production, especially Rudgeway R1, Long Reach's L2	Socially, complaints, reputation	New Public Governance
Civic (public)	Delivering value for public / societal goods	Diffused – reputational damage	Low apart from extreme cases (e.g. public demonstrations like Stop the War marches etc.)	Stocks Green's unsuccessful attempt to engage in public debate around budget cuts	Socially	Public Value

Source: Author and adapted from (Behn, 2001; Bovens et al., 2014; Denhardt and Denhardt, 2011; Romzek, 2000; Sinclair, 1995)

Civic accountability presents a particular challenge as to whether it actually allows any 'real' sanctions to operate beyond a performative sense of accountability through democratic action. Certainly, this accountability is exercised more through narrative / discursive mechanisms in the public sphere, and there does not seem to be much evidence of civic accountability through mechanisms such as armchair auditors, as the government has proposed. The lack of regulated accountability means authorities may stop delivering some services (or attaining some levels of service output) that the public or elected members may wish to see continue. This may exacerbate the problems of civic accountability at the 'public value' level, as well as the individual service level.

CPA and CAA made the assessment of a local authority public, although the extent to which this provides accountability to the public is debatable, and it seems much more likely that this was intended to hold authorities to account for delivering national policy objectives, much like LPSAs and LAAs, whilst appearing to fit within the discourse of localism. Whilst freedom from this level of control was generally well received, several senior officers lamented the loss of being told what to do and the direction this gave, perhaps in part due to the stress of having to make challenging decisions about service cuts. This debate around desirable and achievable service levels also saw an increasing use of political groups and mixed officer and member groups for internal accountability, whilst Stocks Green had attempted (with little success) to engage in civic consultation.

This is a complex set of relationships, and the nature of financial cuts facing local authorities has only served to exacerbate this. The series of accountabilities outlined above frequently come into conflict, and interviewees often discussed the need to develop, draw upon, and build conversations with stakeholders to balance these competing tensions.

If we return to the question of guiding paradigms of public management, we see that different forms of accountability (and the use of performance management as a part of them) draw upon different paradigms. The PA perspective, with its focus on democracy, actors, networks etc., influences the political and legislative forms. NPM with its focus on choice, efficiency and competitiveness influences the managerial and professional forms. Civic accountability, however, remains a mix of influences from NPG, which seeks to

address the criticisms of NPM, and Public Value, which seeks to present itself as a countervailing narrative to NPM. It may be that NPG risks focusing too much on individual service interactions, and although some recent literature looks at the service system (e.g. Osborne et al., 2015; Osborne et al., 2016; Radnor et al., 2014; Radnor et al., 2015), questions remain about what accountability should look like in a climate of austerity.

Using public value as a lens, it can be argued that insufficient attention is given to the debate about wider 'public goods' and that strategies of resistance to the dominant force of individualised, entrepreneurial public services may be required if equity and sustainability are to be embraced within public service delivery (see Figure 7). Such strategies, however, are not the subject of this thesis, and will need future consideration.

7.3 Value for money: reconceptualising VFM for public services

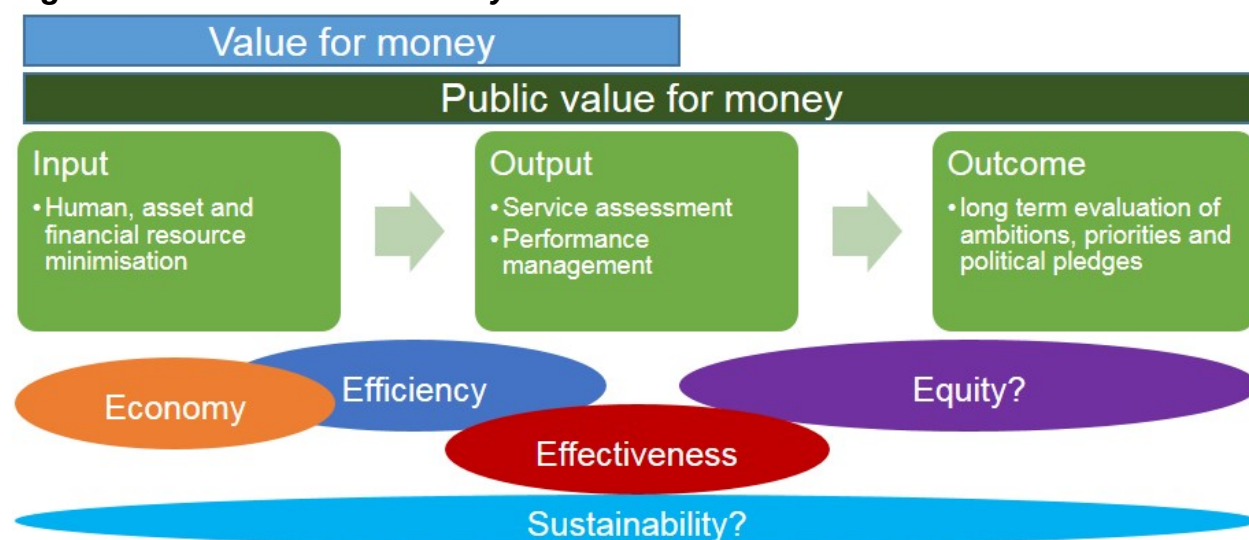
The findings have demonstrated that financial issues dominate current organizational thinking and priorities in modern local government. Regulatory and performance management frameworks have been used to implement national policy objectives and to assess progress towards achieving both national and more local ambitions. Accountability as discussed above considers the relationship between those for whom services are conceived and delivered, those who deliver those services, and those who ultimately make the decisions about what is delivered and how, describing a complex set of relationships and interdependencies. These are underpinned by the tensions and conflicts inherent in competing paradigms of public service traditions. Bureaucracy, management, and governance draw on different theoretical foundations, values and concepts (Denhardt and Denhardt, 2011) and a holistic view requires an understanding of these differing traditions and underlying assumptions.

External inspections for whole councils no longer exist, other than intervention in the case of serious failure, such as Doncaster in 2010. Authorities are left without a clear understanding of what other councils are doing or achieving, and several of the case studies articulated a desire to obtain more benchmarking data (e.g. M4, B4, C7, L5, R3, S3) to help understand the impact of service changes, or regretted losing the clarity that came from central government direction.

Decoupled from external inspection or external direction, the severity of cuts facing local public services makes balancing spending, performance, and ambition conceptually challenging and operationally demanding. And yet despite this, the requirement to deliver essential public services has not disappeared. Thus, one key question is how to demonstrate value for money in this specific context?

Performance management must by most definitions include reference to financial management. As Broadbent and Guthrie (2008) point out, work at the intersection of purely accounting-focused literature and that which addresses issues of management have rarely come together in an adequate fashion. However, from the findings we can observe that this relationship between finance and performance appears to have changed significantly over the last six years.

Figure 7: Public value for money model



Source: author and adapted from Barnes and Radnor (2008)

Of the 3Es – economy, efficiency, and effectiveness – efficiency has probably had the most attention in public service study and practice. A focus on economy tends to highlight the earliest part of the value chain within service delivery, i.e. the cost of the inputs to the process. When financial assessments are made by either internal management or external regulators, this by definition limits the evaluation to stages before the point of delivery; clearly something necessary to understand and control but that cannot provide

a reliable sense of the overall success of a service or organization. Effectiveness, on the other hand, is in theory disinterested with regard to the input and instead focuses on how well the service is being delivered. This relies on a complex and subtle understanding of the multi-factorial nature of service delivery, and hence is difficult to ascertain quantitatively with sufficient confidence. In part this may generate some of the difference between service evaluation with a focus primarily on outputs, and policy evaluation, which focuses more on outcomes. It is possible for some services to evaluate outcomes, and this was certainly part of the discussion with more senior respondents such as Castle Gate's chief executive C1, and Bell Tower's corporate director B2, but since many are either too long term or multi-factorial, it is very difficult to 'prove' causality. This discussion tended to draw upon the longer-term economic goals of 'growing' the council out of austerity, although it was also a feature in interviews with social care and education staff such as Rudgeway's head of social care performance, R1, Castle Gate's DASS, C4, or Stocks Green's head of school improvement, C5. Merry Park's political establishment tended to see lower council tax as an outcome to be achieved.

Efficiency addresses the process of converting the inputs to a service process (usually money or staff) into the outputs, and aims to minimise waste in that process. Unlike most private sector goods or service processes, public sector services are expected to deliver social, environmental, and economic outcomes, as well as simply 'delivering a service'. Even something like a leisure centre is not just providing a swimming pool, for example, but rather is also part of a series of public health outcomes around obesity, long-term health conditions etc. A private sector gym is likely to be unconcerned about whether childhood obesity is rising, or what the life expectancy challenges are for recovering stroke patients; they are disinterested, apart from any profit-making opportunities that may exist, such as being commissioned by a local authority. A local authority filling potholes is also delivering part of its tourism, economic or spatial strategy for the area, all objectives likely to be more complex than delivering competitive advantage (Porter, 2008).

These longer-term outcomes are important when considering both equity and sustainability. Equity has been identified as fourth E by some (e.g. Benington and Moore, 2010; Moore, 1995; Stoker, 2006) and is an important part of the Public Value discourse.

As outlined above, local authorities must have regard to equality of access in the provision of universal services, and are obliged to improve the well-being of a local area – features not expected of private sector companies, beyond complying with legislative requirements. This is the view of Denhardt and Denhardt (2011), i.e. that public services deliver democracy, not services.

Sustainability here can be understood in two forms: firstly, the duty (and power) of local government to promote the “economic, environmental and social well-being” of an area (DCLG, 2007), and secondly, the legal obligation to set a balanced budget and to deliver ‘value for money’, i.e. services on a financially sustainable footing. This requires a balancing of the quality and quantity of services provided with the costs of providing those services. This allows for local political determination, i.e. to offer more or less of a service dependent on the ambitions of politicians, which, one assumes, should also be based on local need. This requires a consideration of both outputs and outcomes when setting out the authority’s performance management framework, and could be seen in the development of new performance management frameworks by Castle Gate, Bell Tower, Rudgeway, and Long Reach.

This meshing of outputs and outcomes is one of the factors that confounds public sector performance management, which can be overloaded with outcome targets that the organisations themselves have little influence over, leading to difficulties in generating the conditions for accountability. The language used by policy, and politicians, valorises accountability for longer-term outcomes (e.g. Bovaird and Loeffler, 2012; DCLG, 2007; DETR, 1999; DTLR, 2000; Heinrich, 2002), but this creates a tension between the short-term accounting for expenditure, and the longer-term investment needed to improve the delivery of outcomes. This tension, and the short-term nature of financial accountability contributes to the challenge of sustainability in public services, as exemplified by the recent Local Audit and Accountability Act 2014 (DCLG, 2014). All authorities, including Merry Park, were balancing the aspirational goals with the need to cut expenditure, yet Castle Gate, Long Reach, Bell Tower, and Rudgeway were attempting to develop longer-term outcomes in their planning and delivery. This may well prove to be unsustainable.

It is perhaps natural that efficiency becomes the focus for much of the agenda, particularly for external regulatory bodies, as it seemingly encompasses the overall quality of financial processes and the end result of service delivery in much more intelligible and measurable ways. Outcome measurement, on the other hand, remains often elusive to effective quantitative measurement, or is subject to many unsatisfactory proxies.

Often characterised by unit costs or beneficiary costs, efficiency has become a byword for sound financial management, as indicated by Gershon 'efficiencies', or the drive to deliver 'more with less' in public service delivery. This has not been solely a recent phenomenon, but has become more critical in the severe budget restrictions facing local authorities. We should therefore challenge the implicit assumption that efficiency and value for money are the same; value for money requires articulating a more subtle set of concepts, if we are to ensure public value beyond individual service value. The following sections will explore this conceptualisation more fully.

7.3.1 Exploring the foundations of value for money

The 3Es have been a key part of New Public Management, as has competition in delivering public services (Ferlie et al., 1996; Hood, 1991), and the Conservative policy of compulsory competitive tendering (CCT) led to the contestability of many services, requiring comparisons to do so (Boyne et al., 1999; Entwistle and Laffin, 2005). This was furthered by New Labour's *Best Value* regime including Comprehensive Performance Assessment and Comprehensive Area Assessment (CPA and CAA).

As argued elsewhere in this thesis (section 2.4, p.32), managerialist-driven NPM has drawn heavily on the notion of competition and contestability as a necessary component of public sector reform. Arguments in favour of market forces generally suggest increased quality, reduced cost, and enhanced delivery as the goals (and likely outcomes) of proposed reforms. Yet this seemingly implies an assumption that all three of these will occur simultaneously, whereas private sector strategy literature would assume that embracing one of these directions would be a way of exercising strategic choice over the markets, and would thus form the strategy for differentiating the company's offer, generating a competitive advantage. In this regard, public sector reform may seem

somewhat unrealistic in its expectations, although the corollary of this is that critiques of NPM might overstate NPM's weakness in not generating the heralded benefits.

One clear impact of NPM thinking regarding value for money has been the emphasis on management accounting and control (Broadbent, Guthrie 2008) which tends to lead to a focus on assessing the effect of ownership (Andrews and Boyne, 2011; Walker et al., 2013; Zafra - Gómez et al., 2013) or evaluating whether public/private partnerships represent good VFM, especially when considering infrastructure (Andersen and Jakobsen, 2011; Bøgh Andersen and Blegvad, 2006). Both Long Reach and Bell Tower had dissolved private sector partnerships (i.e. outsourced arrangements, but described as partnerships) and brought services back in house. Long Reach had done this for two large services. Whilst this was described as being the result of below expected performance, it was also suggested by interviewees that it was difficult to generate sufficient savings when services were outsourced, and that the scale of financial cuts needed meant that no arrangements were considered 'sacred'. Castle Gate had gone further and members expressed the clear view that services should be 'mutualised' as a first choice, and only if this were not possible should direct outsourcing be considered. Two exceptions to this also emerged. Firstly, within social care commissioning was advanced as a way of resolving financial pressures by all case studies. Rudgeway was developing a market portal to facilitate individuals' purchasing services directly. Bell Tower interviewees also referred to "soft market testing" of services. Secondly, Bell Tower, Rudgeway, Stocks Green, Long Reach and Castle Gate were, to greater or lesser extents, trying to 'grow their way' out of austerity, i.e. increase their taxable base through economic development and regeneration, all of which would require cooperation and collaboration with the private sector. These two exceptions, however, represent a different view than the traditional outsourcing mindset.

In attempting to move beyond this focus on the benefits of NPM, some work (e.g. Moynihan, 2008, 2013; Radin, 2006; Talbot, 2005, 2010) has highlighted the subjective nature of performance management. Arnaboldi et al. (2015) highlight complexity of the performance management challenge, and Micheli and Mari (2014) examine the ontological basis for performance management. This emerging acceptance of the more

interpretive nature of performance management is to be welcomed, and allows the raising of new propositions here for value for money.

Another important factor is the focus on public value that emerged in the 1990s (e.g. Bozeman and Bretschneider, 1994; Denhardt and Denhardt, 2000; Moore, 1994; Moore, 1995) – which aimed to provide a countervailing narrative to NPM's dominance and excessive focus on efficiency within public service reform, leading to it neglecting other, important aspects (Radnor et al., 2016).

New conceptions of public services (Cabinet Office, 2011, 2014a) may be returning the focus to individual value (particularly in the provision of commissioned social care such as Rudgeway and others) and this is discussed earlier, in section 2.9.1 p.52, where this phases of reform is characterised as being driven by the entrepreneurial state in Table 3. Again, as above, the 'mutualisation' of Castle Gate and the regeneration approaches of Castle Gate and others seem to support this. Findings also suggest that universal services are being subject to managed decline in at least five of the six cases, in order to fund targeted services such as social care, which benefit fewer individuals. This is not to suggest that these services are not important or necessary, but rather that they are reflective of an overall move to individualise the relationship between the citizen and the state. Mechanisms such as the NHS 'family and friends' test can be read in this light and reflect Foucault's concept of 'descending individualism' (Foucault, 1977) in that contemporary society becomes "more individuated the further down the scale we are" (Danaher et al., 2000, p.58). These push the responsibility for improving service performance much more on to the individual receiving the service and less onto the institution responsible for delivering the service.

One of the weaknesses of NPG is that it does not yet have a theoretical stance on public goods and the citizen that clearly articulates how co-production can reinforce the public and democratic values that inform Public Value work (Denhardt and Denhardt, 2011), although more recent work by Osborne et al. (2016) has started to address this by considering both voluntary and involuntary co-production at the individual and at the system level. This is a promising start, and is worthy of further attention, although this thesis will not pursue that.

Recently McKevitt (2015) has suggested that more work is still needed on (re)defining VFM, which as a concept appears almost as hard to define as accountability, and has not had sufficient theoretical unpacking. The next section will begin the process of examining a theoretical perspective on VFM that is broader than simply unit costs.

This is important because of previously discussed significant budget reductions in post-2010 financial settlements (Local Government Association 2015) and deregulation of performance assessment, with a stated political goal of zero central government funding, i.e. local authorities should be entirely self-sufficient, based on locally derived taxation. More deprived authorities will find this particularly challenging. When the 2% levy on council tax to fund additional social care expenditure was discussed with Stocks Green's head of finance (S3), they clarified that a 2% increase would raise around £1.6m and that their current annual social care deficit was around £8m. Thus, simple efficiencies are no longer enough – and more radical approaches are needed to manage public service, and 'value' remains a concept at the core of this challenge. This was reflected in almost all of the case study interviews and will now be reconsidered from a theoretical perspective.

7.3.2 Finance and austerity: narratives, entrepreneurial services, and the “death of improvement”

Perhaps the most striking finding was the absolute dominance of austerity or budgetary concerns in almost every interview. Local authorities are under significant financial pressure, although the extent to which this is the case varies from authority to authority. As has been outlined earlier, more deprived authorities (DCLG, 2015a) are more reliant on direct government funding for the majority of their revenue spending, whereas more affluent areas raise more from council and relatively less from direct government grant. Thus, as direct grants (the largest of which is revenue support grant or RSG) have been reduced, more deprived areas have had a disproportionately larger reduction in annual revenue. The New Labour years were characterised by an expectation of raising performance in services for deprived communities, accompanied by additional funding such as Neighbourhood Renewal Fund, Housing Market Renewal, Sure Start, New Deal for Communities etc. (Lupton et al., 2013). Even in the more affluent case studies, budgets were still under challenge, sometimes exacerbated by political will. Merry Park,

for example, was committed to reducing the cost of local taxation to residents, whereas Rudgeway had a clear set of political pledges that helped protect service budgets, and Castle Gate had an explicit goal to avoid outsourcing wherever possible and to retain in-house services.

The Best Value programme (2001-2010) was formally conceived as a mechanism for driving improvement in public services, which were under a legal 'duty to improve' (DCLG DETR, 1999). It is unsurprising, perhaps, that use of exogenously imposed performance management grew significantly as the state required a financial and performance accounting for the increased funding. This link between additional funding and additional performance management requirements was raised by corporate performance leads in Rudgeway (R4), Stocks Green (S2), and Long Reach (L1), and a senior focus group in Castle Gate.

The relationship between finance and performance is complex, and non-linear. This is demonstrated in that one extreme, without financial resources, no service provision can take place, and at the other extreme, infinite resources will not bring infinite service levels. Some service levels are stochastic, some are entirely unpredictable, and many lie somewhere in between. Annual performance auditing and financial planning, however, tends to drive attention to year on year performance and respondents had much to say on the burden of feeding national performance data requirements (note: not necessarily meeting the targets, but 'feeding the machine' e.g. S2, B2).

As has been argued, the cuts were not universally perceived as negative. There was general agreement that the necessity to reduce budgets *had* driven out inefficiency and made services consider fundamental aspects of service delivery. In some parts, higher budget levels were felt to be likely to impede service innovation, and that authorities had become more risk-taking, rather than less, as might have been anticipated in order to meet budget savings targets; this was highly visible in Rudgeway, Long Reach, Stocks Green, and Castle Gate. In most services, performance target levels were contextualised in a sense of 'what performance can you get for this budget?', and Castle Gate, Stocks Green and Rudgeway were actively developing either zero-based budgeting or integrated performance and budgeting systems where priority was given to financial targets.

This thesis has previously characterised the post-2010 discourse (see Table 3: Summary analysis of major reform phases) as being highly individualistic, and public services are represented by ‘the entrepreneurial civil servant’, as seen in some of the innovations of the case study organizations. However, there are limits to the level of ‘entrepreneurial’ activity possible, and whilst commercialization of services was a strong feature in many interviews, this was felt not to be the answer to every problem, despite the hopeful and ambitious views of some elected members and senior managers. Managers in Merry Park and Long Reach in particular felt that increased ‘entrepreneurialism’ was being promoted excessively by politicians (and managers), and commercialization promoted heavily in Merry Park and Bell Tower, leading to unreasonable expectations and pressure.

Much public sector reform debate has been driven by ‘more for less’ thinking around a ‘leaner state’ (Watt, 2013). McLean et al. (2007) found evidence of enhanced CPA performance being ‘bought’ by additional, discretionary spending. This confirmed the fairly well-established feeling within the case study interviews that the improvement agenda had been, in some cases at least, previously well supported with money – money and increased expectations had gone hand-in-hand – and that the corollary now was that those ‘additional’ sources of funding have gone, and overall general levels of expenditure are under such strain that a discourse of (continual) improvement is unsupportable unless it is accompanied by cost reduction for inefficient services. For the research participants, doing ‘more with the same’ is out of the question, as is, largely, investing in services to improve performance.

For high volume / low complexity services, such as bin collection, libraries, parks, highway maintenance etc., the relationship is much clearer, particularly where service demand is more stochastic. There are economies of scale in delivery and the service improvement is also thus scalable (incremental improvement) and/or amenable to step change (discontinuous improvement); but there is clearly a relationship between resources and output / outcome that needs to be further explored within a PMS.

7.3.3 Impact of deregulation on VFM

Prior to the 2010 deregulation of council assessment, value for money played a key role in establishing the regulated view of performance. This was delivered through a series

of judgements on financial and other resources, called the 'use of resources' assessment, which assessed "how well a council manages its finances and delivers value for money" (Audit Commission, 2005). VFM was one of the five key themes within the assessment, although notions of VMF run through other aspects of use of resources, as well as being used to draw upon 'direction of travel' (an assessment of likelihood to improve) and performance assessments.

The CPA / CAA processes thus included a statutory explicit value for money assessment and VFM as a managerial concept was written throughout the assessment regime and delivered by a set of VFM profiles, compiled by the Chartered Institute for Public Finance & Accountancy (CIPFA). The Audit Commission used this data to generate a VFM profile for each authority across the vast majority of services delivered by councils, which included statutory and discretionary services. These profiles are still available, but authorities are required to subscribe to a fee-paying service to access the data, rather than being provided notionally at no cost (the cost of this had been included as part of the annual audit and assessment fees charged by the Audit Commission to local authorities).

As with performance management arrangements, these VFM profiles operated with an assumption of continued growth and improvement – in this case reductions in unit costs – and during the value for money inspections, authorities were expected to provide an account for each service area that was considered from the VFM profile data to be an outlier in terms of comparative VFM position. VFM was also conceptually constructed in a positivist, managerial paradigm that reductively condensed service experience into a narrow definition of cost of delivery, rather than a more comprehensive understanding of the interpretive nature of 'value'. In this respect, VFM was probably no different to the rest of the regulatory regimes, but the underpinnings of this approach are rarely exposed and considered.

As highlighted elsewhere, the *Best Value* duty was to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness" (DETR, 1999). This was updated in 2015 with no change to the wording of this part of the duty. It is therefore

practicably impossible to separate the performance and improvement duties from the value for money requirements.

The removal of the regulatory apparatus has had an impact on council approaches to performance management, although attitudes as to whether this was helpful were mixed. Bell Tower's head of performance (B2) felt that theirs was "not an organization that naturally focuses on performance", and that New Labour regulatory system had at least been effective in focusing attention on the important services. Overall, the removal of the statutory mechanisms was generally recognised as a good thing, but most authorities expressed concerns (Merry Park being a notable exception) that organizations may have become a bit 'trigger happy' in removing measures, i.e. many measures had been thrown out – some that were useful, and some not. Some felt that this allowed them to be more in control of their own priorities and destiny, but others (mainly senior performance staff) felt that the lack of legitimacy and acceptance of the importance of a performance management system and performance data was now a problem, and they were less able to communicate and understand council performance. This mirrors experiences observed after deregulation in the UK fire service (Bateman, Maher et al. 2015), and is likely to be a common theme across many public services as reduction in 'red tape' and 'bureaucracy' are watchwords in Conservative public sector reform.

The lack of a formalised performance management framework was considered to be the primary problem, although more senior staff in policy or performance roles believed that having an overall performance and delivery narrative, and performance judgement (i.e. a label or star rating) also made it more difficult to get performance on the agenda. Long Reach, Rudgeway, Castle Gate, Merry Park and Stocks Green were beginning to replicate some of the missing mechanisms that had been removed through deregulation, primarily benchmarking (although some respondents in social care roles raised questions about validity of these benchmarking mechanisms; this may be a service-specific reaction, as it transgressed geographical boundaries).

Interestingly, views were expressed by quite a few respondents at more junior levels within the corporate apparatus and more senior departmental officers that actually being told what to do (i.e. what performance levels to hit, and what was 'important') was

something they missed. They remarked that they might not have liked or agreed with the priorities, but they were at least considered clear and 'legitimate'. This, as viewed through the lens of transactional analysis (Berne 1968), demonstrated a sense of 'parent and child' relationship between central and local government, whereas a hierarchical model would be preferred, for greater stability.

The freedom from the restrictive, detailed policy demands and the associated regulatory frameworks from central government (Lodge and Hood, 2012) has in part allowed authorities to express a sense of becoming more "masters of their own destiny". This had emerged in two main ways: firstly, as discussed in section 4.2.1 (OP1), a strengthening of politicization of performance in key areas, articulated through strong, public, political pledges, particularly in Merry Park and Rudgeway. This had also occurred in Castle Gate and Stocks Green, although here the pledges were more numerous and ambitious, rather than being clear manifesto commitments. The second way this emerged was in the development of more narrative, visual and discursive forms of performance discussion (Bateman, Philp et al. 2016) – sometimes articulated as demand / response narratives (i.e. 'you said, we did'); this is discussed in sections 4.3.2 and 4.3.3 (PM2 and PM3). Elected members too were requesting narrative discussions of performance from central performance teams, and expressing dissatisfaction with 'reams of spreadsheets and numbers', again challenging the benefits of an integrated performance management system (Bourne et al., 2000; Brignall and Modell, 2000). This situation has been observed previously in other parts of the sector, such as the RAF, where it was addressed by use of visual management tools (Bateman et al., 2014), which simultaneously increased the visibility of performance information and reduced some of the complexity (Bateman and Lethbridge, 2013). In Merry Park, however, elected members went beyond this and directly set numerical targets for selected detailed performance indicators – sometimes, it was reported, against explicit advice from officers, or without sufficient understanding of concomitant results or unexpected consequences. In the performance zones model, this is addressed under the 'excessive control zone', and specifically 'pet projects', whereas the overall process of setting political outcome pledges is conceptualised as legitimacy zones – these are directly communicating with the public in terms of aiming to secure a democratic mandate.

The findings generated views in section 5.2.2 (AF2) around income generation, that charging for services that were originally 'free', or more accurately covered by the cost of council tax were seen as examples of worsening VFM.

Whilst regulatory systems' understanding of VFM was no doubt flawed, it was at least coherent and consistent within its own frame of reference. The lack of such coherence now presents a challenge to authorities seeking to understand what value for money means in a climate of austerity. These challenges may bring into question the very role of local authorities.

7.3.4 Future Research Propositions: Developing new perspectives on 'Public value for money'

As authorities are driven to examine their fundamental purpose, manage a targeted decline in their performance, and consider whether or not they can meet their statutory duties to their communities, 'value for money' (VFM) as a concept becomes increasingly problematic. Simple notions of economy, efficiency and effectiveness are insufficient in helping authorities navigate the impact of budget cuts. Previous work (Moore 1995, Stoker 2006) has emphasised the significance of equity / equality as a missing component in public service delivery, and public service values (Denhardt and Denhardt, 2011) are another important concern that is often overlooked in financial management considerations.

The deregulation of statutory assessment mechanisms presents barriers to effective comparisons, and empirical evidence has observed the fragmentation of local performance systems, which is encouraging divergent and alternative performance management interfaces that themselves are more open to the subjective interpretations of how to develop performance measures (Moynihan 2013, Moynihan 2008).

These assumptions have been invalidated by the changes to local government finance as shown in section 4.3.1 *The 'death of improvement' (PM1)* on p.125, and yet authorities were still struggling with the lack of comparative data on value for money. The scale of savings needed was forcing authorities to look at different delivery models, including

outsourcing, joint delivery, and commissioned services, as well as stepping down service delivery in some areas.

Therefore, it can be argued that the conceptualization of value for money is now inadequate, and should be re-evaluated in order to take into account from whose perspective value is judged.

Existing perspectives on value for money largely assume it is inherently a product of a managerialist mind set, rooted in a positivist tradition that assumes VFM is reducible to a single measure of 'truth', which merely needs to be discovered (Radin, 2006), although this is rarely exposed and serves as an implicitly normalised assumption. Clarke and Newman (1997) articulate this as one of a set of competing ideologies, a viewpoint that is broadly compelling, given the failed attempts to justify private sector practices as an unalloyed good to public services. The evidence around whether outsourcing services to the private sector is mixed at best (e.g. Andersen and Jakobsen, 2011; Boardman and Vining, 1989; Walker et al., 2013; Zafra - Gómez et al., 2013).

At the heart of managerialism and New Public Management lies a focus on financial controls above many others concerns, often deployed through the '3Es' of economy, efficiency, and effectiveness. A challenge NPM is that some public services create public goods and others create private (i.e. individual) goods. Not only is this distinction lost in NPM, but considerations of the 3Es also often overlook the proposed fourth 'e': equity (Stoker, 2006). Despite a stated focus on customers, deployed through the mechanisms of competition and choice, NPM as a guiding force has failed to deliver on its promises around increased service quality. Radnor et al. (2016) have articulated this failure as NPM's failure to adapt to an increasingly fragmented environment for public services (Haveri, 2006), as well as an attention to efficiency that has been deployed to the detriment of the remaining two Es. Whilst others have attempted to advance the debate by advocating for a fourth E, 'equity' (Stoker 2006), or public value (Moore 1995), the 3Es model, accompanied by its partner concept, value for money, has remained the lynchpin of evaluating public sector performance and delivery. In the UK, the Conservatives introduced compulsory competitive tendering (CCT) (Boyne et al., 1999), and this was supplanted in turn by the New Labour *Best Value* model, which attempted to address

some of the critiques of CCT from unions, Labour authorities and other sources outlined in sections 2.8.1 and 2.8.3 (pp.40-45), but which in reality advanced a subtler form of contestability that continued to entrench competition and choice within the paradigm for public management.

It cannot be denied that sound financial management and cost control is important – it is self-evident that this is the case – yet such quantitative and transactional methods tend to encourage a rational choice perspective. Some public services are successfully amenable to this, in particular, high volume / low variation services (e.g. waste collection, environmental services etc.) as well as regulated services such as environmental health; but many are not. In particular, what Milward and Provan (2000) refer to as ‘human service systems’, such as social care, physical and mental health provision, housing etc. are left incapable of realising their full value unless wider notions of quality, justice, and social responsibility are addressed in their delivery. It is clearly possible for more overt inequality of delivery to occur if, say, the roads used most by the elite politicians are the best maintained, but for services like mental health, such individual and societal values are less easy to detect, yet lie at the heart of their very nature.

Broadbent and Guthrie (2008) define public services as “those activities which are enshrined within the notion of public good or service based on universality of access for the citizenry, rather than the private provision through a market. It is assumed these ‘public services’ should be available for all members of the given society, supplied in an equitable fashion.” (Broadbent and Guthrie, 2008). Whilst only formulated seven years or so ago, this definition struggles to keep up with changes to the modalities of contemporary public service provision. For example, how do we understand the value for money of needs-based services such as much of social care, where funding is given to individuals to allow them to procure their services themselves through a mixed-market portal, or from a commissioned ‘menu’ of service providers?

Perceptions of value for money thus remain stubbornly rationalist, whilst the reality they attempt to assess does not. Osborne et al. (1995) articulate some of these concerns, particularly criticising the rationalist foundation on which the evaluative performance management of a social programme is based. Radin (2006) gives the example of the US

Programme Assessment Rating Tool (PART) scheme, which ran between 2002 and 2008. PART's purpose was to evaluate government programmatic delivery to understand which programmes were effective and value for money. A number of programmes classed as ineffective, or unable to demonstrate their effectiveness, were subsequently protected from a savings cut, or in some cases even granted budget increases. This was despite a structured programme of evaluating their value for money (though it was not couched in those terms). Even where rationalist or positivist performance regimes are implemented, factors such as political intervention can prevent the system operating within its own rules.

All of this raises questions around the nature of the relationship between performance and finance. A value for money judgement is one that balances the performance of a service with the costs of that same service, we can observe that a divide exists between the staff who make those two judgements. Finance and performance staff have different training and professional values that are implicit within each discipline.

This has been part of practitioner-based debates for some time, for example, budgeting initiatives such as introduction of commitment and accrual accounting, zero-based budget, objective-based budgeting, and the American programme budget analysis systems (Jones and Pendlebury, 2000; Radin, 2008; Radin, 2006; Seal, 2003). Radin goes on to link the development of such programmes to Hatry's association of value for money and productivity (Hatry, 1978). These present a struggle for dominance in terms of the legitimacy of value for money judgements.

From this position, we can observe that overall budget judgements are often part of a more social process than is often recognised. There have been sufficient examples of what the media calls 'creative accounting' to suggest this is not a controversial view point. For example, ITV accounts for the budget expenditure for programme creation in the year that the programme is broadcast, not the year in which it is made (Knowles, 2017). This is a socially or culturally rational value, rather than a strictly financial one.

Rivenbark (2008) also suggests that despite the early introduction of performance assessment, it did not gain traction until the 1970s, as it was introduced as a financial mechanism, not an organizational one.

For public services, this is complicated further by the concept of public versus private goods. For private-sector commercial transactions, value for money is a straightforward comparison of the price the vendor is willing to accept for a good or service, and the price the purchaser is willing to pay. If one matches the other, within the limits acceptable to either party, the transaction is considered good value for money.

The nature of how public services are funded, the scope of what they deliver, and the pluralist context in which their priorities are set, mean that this model of one-to-one relationship between the consumer of a service or good is not easily transferable to the public sector.

As discussed earlier, New Public Governance approaches (Osborne, 2006; Osborne, 2010b) have attempted to draw on current thinking about individual interactions with the state, building on notions of service value (e.g. Lovelock and Gummesson, 2004; Lovelock, 1983; Vargo and Lusch, 2004). Whilst this is helpful in terms of practical mechanisms for improving these service interactions, it is only a partial picture.

Eikenberry and Kluver (2004) argue that market forces can never replace democratic accountability, and both Frederickson (1996) and Denhardt and Denhardt (2011) (originally 2000) suggest that government and business have very different goals and values and applying private-sector entrepreneurial techniques does not work and results in unethical behaviour.

One of the flaws, therefore, of current conceptions of value for money is that focus is predominantly on the 'money', and insufficiently concerned with 'value', particularly in the context of Public Value. The next section explores this dichotomy and outlines some theoretical propositions that may be helpful.

7.3.5 Synthesising Public Value for Money (PVFM)

Having discussed the largely unchallenged assumptions around the construction and usefulness of value for money, a more nuanced understanding of the concept can be developed by viewing it through various lenses associated with theoretical approaches to public management. This is outlined in Table 23: *Reconceptualising VFM through alternative lenses*.

Table 23: Reconceptualising VFM through alternative lenses

Paradigm	Lens	Focus	Selected Literature
New Public Management	Economic rationality	Value for money is a value judgement made by a consumer of a service	(Tiebout, 1956) (Williamson, 1979)
	Marketing / strategy	VFM is a conscious strategic choice (from several possible) to enhance competitive advantage	(Porter, 2008; Prahalad and Hamel, 2006)
	Public choice, rational choice	Securing the most advantageous position for personal advantage / control of financial resources by civil servants	(Niskanen, 1971) (Osborne and Gaebler, 1992) (Williamson, 1979)
	Austerity	Meeting minimum requirements in statutory services whilst returning maximum funds to central government for deficit reduction	(HM Treasury, 2015)
	Financial	3Es – best use of financial and other resources to achieve economy, efficiency, and effectiveness	(Chandler, 2000) (DETR, 1999)
Public Administration	Political	That which best advances the aims and objectives of the ruling political party and minimises negative reputational impact	(Davies, 2000; Rhodes, 1996, 1997; Svara, 2008)
	Stewardship	Moral dimension - e.g. the duty to spend public money in a responsible fashion that best meets the needs of the electorate	(Chandler, 2000) (Kingdom, 2000)
New Public Governance and Public Value	Public Value	The greatest advantage for communities in most need (equity), tackling societal problems for the longer-term (sustainability)	(Denhardt and Aristigueta, 2011) (Moore, 1995) (Stoker, 2006)
	New Public Governance	‘Customer’ value driven approaches including engaging in co-production to share the labour and benefits (transactional value)	(Osborne, 2006; Osborne, 2010b)

Sources: Author and works listed

The challenge emerging here is that mainstream VFM has been conceived in a narrow, limited fashion, relying excessively on unit or beneficiary costs, and with the implicit assumption of continued reduction in costs and improvement in outputs. Austerity budgets are creating considerable pressure on public services,

If a more sustainable picture of value for money is to be developed, it must take account of the wider sense of public value, and contain measures to understand the sustainability of the service in the context of austerity. Thus, a model of 'public value for money' is needed that allows a more diverse understanding of value than those proposed by either NPM or NPG inspired policies.

As health and social care budgets come under increasing pressure, several of the interviewees discussed the need to consider working in a more systemic way, i.e. across partner organizations from a client or service user perspective, yet also raised concerns about their own budgets and those of the partners.

As sector-led improvement continues to feature more heavily in the experience of local authorities (see section 5.1.3. p.152), 'public value for money' is likely to need to take into account a partnership focus for delivery, i.e. considering a broader range of organizations that are involved in the delivery chain and where financial investment is likely to provide the greatest return, not in terms of cost-saving, but in terms of improved outcomes for communities, individuals, businesses and society. One way to do this may be by implementing the public service dominant logic (Osborne et al., 2015) and co-production and co-creation theories (Osborne et al., 2016) in ways that emphasise systemic public value (Benington and Moore, 2010; Denhardt and Denhardt, 2011) rather than focusing on individualistic concepts of the service experience for users. This may form part of future work, which would appropriately follow on from, but cannot be adequately explored in, this thesis's examination of the legacy of performance management

Recommendations for practice that arise from this discussion are considered in section 8.3, on page 270.

7.4 Chapter conclusions

This chapter has provided a discussion of the three main elements of theoretical development arising out of the research findings, called here the ‘performance as governance system’. The three main elements of the discussion proposed are listed here in ascending order of abstraction, i.e. from implementation level to conceptualization:

- A new performance zones model (corresponding to the level of *implementation*)
- Five accountability types (corresponding to the level of *operationalization*)
- The development of the concept of public value for money (corresponding to the level of *conceptualization*)

Together, these describe the key elements of ‘performance as a system of governance’ of public organizations.

Performance management is considered a primary tool in implementing organizational strategies. However, performance management, or particularly the evaluation of performance, is also a primary feature in the operation of accountability. It is also fundamental to demonstrating value for money in service provision – outlined here as a balanced judgement between the cost of delivering a public good or service, and the quality of that good or service. Often this is portrayed in a simplistic and rationalist manner, yet there is considerable evidence to suggest that even rationalist decisions around performance can be socially or culturally constructed, sometimes going against the very rules established by decision makers.

The findings have demonstrated significant changes in the ways performance management is interpreted and operationalised, driven by two main forces: the deregulation of the external assessment regimes, and the high levels of budget constraint imposed by central government. It may be that the former is deployed to conceal the latter, but that is not the focus of this research. Instead, this analysis aims to both explore the divergence in performance regimes that other research has predicted will occur after deregulation (Bateman et al., 2015; Bateman et al., 2016), and to develop new conceptualisations of this system of governance that addresses the weaknesses of legacy systems: excessive concern with efficiency (Osborne, 2006), a reductive approach, and a lack of consideration for wider public value (Moore, 1995).

The notion of performance as a system of governance (figure 3) is an attempt to move beyond a reductive, instrumental perception of performance management and to consider the more sociological and socialised aspects of performance.

As Clarke and Newman (1997) suggest, managerialism is not a neutral, value-free term, but rather an ideology. Performance management has been strongly associated with NPM (e.g. Ferlie et al., 1996; Hood, 1995; Neely, 2005; van Dooren et al., 2010; Verbeeten and Spekle, 2015), and whilst some scholars accept the political nature of performance management (Aucoin, 2010; Moynihan, 2008), this area remains under-researched. Using the local authority as the unit of analysis, this research argues that new forms of performance management are emerging that adapt to the primacy of the political process and can seek to embed political narratives within the performance management framework of an organization, beyond simple executive member approval of performance targets. Whilst as a case study Merry Park may represent a step too far in elected members directly setting the detail of performance targets, the deregulation of the CPA / CAA performance regime appears to have created a space that allows ruling administrations more latitude to explicitly, rather than covertly, integrate their political will with organizational goals and visions.

The performance zones model proposed in section 7.1.3 recognises the cutting of the 'golden thread' and instead proposes a model of managing performance that seeks coherence more than integration. Through changes at the *implementation* level, this model aims to free up organizations to manage the right measures and services at the appropriate level, and to create the right conditions for different forms of accountability to operate.

The second proposal in this chapter concerns this challenge: how accountabilities within local government can absorb the different tensions and conflicts presented by different value bases and modes of enactment. NPM ideals of customer service focus too much on individualized and personalized service interactions, perhaps at the expense of political, legislated and wider civic accountability. Given the need to govern for accountability, how can elected members use performance management information to both make decisions about budget cuts, and to inform and consult their electorate?

Further work is needed to fully disentangle the different forms of accountability operating, and it is hoped that the new performance model will provide one tool to allow senior council officer decision-makers and elected members to better understand the *operationalization* of austerity.

Finally, when considering the *conceptualization* of public services, the ‘death of improvement’ and its impact on how performance should be measured and managed, we can see that the multiple forms of accountability, their impact on decision-making and reputation management, and the impact of austerity all raise serious questions for the value for money provided by authorities, that is, the purpose of authorities and what their long-term goals should be. Again, the research suggests that a reductive, linear understanding of VFM inhibits a fuller debate around the purpose of public services in achieving greater value for the full range of publics they serve – what we call here ‘public value for money’. This concept again needs further unpicking, but despite the explicit focus on the 3Es of economy, efficiency, and effectiveness in public services, the market-driven, competition-based nature of NPM has served to focus too much on efficiency. Despite efforts within the literature (Benington and Moore, 2010; Bozeman, 2002; O’Flynn, 2007; Stoker, 2006) and even legislation (DCLG, 2012), the wider public value debate remains surprisingly peripheral to the mainstream direction of public services in the UK. Austerity may have made this more acute (Lodge and Hood, 2012; Lowndes and McCaughie, 2013), but this research argues that if equity and sustainability of vision, purpose and resources are not addressed, the most likely outcome is severe reductions in services and service quality.

These issues have been discussed and located within the wider academic dialogue here, and the following chapter describes the contributions to theory, practice, empirical understanding, and scholarship represented by the governance system elements discussed here.

Chapter 8. Contribution to knowledge and conclusions

8.1 Introduction

This research has investigated the legacy of the statutory assessment frameworks used between 1997 and 2010 by English local authorities. The New Labour regimes have been characterised by a managerialist obsession with efficiency over other forms of evaluating value, as well as the exertion of a centralised mode of control, running counter to an espoused rhetoric of local control. The deregulation implemented by the Coalition administration in 2010 has released authorities from a range of obligations, but simultaneously left them facing a policy and practice vacuum, as well as generating a tension between the duty to improve and the financial resources available to local authorities to deliver services.

The investigation of current attitudes towards performance and service improvement has suggested three key areas of development: these are captured at a high level in Figure 4:

Findings - performance as system of governance on page 203:

- The *Implementation* of performance management frameworks
- The *Operationalization* of accountability
- The *Conceptualization* of public value for money.

This chapter outlines the contributions to theory, practice, and empirical understanding that this thesis makes.

8.2 Contribution to theory

This thesis seeks to contribute to theory and scholarship via an overarching discussion around theoretical viewpoints, and then developing new theoretical insights in three main areas. These are: performance management, accountability, and value for money.

Firstly, and at the broadest level, section 2.9.1 (p.52) develops a characterisation of the major theoretical paradigms running through public services, e.g. PA, NPM, and NPG, and classifies them against examples of enacted policy as well as developing a focus on the primary relationship, guiding orientation and key discourses operating within the administrations.

This challenges Pollitt and Bouckaert's assertion (2000) that administrations are not useful levels of analysis (as summarised below in Table 24). An understanding of the major concepts driving reforms is essential to contextualising reforms. Additionally, presenting this information as a timeline (shown in Appendix viii) allows a fuller understanding of the ways in which

legislative, structural, institutional, and other forms of change come together to influence the way that public services are reformed, and reform themselves.

Table 24: Summary of reform paradigm characteristics

Political administration	Primary relationship	Guiding orientation	This research terms this:
1970s	Central government and public sector	Civic service orientation	The neutral public servant
1979 – 1990	Public sector and the market	Market orientation	The self-interested public servant
1990 – 1997	Public sector and citizens	Public service orientation / customer orientation	The ‘citizen’-servant
1997 – 2007	Policy networks and policy implementers	Network orientation	The networker public servant
2007 – 2010	Communities and partnerships	Partnership orientation	The reaching-out public servant
2010 – present	Individuals and services	Personalization orientation	The entrepreneurial public-servant

Source: Abridged from Table 3: *Summary analysis of major reform phases on page 52*

This mode of viewing the multiple influences addresses one of the weaknesses across public service scholarship. Much research locates itself more or less unconsciously within one of these paradigms and rarely interacts with the theoretical underpinnings in an explicit manner, something that Easterby-Smith et al. (2012) argue would benefit much management research. As Radnor et al. (2016) suggest, each of these paradigms can only ever be a partial picture, and synthesising a view from multiple perspectives is essential. Public Management approaches emphasise the managerial and organizational aspects of scholarship, yet often overlook political and institutional factors such as power dynamics or value-driven behaviours. Conversely, Public Administration scholars have often tended to ignore the realities of service delivery and operational managerial control. This research has sought to integrate both these, as well as New Public Governance and Public Value, perspectives in its use of literature, theory, and evidence. Some of this work, as described in the literature review and conceptual background section has also been published in chapter form in Ansell and Torfing (2016).

The discussion of empirical findings has also sought to make a contribution to the academic discourse. The proposed new performance management model articulates a novel understanding of how authorities are performing, and facilitates the development of new perspectives on performance management.

Although previous research (Micheli and Neely, 2010) has attempted to find evidence of the 'golden thread', this work adopted a narrow view of what constituted a golden thread, and did not use a local authority as the unit of analysis. It concluded that its existence could not be ascertained. Their work, however, did not draw on qualitative empirical data gathering with interviewees, and overlooked the golden thread as an artefact of performance management – a normative ideal that informed much of practice in the period examined, as suggested by explicit references to the golden thread in the policy literature and guidance (Audit Commission, 2001, 2002, 2005, 2009; Audit Commission and I&DeA, 2002). Authorities were directly encouraged to develop integrated performance management approaches, and demonstrating the golden thread was part of the explicit assessment methodology. Whether or not establishing a clear strategic set of cascading priorities is desirable, the matter of its conceptualization and presence within CPA and CAA is not in doubt.

This goal of integration is itself supported by the literature around performance management systems (e.g. Bourne et al., 2000; Heinrich, 2002; van Dooren et al., 2010). This thesis, however, suggests that this integrated idea has fractured, and argues that this has, in fact, been embraced in the current organizational context. Given these circumstances, the performance zones model offers theoretical insights and normative suggestions (contained in section 8.3) around how performance management frameworks can be structured differentially to provide a more adaptive mechanism. This includes rationalising the legitimacy and managerial components of such systems, i.e. the zone of legitimacy and the zone of service control.

Another area of contribution to theory lies in the understanding of accountability, taking an approach that synthesises and adapts Romzek (2000) and Sinclair's (1995) models of differing accountabilities. Both of these models provide a partial set of accountability types, but neither fully describes the different forms of accountability observed within the case studies, and neither fully explores the contingencies necessary for accountability in times of severe austerity. When accountability is viewed through a managerialist lens such as NPM, accountability remains strongly centred on delivery of services, often to individuals. Criticisms of NPM for failing to rise beyond this challenge are common (for example, Chandler et al., 2002; Dunleavy et al., 2006b; Lodge and Hood, 2012; Maesschalck, 2004; Osborne and McLaughlin, 2002; Pollitt, 2013a; Pollitt and Dan, 2013), and the New Public Governance movement, including efforts to establish public service management (e.g. Osborne, 2006; Osborne, 2010b; Osborne et al., 2013; Torfing and Triantafillou, 2013; Wiesel and Modell, 2014) can be seen as direct

and indirect critiques of NPM's obsession with efficiency above other aspects of the 3Es. Nevertheless, they too risk focusing more on individual service interactions and the relationship between service provider and service recipient than public good. Accountability in these contexts focuses on the rights of service recipients to redress, and accountability for delivering what is often a short-term benefit to individuals.

This overly-individualised perspective, driven at least in part by views of the citizen as a consumer, fails to embrace the notion of public goods and public value as advanced by the public value school (e.g. Alford and Hughes, 2008; Alford and O'Flynn, 2009; Benington and Moore, 2010; Bozeman, 2002; Denhardt and Denhardt, 2011; Denhardt and Aristigueta, 2011; Moore, 1994; Moore, 1995; Moore, 2004; O'Flynn, 2007; Stoker, 2006), which attempts to refocus on public service values and democracy. It should also be acknowledged, however, that recent efforts have begun to focus on the notion of the service system, utilizing a public-service dominant logic and theories of co-creation (e.g. Osborne et al., 2015; Osborne et al., 2016; Radnor et al., 2014; Radnor et al., 2015).

We can read NPG, therefore, as an attempt to move beyond NPM's weaknesses, but still residing within the same sphere of individual service; attempting to do NPM's job but better. Whereas public value perhaps provides a countervailing narrative to that of NPM – a rejection of the values of business for the values of democracy (Denhardt and Denhardt, 2011). These paradigms are pervasive, lurking in the background of policy and service development, yet rarely acknowledged. Again, we return to the question of whether these paradigms, i.e. PA, NPG, NPG, are normative prescriptions, or simply socially-constructed descriptions of actions and values. What is clear, however, is that they do co-exist, although at certain points a dominance is exerted by one over the others within policy and hence practice.

Accountability, therefore, must span these broad paradigms if it is to adequately speak for all stakeholders. As has been demonstrated, a simple sanctions-based view of accountability is theoretically insufficient to cover the dual nature of citizens as both individual consumers of services, and as broad recipients of public value. The five types of accountability presented allow a richer understanding of how different modes of accountability are enacted, socially and hierarchically. The contribution to theory arises from synthesising multiple perspectives to allow a more granular understanding.

The third element of theoretical contribution comes from related efforts at reconceptualising value for money. Here it is argued that VFM has operated solely in a reductive, positivist

mindset predicated on continual improvements to delivery and reductions in cost, paralleling the expectations around performance management. When funding to local authorities was more buoyant, the fact that this interpretation of VFM was limited and reductive may have been less significant. Now, however, austerity is driving authorities to scale back or manage the decline of some services and many are struggling to keep up with levels of demand in social care; it is difficult to see how this position equates to value for money for taxpayers.

This thesis therefore proposes the need to reconsider 'public value for money' and the need to differentiate between individual and public benefits in the way that VFM is considered. This is potentially a more significant contribution to practice than theory, but novel theorisation is required to challenge a largely uncritical acceptance of VFM (McKevitt, 2015). The aim would be to adapt VFM to embrace differential value and to better understand how we might contextualise value for money in times of austerity where successful, effective, economic and efficient services for many might be reduced in order to pay for highly targeted services for a few.

8.3 Contribution to practice and practical recommendations

It is hoped that the new performance management model outlined in section 7.1.3 could be adopted more widely and used to develop more diverse and thus better adapted performance measurement systems across councils.

The table below makes some practical recommendations as to how each of the performance zones might be implemented in order to develop performance systems that better support organizational goals and objectives, rather than attempting to maintain an integrated but ritualistic performance system derived from historical models. Key to this will be empowering front line services to manage their data flow and decision-making, without forcing them into being part of corporate performance monitoring systems that exert a significant time lag on services where a quick response is paramount.

Table 25: Performance management recommendations

Zone	Primary characteristics	Practical recommendations
Service control	Detailed operational output measures requiring short-term action / response within overall existing resources	Consider qualitative data to support better understanding of client / user / customer experience, especially for low volume, high variety services, as well as explicitly addressing public service dominant logics in improvement activity at the customer interface. ‘Sandbox’ these measures and delegate control to lower levels of supervisory management, with an escalation mechanisms – change the <i>locus</i> . Emphasis on co-creation / destruction of value
Excessive control	Detailed output measures considered, controlled, or reviewed at an inappropriate level	Develop a ‘resistance’ strategy – challenge why information is gathered. Understand what forms of legitimacy are required and push for narrative discussion and co-constructive design. Challenge the <i>focus</i>
Corporate management	A mix of output and outcome measures aimed at capturing the priorities of the organization	Reduce the scope and volume of measures here. Develop a narrower set of ‘corporate health’ indicators and ‘corporate priorities for improvement’ and feature projects and performance measures on a more dynamic, by exception basis
Legitimacy	A mix of internal and external pledges and commitments for multiple publics; some value-based, some focused on establishing a case for resources	Political pledges need to be engaged with more closely as part of developing managerial corporate budget and performance planning. Performance and intelligence appraisals of commitments should be produced on confidential basis to allow discussion with governance – support the <i>focus</i> with detailed resourcing plans and discussions
Accountability	Higher-level measures that are required for statutory purposes, and measuring of agreed organizational pledges	Assign corporate leads for key accountability outcomes / pledges Develop narrative based discussion of outcome measures, not outputs, and include contextual data where appropriate. Consider cross-authority or perhaps multi-agency challenge sessions

Source: Author

It is anticipated that these recommendations could form part of an impact case study through recruiting councils to take part in workshops around sharing and developing good practice, thus generating a series of key principles for contemporary performance management that would be published in a practitioner-focused format.

There are also recommendations for practice around the communication of performance. The requirement to publish large amounts of performance data annually has been removed; this is quite likely to be a reasonable position, per se, as little evidence exists to show that this is helpful or desirable for citizens or resident businesses. However, new practices need to emerge that will facilitate more useful discussions with the multiple publics facing local authorities. These include:

- The need to be more realistic with residents / electorate, using performance information to have a different and better informed form of conversation with them
- The need to be better at communicating the potential impact of changes, rationale for changes, and the tensions and trade-offs between public service cuts
- Using language more effectively – compare ‘alternate weekly bin collections’ with ‘fortnightly collections’: they both describe the same situation but one sounds much more clearly like a diminution of service standard or level

The recommendations directly above relate strongly to matters of language and communication. This emerges from the interest in the linguistic aspects of the analysis that are mentioned, but not fully explored, in section 3.8 (page 99), and this element of the project may potentially make a contribution to practice as part of future research.

The recent example of Liverpool City Council and its proposed referendum on raising council tax is significant (Parveen, 2016). 10% is a significant amount – representing three times the previously allowed increase, and is likely to be perceived as a very large rise by most people. There is an ongoing issue around the level of trust towards politicians (Aucoin, 2002), and the demands of austerity are forcing many councils to take unpopular measures. This distrust, along with the unpopularity of cuts, drives a suspicion that the council is not making ‘sensible’ cuts and is instead passporting the financial consequences of this on to residents, perhaps exacerbated by media discourses and the strength of the rhetoric established by the Coalition and Conservative governments around the need to restrain public expenditure.

Returning to the notion of value for money; this thesis also develops the initial concept of *public value for money* (PVFM) and makes several recommendations for practitioners. These are:

- Focus on transaction cost and unit / beneficiary costs for high volume, low variability services
- Establish more narrative forms of PVFM linked to political pledges at the authority level – i.e. stop trying to conduct full council comparisons as these are likely to be unhelpful
- Reemphasise the moral / ethical dimension of public value in public service delivery; this may help to address the loss of trust in public institutions mentioned above
- As with the performance zones model recommendations, improve the nature of the communication with external and internal publics
- Challenge the value of benchmarking clubs etc. unless they allow a focus on benchmarking processes rather than outcomes / outputs
- Include a long-range assessment of PVFM based around place-shaping and influencing the social, environmental, and economic fabric of an area that is developed in relation to a clear and well-articulated vision

Again, these recommendations should be tested and developed in collaboration with local authority practitioners, and would provide a further element to demonstrate the impact of this research. A common theme in discussions with staff from case study organizations was the desire to know what other councils were doing. The ability to compare performance, and hence to identify potential for learning, has been lost as part of the deregulation of performance assessment. Whilst benchmarking clubs are resurgent, these are now viewed by central government as money-making opportunities for the private sector bodies running them, and risk lacking the consistent focus on improving the value of public services presented by using arm's length government bodies such as the former Audit Commission to deliver them. It is also possible that the rise in peer review (mentioned in section 5.1.3) will be helpful for authorities. External publication of league tables and ratings created a false sense of 'competition', in that authorities were forced to view their own performance in part as mediated by the performance of other councils, when councils are not 'competing' for customers (residents) in any meaningful sense. The removal of reporting requirements thus frees councils from that 'competition' and they are, to use a phrase from Conservative rhetoric, 'all in it together', although perhaps some, more than others.

8.4 Contribution to empirical understanding

A third element of contribution is our empirical understanding of the situation facing local government; central to this is the term ‘death of improvement’, which is used as shorthand for the impact of austerity on local government forms and functions and service delivery. The 1999 Local Government Act placed an enduring duty to secure continuous improvement on local authorities, yet this, as this and other research has shown, is being undermined by the financial position of most local authorities in general, and the most deprived authorities in particular.

In effect, the continuous improvement duty is being abandoned in some services because of the scale of budget cuts. In many services, the deregulation of performance assessment means that effective comparisons are impossible, and thus the impact of cuts is difficult to identify. This may be as much a political manoeuvre as much as a freeing up from ‘red tape’ (DCLG, 2010b) – this thesis does not seek to ascribe motives in this case – but the result of removing comparative performance indicators is that the result of service budget cuts across England is now extremely difficult to compare and contrast between authorities.

Alongside the overall level of cuts to public expenditure, a rebalancing of the remaining funds is taking place. Health and social care now accounts for a greater and continuously increasing percentage of local public expenditure, and this is creating tensions within public services. As has been discussed in section 7.2.3: Civic accountability, the political nature of cuts is bringing into question the very role of local authorities, and highlighting where democratic accountability clashes with managerial and legislative responsibilities. Services that are felt to be ‘easier’ to cut are often those that are the most visible to the public in the broadest sense, and individualised care services, whilst themselves still being subject to reductions in expenditure levels, are consuming ever-increasing proportions of public resources. This thesis attempts to unpack these tensions and the conflict between national policy, local determination, and public expectations. There are no easy answers here for local authorities, and more tailored forms of performance management and communication, as discussed in section 8.3 may aid debate and understanding.

This thesis also concludes that the legacy of the 1997-2010 assessment frameworks can be seen on a number of levels, and contains both negative and positive aspects,

but also that the labour- and data-intensive nature of the assessment frameworks may not have helped generate sufficient capability in local authorities to respond to the needs and challenges generated by the Government's austerity programme budgets for public services. This has been characterised by the move towards supposedly individualistic, entrepreneurial public services, yet a lack of clarity exists around what this could or should look like. Commissioning is being highlighted as a change in local authority practices, yet here, too, divergent attitudes towards commissioning and corporate capacity or capability mean that this will not be a panacea for local government funding challenges.

For reasons that are not fully clear from either the national policy or the locally-gathered empirical data, the severity of the challenges facing local government is not being effectively communicated to the public. This is difficult to achieve in practice, without invoking the hostility mentioned in the case of Liverpool. Effective public relations management requires organizations to generate 'emotional sympathy' (L'Etang, 2007); yet it is difficult to inspire sympathy for the organization that isn't collecting your bins as often as you'd like. Local government itself accepts that austerity has helped to drive out inefficiencies, but it has also initiated an existential challenge, the results of which may not be seen for years or perhaps decades. This thesis hopes to facilitate a contribution to the wider debate around public services, though this too will require time to achieve.

8.5 Contribution to scholarship (publishing)

Finally, in terms of contribution, this thesis seeks to contribute to the current scholarship in public service research and theory through publications. Table 26 below provides details of actual and proposed publications from this thesis and cross references them to the relevant sections in the thesis itself. At the time of submission, the first item "Public Management Theory" (book chapter) has been published, and two items are under review; a further book chapter has been accepted provisionally, and two additional papers are proposed.

Table 26: Publications and thesis section cross reference

Bibliographical entry	Link to thesis section
Radnor, Z., Osborne, S. & Glennon, R. 2016. "Public management theory." In: ANSELL, C. & TORFING, J. (eds.) <i>Handbook on Theories of Governance</i> . Cheltenham: Edward Elgar.	2.3
Glennon, R., Radnor, Z., & Bateman, N. TBC. "Austerity and public service performance frameworks in England" to be submitted to <i>Public Administration</i>	7.1
Glennon, R., Hodgkinson, I., Knowles, J., Radnor, Z., & Bateman, N., "The Impact of Modernization: Examining the aftermath of a change agenda on public sector employees" submitted to <i>Australian Journal of Public Administration</i>	2.8; 4.2.2; 4.2.3
Murphy, P., Glennon, R., Radnor, Z., & Bateman, N. TBC Serving, Steering, or Succumbing? Revisiting democratic accountability under austerity in English local government in Liddle, J, Kerley, R., & Dunning, P. (Eds.), <i>Handbook of International Local Government</i>	4.2.1; 5.1.2
Glennon, R., Radnor, Z., & Bateman, N. TBC. "The price of austerity: reconceptualising value for money in English local authorities" to be submitted to <i>Critical Perspectives in Accounting</i> .	5.2; 5.2.2
Glennon, R., Radnor, Z., & Bateman, N. TBC. "Charting the landscape of public sector operations management" to be submitted to <i>International Journal of Management Reviews</i>	2.9.1; 2.8

Contributing to scholarship has been a primary goal of this research, and the planned and achieved publications above are the main route through which this has been achieved to date. It is anticipated that more practitioner-focused publications would also emerge as part of the output of this thesis, and these would be supported by the academic publications above in terms of generating and demonstrating impact for Research Excellent Framework purposes.

8.6 Overall conclusions:

This research posed the question: 'what was the legacy of New Labour's performance management frameworks for local government?' As outlined in section 2.4, the research did not attempt to evaluate whether or not the performance regimes improved

performance, for several reasons. Firstly, an absolute judgement of whether performance improved across over 650+ services, in three hundred or so local authorities, with wildly differing demographics, would be a somewhat reductive view that minimised deviation from mean performance levels and might not provide a great deal of useful information. This type of quantitative judgement is unlikely to adequately describe the lived experience of residents and businesses, particularly given the interpretive stance adopted by this research. Secondly, the question would also be moot – the New Labour performance regimes have been disassembled by the Coalition and Conservative administrations that followed Labour's general election losses in 2010 and 2015.

This research instead sought to examine, via case studies, the legacy of the performance regime post-2010 and to attempt to understand how authorities had reacted to deregulation of performance. This was explored through seven dimensions:

- Instrumental
- Structural
- Institutional
- Financial
- People- or staff-centred
- Democratic / decisional / community
- Market / role

One aspiration for the original research was to explore whether there were any archetypes that might emerge from interviews, formed from organizational preferences for a particular dimension or dimensions of change. The reality of the current local government environment is such that whether or not such archetypes exist (and that still seems to be a valid research avenue), the pressure applied to organizational systems from imposed austerity budgets has meant that many organizational preferences have been subjugated to the exigencies of survival. Austerity, savings, and cuts dominated the discussions and interviews, and some services were seeing service levels frozen or reduced. Yet a focus solely on this would be a reductive answer to the question of the legacy of New Labour's comprehensive performance and area assessments.

In attempting to understand the conceptual and policy sphere in which local authorities were operating, this research sought to integrate contributions from both Public

Management and Public Administration perspectives. Ashworth et al. (2010b) observe that a lack of sufficient research on the empirical background of theories of service improvement is cause for concern. Later work also raises concerns about a lack of theory building (Ashworth et al., 2013), and that too much attention instead has been paid to evaluating government programmes, little of which appears to have borne fruit (Pollitt, 2013a; Pollitt and Dan, 2013). In part this may be due to the granular nature of local government service delivery: the characteristics of social care and highways maintenance are without doubt distinct, and they are evidently being treated very differently in a climate of austerity. Individual authorities, too, are clearly discrete entities, and political, managerial, and cultural differences feature strongly in the research findings.

And yet, this concern about the lack of theoretical engagement may be well founded. Whilst critiques of NPM are plentiful (Chandler et al., 2002; Dunleavy et al., 2006b; Hood, 1995; Lodge and Hood, 2012), the main structures of NPM – competition, choice, marketization, and the privileging of private sector practices – are all still relevant to today's public services. Interviews discussing services that fit more neatly into a contestable type such as back office processes, customer contact, environmental services etc. (and perhaps some that do not fit well) in all six case studies mentioned commercialization as one of the routes to sustainability for public services.

This is perhaps nothing new – marketization as a key component of public sector reform is nearing 40 years of use at this point – but interview evidence suggests that the emphasis has shifted. The structured processes of evaluating the market and the current service delivery arrangements brought in by Best Value have been removed and Best Value's four Cs – challenge, compare, consult, and compete – appear to have been overwhelmed by a fifth C, cuts. The demands of the financial dimension are driving behaviours and reducing the capacity of local government to improve, change and transform at a time when remaining static seems like it is not an option for the participants in this research project.

Coupled with this, the 'death of improvement' discussed in section 4.3.1 has had an impact on public services' performance management. It might have been expected that performance management would play a larger role in discussions around the

location of cuts, but the scale of savings required, particularly in more deprived areas, has instead served to stimulate more diverse responses. Even in Merry Park, the most affluent of the case studies, and in the top 20% of affluent boroughs nationally, the political driver around reducing the taxation burden on residents and businesses is pushing services into more radical conversations around service reductions. Again, the politicization of performance (in section 4.2.1) brings a different perspective to the traditionally linear and instrumental perceptions of performance management. These changes to the use and perceptions of performance management have been enabled by the deregulation of performance regimes under the Coalition government.

This research intentionally conflated performance and improvement to develop more comprehensive responses to questions. This allowed some interesting tensions to emerge around the understanding of performance management and its contextualisation within local government.

It may be that the regulated processes of assessing performance – e.g. CPA and CAA, and the wider modernization programme – drove the capacity of local authorities towards being able to satisfy the information requirements of the regime, above and beyond generating capacity to facilitate, lever or generate improvement activity. This appears borne out by comments from interviewees about the impact of deregulation. Comments from multiple respondents addressed the sense of ‘feeding the beast’ of regulatory performance reporting. Current team capacity around performance and improvement appears to be divided between performance teams and those whose remit is change, transformation, or improvement. Although the research purposefully conflated these two agendas, this does not necessarily appear to be the case within actual organizations investigated.

This research, therefore, sought to interrogate the operation of performance management as a tool used to justify performance as well as an instrumental mechanism in the more traditional interpretation. This gave rise to a research sub-question that addressed the implementation of performance management.

8.6.1 RQ3: How has the removal of statutory performance reporting impacted on tool selection, their operation, and the ways that organizations publicly justify their achievement? (i.e. the *implementation* of tools and techniques)

Here, the research considered the use of performance management as a key tool in addressing service reform and improvement. As mentioned above, and as detailed in section 4.3.1, the dominance of austerity and its impact on the improvement agenda, what has been called the ‘death of improvement’, has changed the way that authorities are viewing performance management, as has the deregulated assessment environment. This thesis contends that this has resulted in divergent performance practices, with an increased politicization of performance discourse, and a shift away from numerical presentations to more qualitative and narrative forms for community purposes, based more around legitimacy than communicating very detailed performance data.

Historically, local authorities were required to publish performance ‘outturns’ for all statutory indicators within annual *Best Value Performance Plans*, which contained previous outturns and future targets and predictions. These were conceived by central government as a mechanism for publicly accounting for performance to residents. However, most local authority service users are a largely captive audience, i.e. for many universal services offered local authorities operate as an effective monopoly and it is unfeasible to swap service provider for, say, highways maintenance without moving house to another local authority area, and even this simply swaps one monopolistic provider for another. Accountability for public service delivery thus needs to operate on different lines compared to most of the private sector where competitive forces are presumed to maintain or improve service quality.

Authorities appear to be moving towards more narrative forms of the presentation of public performance, which again may suit the more politicised forms of performance management discussed in section 4.2.1 – the zones of accountability and legitimacy. Rather than a series of numerical targets, all authorities were reporting this more narrative form of performance, related back to pledges and manifesto commitments. Stocks Green was also attempting to engage residents in debates about where the burden of cuts should fall, albeit with limited success.

Tool selection for improvement activities, as discussed, was predominantly focused on delivering financial savings, although interviewees responsible for social care such as Castle Gate's C4, or Rudgeway's R1 also saw this as part of a discourse of delivering social care differently, i.e. individually-centred mechanisms that would allow service users to choose services they wanted, rather than picking from pre-selected options offered by local authorities.

8.6.2 RQ2: How have the emergent governance structures affected the sustainability and legitimacy of performance and service improvement efforts? (i.e. the *operationalization* of performance governance)

This research question addressed the operationalization of performance and improvement, i.e. how plans and policies are put into practice, and could thus be considered the 'mid-level' of performance in practice. Here, too, austerity dominated people's thinking. As outlined in section 5.2.1, local authority efficiency targets had been in existence for over a decade prior to this research, but the austerity programme implemented by the 2010-2015 Coalition government and continued so far by the post 2015 Conservative government appears to have brought a significantly different quality to the management and governance of local authorities. Whilst incremental budget cuts are a familiar process, the scope and scale of the savings required has pressured authorities to move from 'managing austerity' to 'governing austerity'. Again, the politicised performance management observed in section 4.2.1 comes into conflict with the pressure on social care costs and the 'death of improvement' discussed in section 4.3.1. Whilst this researcher did not speak to elected members from all authorities, each of the three members interviewed discussed the changing nature of the governance required to implement cuts in a socially and politically acceptable way, as well to navigate the tensions between the universal environmental and other services, sometimes described as 'liveability', and the increasing costs of social care for children and particularly adults.

Increased use of mixed member and officer boards for governing austerity, or perhaps the impact of austerity, were evident in five out of six authorities, with Merry Park already having a strong representation from members on such groups. Whilst non-public meetings have always been part of political processes, officers in some authorities (e.g. Stocks Green, Bell Tower, Merry Park) felt that these were being

increasingly viewed as ways of managing the political fallout of austerity budgets. Castle Gate's chief executive (C1) outlined some of the frustrations around working with cabinet members to agree cuts in some areas, and the tensions with ward councillors about the 'managed decline' – this also featured in discussions with some of the officers working on environmental services, such as Stocks Green's S4, or Merry Park's M5.

These tensions and challenges are driven in part by the conflicting forms of accountability outlined in section 7.2 *Accountability: five types*, where existing perspectives on accountability are synthesised into a more nuanced model that explores the varying abilities of stakeholders to hold people to account.

Table 22 (p.241) outlines a range of ways in which accountabilities are enacted. Managerial accountability, perhaps the most overt and visible form, operates hierarchically within organizations and has a clear ability to sanction staff for not meeting the demands of management. Professional accountability, on the other hand, is likely to be strongest in those disciplines that retain external certification, and relies on an outside-in enactment of standards and on internal self-policing, with much less ability to provide individual sanctions. Whilst some very high profile incidents have occurred, such as the cases of Victoria Climbié or Peter Connelly (Baby P), much of the professional holding of standards is reliant on a Foucauldian 'self-discipline' (Foucault, 1977), where expected norms and behaviours are 'written in' across training and professional standards. Sanctions are much less likely to be applied to individuals than to organizations.

The post-2010 local government environment has seen the removal of the externally imposed performance regime, thereby making it more difficult to understand the performance of a service or local authority. This may reflect the increasingly individualised nature of service interactions as suggested in section 2.9, where it is suggested that Coalition and Conservative reforms have refocused the nature of interaction between state and citizen to embed a discourse of personalization and individualized relationships. This can perhaps be seen in the replacement of the Audit Commission with 'armchair auditors' (DCLG, 2011a), or the creation of the 'friends and family test' in the NHS (NHS England, 2014), which appear to locate responsibility for

holding services to account within the remit of the individual service user, rather than assuring quality through external inspections.

Overall, it is difficult to see the removal of externally validated performance regimes such as CPA and CAA as a positive move forward for accountability. This may be intentional. Certainly, austerity budgets and the 'managed decline' of some services is a difficult 'sell' politically, at either the local or national level, and whilst the 'accountability of the ballot box' is certainly a strength of local authorities compared with, say, the NHS or housing associations, and represents a necessary part of our democratic apparatus, it is far from certain whether this alone is sufficient for political accountability.

Moving, then, to civic accountability (section 7.2.3), we see that the tensions between individualistic and community needs described above are replicated and whilst accountability to the people remains a clear motif within public service management perceptions as discussed by the interviewees, this tended to split into two sub-types: accountability to service users (current or future), and accountability to the 'demos' or the body politic; as Denhardt and Denhardt put it, public services delivery democracy (Denhardt and Denhardt, 2011).

As has been outlined earlier, one of NPM's weaknesses has been its excessive concern with efficiency over other matters. The drive towards choice and competition within public services naturally draws reforms towards an individualistic conception of the relationship between public services and those who use them. This privileging of the 'customer' within public services is flawed; something well recognised by services theory in particular (Lusch and Vargo, 2014; Osborne et al., 2013; Vargo and Lusch, 2004). It is flawed because it does not sufficiently accommodate the notion of public goods and wider societal benefits that accrue from the delivery of democratically organized public services, or for the monopolistic provision found in most public services.

That is not to say, of course, that there is no benefit from further development of the notions around public service delivery. Despite Denhardt and Denhardt's assertion, public managers deliver both services *and* democracy. It seems self-evident that at least some public services will be inefficient, uneconomical, ineffective, or a combination of all three. Evidence from the case studies suggests that one positive

aspect of austerity is that it has driven out some of these inefficiencies, if that term can stand in for a variety of defects in service delivery. The challenge now is that authorities are faced with both diminishing returns and questions of critical mass. As observed in section 5.2, incremental budget reductions, or salami-slicing, can only go so far. It is likely that authorities will reach a point at which services either cannot be delivered within the economic constraints imposed, or their continued delivery becomes unsustainable given other demands. Already authorities are scaling back universal and probably popular services such as environmental upkeep to fund targeted services such as adults' social care, which have much smaller benefitting populations.

The governance of austerity, then, brings into question how to balance the needs and desires of the electorate, along with other stakeholders such as businesses, partner organizations and other bodies.

Figure 4: the proposed model of performance as a system of governance, suggests governance must be capable of adapting to the requirements of a very different funding envelope, of responding to increasing service user expectations, and of articulating a better understanding the 'public' part of public services. By this we mean that they cannot solely be considered as an aggregation of individual service transactions, but that the 'place-shaping' agenda – a common part of the CPA / CAA regime – should not be ignored, despite the financial challenges facing authorities. Accountability for wider public value, including place-shaping, may be difficult to restore, but is nonetheless worthwhile.

This leads us to consider the remaining research question, which addresses the level of *conceptualization*:

8.6.3 RQ1: How do organizations discuss and create meaning around their preferred ways of managing performance and service improvement? (i.e. the *conceptualization* of performance and service improvement)

Public sector reform has been the subject of explicit academic study for many years, and much of the scholarship has focused on the two or three major lenses through which public services are viewed and understood: Public Administration (e.g. Chandler, 2000; Dunleavy and Hood, 1994; Golembiewski, 1974; Henry, 1975), New Public

Management (e.g. Christensen and Lægreid, 2002, 2011; Ferlie et al., 1996; Hood, 1995; Lynn, 1998) and, more recently, New Public Governance (e.g. Bao et al., 2012; Osborne, 2006; Osborne, 2010b). There is a relatively stable common core understanding of these three, although counter-views are plentiful. One recent counter-view that does not seem to have gained as much traction as might have been expected is that of the Public Value movement (as typified by e.g. Alford and Hughes, 2008; Benington and Moore, 2010; Bozeman, 2002; Denhardt and Denhardt, 2011; Moore, 1995; O'Flynn, 2007; Stoker, 2006).

Moore's initial 1995 book focusing on public value can be read as a directly countervailing narrative to the then dominant discourse of NPM, as typified by Osborne and Gaebler's *Reinventing Government* (1992), which drew heavily on (private sector) business practices for its conceptual and operational basis. Moore, on the other hand, wished to establish a philosophical basis for public managers that emphasised the broader values driving public services and the broader value that public service could generate; this reflects directly the debate in section 8.6.2 around civic accountability.

As outlined within this thesis, NPM's focus on competition, choice, and markets has tended to lead to a focus on individual service perspectives, and has often focused excessively on efficiency (Radnor et al., 2016), despite evidence for the complexity of local government's operating environment (Haveri, 2006), and the need for pluralist policy development (Rhodes, 1996, 1997).

This focus on efficiency is never clearer than when considering value for money. Whilst the Audit Commission-provided value for money profiles ostensibly compared performance and expenditure, this was driven by simplistic unit or beneficiary cost measures and the teleological assumption that performance would indefinitely increase and cost reduce likewise. VFM in a time of austerity appears palpably different. In these case studies, services that may be efficient, economical, and effective, and have universal application or no significant barriers to their access, such as parks and open spaces, roads, refuse collections, libraries and cultural services etc. are being purposefully scaled back (here called 'managed decline') in favour of transferring resources into more specialised and targeted services such as adults' and children's social care. It is difficult to see how this complies with the traditional view of

value for money. This is not to blame local government – the scale of the cuts it faces them means there may well be little choice in these matters (LGA, 2015)

Table 23: Reconceptualising VFM through alternative lenses attempts to unpick the different perspectives that might inform or guide value for money, and thus have an effect on the way VFM guides services. This is exploratory, rather than normative, and seeks to contribute to the debate around reconceptualising VFM.

It is also suggested in Figure 7: *Public value for money model*, on page 244, that equity and sustainability do not appear to have been fully addressed in understanding local authority performance. Private sector organizations are not charged with delivering democracy, or universal provision of public goods. Yet these two features are fundamental to local government. The thesis argues for the development of a new model of ‘public value for money’ that embraces a long-range assessment based around place-shaping and influencing the social, environmental, and economic fabric of an area, but that also retains some of the practical, operational measures of unit and beneficiary costs for those services that suit this approach. Here again, the theme of a differential approach to public service performance management in the widest sense returns – the golden thread and cascading sets of objectives have variable degrees of success in managing very different council services, and in very different councils.

8.7 Constraints and challenges

As with all research, and especially doctoral theses, this work is only a partial picture of a bounded approach to a problem. Authentic, well operationalized research is aware of its limitations and boundaries. In the case of this research, choices made in the methodology and methods to develop an interpretive, qualitative project guided the operationalization towards an epistemological and ontological viewpoint that others may not share; this is a feature of the work, and not a weakness. Therefore, as Lincoln and Guba suggest (1985), naturalistic research should be judged on its own tradition’s merits.

Inevitably, the size and volume of literature relating to public sector reform meant that a selective approach was taken, and the position of public value as a field was only really reconciled during the later stages of the field work, analysis, and discussion. This feels defensible, as Public Value is viewed here more as a countervailing

narrative to the movement from PA to NPM to NPG, rather than a core stage in that process and thus the earlier chapters were left without significant discussion of Public Value.

The initial dimensions were conceived as existing being the same size and perhaps importance. Whilst this did not derail the inductive approach taken to this research, it did not allow the initial objective of developing archetypes of reform preferences, although again austerity also would have most likely blocked the achievement of this objective.

In terms of this project, the scale of inquiry is naturally a limitation. More case studies and more interviews would have provided more data on which to draw some empirical and theoretical conclusions. In this regard, as outlined in section 3.5.2 on page 85, four authorities dropped out of the initial agreement, two of them very late in the day. This meant that a disproportionate number were from the North West of England. A wider distribution of the cases might have given greater confidence in more generalised conclusions. Only unitary authorities were selected, so no data was gathered on the relationships and performance management arrangements for two-tier authorities, which had different CPA and CAA methodologies in any case. Interviewees were self-selecting within authorities, which brought both advantages and disadvantages. No constraints were thus imposed by a fixed list of interviewees, but neither did each case study have a directly comparable set of interviewees and there were undoubtedly interesting and useful interviews that were not able to take place due to time constraints on the individuals concerned. This perhaps impeded cross-case analysis to some extent, as may have intra-case study divergence, but neither of these should have been a barrier to drawing theoretical insights from across the cases, which may prove ultimately more useful than comparisons or evaluations of individual authorities for this research.

The iterative coding process itself highlighted more content than could be dealt with in this thesis, and the uses of language of change remains an avenue for future development.

Whilst we would contend that theory-building from case study research is both possible and desirable (Eisenhardt, 1989; Eisenhardt and Graebner, 2007), this research did not attempt to build testable hypotheses for broader, quantitative

investigation, although that remains a clear possibility and it is commonly accepted that more positivist, quantitative work remains the norm in much business school research.

Finally, the inductive nature of the analysis, whilst shared and challenged with the supervisory team, means that conclusions are drawn from three sources: the literature, the findings, and the experiences, observations, and history of the primary researcher. It has been said that all analysis is qualitative in that even numerical studies rely on humans to select appropriate tools, analyse the data, and contextualise the results. Hence, the analysis relies on the interpretations applied and the credibility generated by the findings, analysis, and discussion. This can, and should, be challenged and critiqued.

8.8 Future work

As outlined above, the scope of this thesis and the conventions of the format mean that not all the ideas generated through the findings, analysis, and discussion can be adequately treated here. Thus, at points, certain ideas and propositions have been identified for future consideration; some require additional empirical research, others further theoretical development. This section collates these areas of work.

First and foremost, the main contributions developed in sections 7.1: Performance management frameworks: models, theories, and practices, 7.2: Accountability: five types, and 7.3: Value for money: reconceptualising VFM for public services, grouped together as 'performance as a system of governance' all merit further empirical testing in a local authority setting. This should take the form of additional data gathering to validate the conclusions, but also development of practical impact through the operational recommendations and practitioner engagement to seek to develop the quality of local authority service provision. An impact case study may prove one way to do this. Additionally, the devolved nations of Scotland, Wales and Northern Ireland could prove a useful comparison with English authorities, as there are both continuities and discontinuities of practice and policy.

Secondly, there were several areas where insufficient space in the impeded a fuller development of some of the ideas. Taken together, these could provide a long-term research 'arc'. Broadly, these areas can be clustered into the following headings:

- The history of reform: trends, values etc.
- New performance models, theories, and practices
- The development of multiple accountabilities
- Co-production, Public Value, and New Public Governance
- Language of change and reform

Table 27: Future work emerging from this thesis

Area	Future activity	Link to thesis section
History of reform trends	Developing the view of the history and timeline of public sector reforms and the guiding rationales, values etc.	Section 2.9, page 49 Table 3: Summary analysis of major reform phases
New performance models, theories, and practices	Empirical testing of the new performance model in unitary councils. Development of a model for two-tier areas The spectrum of performance team delivery models	Table 25: Performance management recommendations, page 271 Key finding 2 and Table 16: Structured spectrum of corporate & departmental performance models, page 114
The development of multiple accountabilities	Theoretical and empirical development of accountabilities (some ongoing work with Centre for Public Scrutiny) Engaging with wider range of elected members on austerity and performance	Section 5.1.2, page 143, Section 7.2, page 223 Table 22: Five different accountabilities in local government, page 241 section 6.3.4, page 188
Co-production, Public Value, and New Public Governance	Developing equity / equality and sustainability in the public value for money model (fig 6.) implementing the public service dominant logic (Osborne et al., 2015) and co-production and co-creation theories (Osborne et al., 2016) in ways that emphasise systemic public value (Benington and Moore, 2010; Denhardt and Denhardt, 2011) rather than focusing on individualistic concepts of the service experience for users. Using a public value lens, insufficient attention is given to the debate about wider 'public goods'. Strategies of resistance to the dominant force of individualised, entrepreneurial public services may be required if equity and sustainability are to be embraced within public service delivery,	Figure 7: Public value for money model, page 244 Table 23: Reconceptualising VFM through alternative lenses, page 261 Key finding 12 and Table 23

Area	Future activity	Link to thesis section
	including insourcing and outsourcing of services. The multiple roles of service recipients: customers, clients, service users etc.	Civic accountability, section 7.2.3, page 233
Language of change and reform	Analysing the white papers on public reform and policy / practice guidance on change, transformation etc. (Building on the AJPA paper)	Section 3.8, page 99 on data analysis

8.9 Summary and final conclusions

This research took an exploratory and phenomenological approach to gathering and analysing data, and employed a deviant case analysis to identify suitable cases for investigation and the development of new theoretical insights (Eisenhardt, 1989)

This research posed the question: ‘what was the legacy of New Labour’s performance management frameworks for local government?’ In addressing this question, the empirical findings have shifted the focus towards a consideration of the impact of financial austerity, which dominated the interviews in the same way that it is dominating the debate at council management teams and political cabinets.

As discussed in section 5.1.1 on page 139, responses to the deregulation of performance have differed, but some consistent themes emerged. Firstly, most participants felt that the performance regimes had exerted a strong influence on corporate behaviours and responses; this included both negative and positive aspects.

CPA and CAA were felt to have imposed a significant time and resource burden on authorities. Performance reporting and inspections were intensive, and many were unconvinced of the benefits to be gained from this level of activity – feeding the ‘beast’ (or machine) were common phrases used by respondents to describe CPA and CAA. This led to a sense of CPA and CAA as a constant presence, creating pressure in the organization and generating resentment, particularly in service departments. CPA involved corporate inspections, service inspections, a corporate self-assessment, financial reporting, and performance indicator outturn reporting to the public (via the *Best Value Performance Plan*) and to central government, as well as returns to other central government departments around statutory services. This burden was supplemented by the need to develop and implement strategies, artefacts, and processes such as corporate planning, community engagement, to be able to

demonstrate the 'required' actions within the corporate and service assessments. BVPIs expanded over time to cover a very wide range of services, and authorities were expected to develop their own PMFs to include local measures for non-statutory services (Audit Commission, 2002, 2005).

Authorities responded to these demands by creating corporate performance teams of differing sizes, shapes, and functions, but whose roles generally involved the co-ordination, development and reporting of assessment expectations. Academic critiques of these regimes are readily found (e.g. Andrews et al., 2005; Boyne and Enticott, 2004; Broadbent, 2003; Freer, 2002; Game, 2006; Rashman and Radnor, 2005; Wilson, 2004b), and much of this debate considered whether the regimes actually improved performance or not. We may ask a similar question about the corporate performance teams: did their development increase the capacity and capability of authorities to improve, or merely to meet the expectations of assessment? Clearly, the truth will lie somewhere between these two points, but participants from corporate performance teams tended to talk about the difference between the policing, performance role (holding services to account) played by performance teams, and the supporting, transformation role (helping services to improve) played by change, improvement, or transformation teams.

Service department participants were also often less positive about CPA and CAA experiences, and this spoke directly to one of the tensions around performance management: the relationship between services and the corporate centre (section 4.2.2, finding: OP2). At the heart of this tension is the same debate around whether these regimes help or hinder improvement; this thesis does not attempt to answer this question. But the weight of these regimes served to challenge the relationship between the corporate centre and services around primacy, and this relationship remains difficult in the post-2010 environment, exacerbated by the demands of austerity and challenges around imposing cuts.

Responses were not wholly negative, and one of the most significant, common responses was the notion of being 'master of one's own destiny', that is, national policy was more directive and perhaps coercive during the Labour administrations, as deployed through the measurement of certain services through BVPIs (recalling the old adage that 'what gets measured, gets done'), the setting of direct agreements for

performance ‘stretch’ through LPSAs and LAAs, and the comparative pressures provided by league tables of PIs and corporate and service inspection results.

Whilst the rhetoric of assessment regime policy was about local determinism and local control (Cabinet Office, 1999; DCLG, 2006, 2008), the reality of these instruments may instead have been to create a strongly centralised system of control, rather than one of improvement (Broadbent, 2003; Davis, 2011; McLean et al., 2007). Yet despite these concerns, the regime was perceived to have at least some value, and as one participant put it:

But I genuinely believe that some of that stuff that Labour put in place was good stuff. And I think just throwing it all out did everyone a disservice, actually. M4 SERVICE

The whole-scale abandonment of external assessments of corporate (i.e. whole council) performance has left a void in three areas: councils understanding their own performance, services being able to identify benchmarking and learning opportunities, and the ability to use external referents to direct priorities and to challenge the newly-found ‘freedom’ to deliver cuts to services wherever elected members wished.

This increased ‘politicization’ of performance management is one of the key findings. Freedom from central government diktat has allowed politicians and officers to develop more locally determined priorities, often articulated through pledges and manifesto commitments (as detailed in section 4.2.1). Whilst this freedom has felt widely welcomed, it has brought with it the responsibility for making the cuts required to meet the savings imposed by central government (section 5.2.1). Undoubtedly, this freedom, the freedom to decide where cuts must fall, has been less welcomed by participants.

The challenges associated with financial austerity in local government have broken the statutory expectation contained within the *Best Value* duty to ‘secure continuous improvement’ – here termed ‘the death of improvement’, another key finding of this research. Some services are being scaled back via a ‘managed decline’, as financial pressures drive authorities to focus on statutory duties such as education or social care.

Changes to how authorities implement performance management are thus driven by two elements: firstly, the removal of statutory instruments of performance, which also

introduced an increasing, overtly political element to performance, and secondly the significant reductions in local authority budgets, which have required an increasing focus on change, transformation, and improvement, rather than performance management. This research proposes some new ideas around how a less unified, but more coherent, PMF might operate.

Integrating both points above allows us to question how we allow accountability to emerge. CPA and CAA drove authorities towards accountability for achievement within the standards set by the performance regimes, publicly enacted through highly visible star ratings and published league tables ranking authorities against each other. The dismantling of that performance apparatus is raising new questions around accountability – what has been described here as the move from managing austerity to governing austerity. Council officers have legal and professional obligations that are increasingly complex and difficult to deliver. How are they to balance the needs of the many (i.e. universal service provision) with the needs of the few (targeted services)? Elected members are seeing the same divisions as they negotiate between ward member responsibilities, political imperatives, and the legal requirement to set a balanced budget.

Local government has a unique nature – it is democratic, universal, and charged at different times with policing, regulating, developing, and supporting communities and areas. It is also funded indirectly and directly by those communities. This gives a very different relationship with the recipients of those services, whether they are customer, citizen, service-user, resident, or business. Across all of these facets, value for money is an inherent part of the relationship.

CPA and CAA's focus on communities, partnerships, and networks, as outlined in section 2.9, has changed. Post-2010, an increasingly individualised relationship between local government and service users has taken precedence again, which risks focusing on individual service interactions to the detriment of the wider, social benefits of local government as an agent for public goods.

This is a key flaw of NPM: the focus on efficiency and privileging of consumerist perspectives. New Public Governance provides a welcome challenge to some of these weaknesses, but it, too, risks focusing on the service interaction to the exclusion of systemic benefit. Recent work (e.g. Osborne et al., 2016) has begun to address this,

but this thesis argues that we are entering the phase of the personalization orientation, where the expectation is of the ‘entrepreneurial civil servant’ (section 2.9.1).

The removal of the CPA and CAA assessment regimes has altered the value basis behind public sector reforms. The language of ‘reaching out’ and building ‘prosperous communities’ has been replaced with a more hostile and adversarial viewpoint based around individuals. The foreword to the *Open Public Services White Paper* talks of publishing data on public services as the only way to “wrest power out of the hands of highly paid officials and give it back to the people” (*Cabinet Office, 2011, p.5*).

One conclusion arising from the research is that understanding the values that underpin reforms is essential to understanding the reforms themselves. This thesis has argued for a more nuanced perspective to be taken that examines the values behind each of the lenses used to examine reforms and that a synthesical approach should be used. PA, NPM, NPG and PV should not be seen as paradigms in the sense described by Kuhn (1970), who challenged the established notion that scientific knowledge advances incrementally through building on previous scholarship, arguing that shifts in knowledge or breakthroughs create new paradigms of knowledge. Neither, we would argue, should these be seen as ‘epistemic’ discourses of knowledge (Danaher et al., 2000; Foucault, 2012; Foucault and Rabinow, 1984). Both concepts reject the idea of moving towards a single ‘truth’. Instead, it is argued, these perspectives co-exist at different places within authorities and at different times. For some services, such as, say, leisure centres, a straightforwardly NPM perspective is dominant. These facilities deliver relatively straightforward services in a ‘customer’ mode. They must compete to win and retain customers who operate in an environment of free choice – private and independent sector competition is readily found, and nobody is forced to go to a gym or swimming pool. Yet even with leisure, local authorities can see these types of services as resources to achieve wider public health goals, as outlined by Castle Gate’s public health lead, C6. Other services have captive audiences, such as highways maintenance, where no alternative provision exists, and whose use is virtually unavoidable; these are clearly public goods, and as such should be managed to achieve the widest public value for money. This thesis argues that the active service consumption of highways is palpably different to that of, say, benefits applications or social care, and thus different values and perspectives will drive them. No single lens provides a full picture – a point made elsewhere

(Radnor et al., 2016), but perhaps underexplored when considering the range of council services.

Perhaps one of the notable legacies of CPA and CAA can be seen in the continued focus on achieving long-term outcomes by most of the case studies. This discussion featured strongly in responses around renewing performance management frameworks and the desire to develop outcome-based budgeting, although as explored in the public value for money model outlined in section 7.3.4, managing at the outcome level is conceptually challenging, and doubly so in the climate of austerity. There are tensions between managing a long-term outcome, compared to an output measure or input measure.

New Labour's stated focus on tackling deprivation was unpopular with more affluent authorities and the Conservative politicians who represented them, as well as undermining political ambitions for a smaller state. This party political, doctrinal hostility may have been a significant motivation for the removal of CPA and CAA (Walker, 2011), and certainly CAA did not have the chance to be implemented fully. The intentions behind New Labour's assessment regimes appear to have been to reinforce a wider sense of improving (public) value at the local level, even though this was delivered through a contradictory framework of tight central control (Leach, 2010). Such contradictions continue to influence the post-2010 context: more control at the local level, but less guidance from the centre; fewer inspections, but less feedback; more freedom to operate, but less money and thus greater need to cut services.

Inevitably, it is difficult to ascribe a legacy to programmes such as CPA or CAA with any definitive sense of causality. Participants were not asked what local government was like pre-1997, although the academic literature gives some clear indications, and the research took place some five years after the removal of the CPA and CAA framework. Despite this, the research attempted to explore how, with those five years of reflection, local authorities perceived the assessment regimes implemented by the Blair and Brown administrations and their current positions; this unavoidably invokes comparisons with the current policy context for local government and the previous arrangements. Here the significant changes: austerity, deregulation, and their impact on organizations and staff have all sharpened the focus on the need to manage and improve performance.

It is in this domain that we may observe the legacy of the New Labour approaches to performance management and service improvement. The entire *Best Value* apparatus aimed to instigate a culture of performance management across public services. This goal, however well-intentioned, demonstrated a continuation of NPM principles from the previous Major and Thatcher administrations; as some contend (i.e. Bouckaert and Halligan, 2007; Ferlie et al., 1996), performance management can be read as a metaphor for NPM itself. Major's administration had appeared to accept, at least partially, the limitations of such principles through the refocusing from customers to citizens. The Blair administrations embarked on a crusade to 'modernize' central and local government, through a structured programme of organizational, performance, and democratic renewal (Downe and Martin, 2006; Massey and Pyper, 2005; OECD, 2004).

CPA and CAA may have been 'beasts' or 'machines' that needed feeding, in terms of the resources needed to meet reporting and inspection requirements, but this research concludes that the practices inculcated by these regimes required authorities to develop resource capacity and staff capability to develop and run performance management frameworks that not only met the statutory requirements, but in many cases adapted these frameworks to include local performance priorities and measures. BVPIs may have initially covered an extensive range, but the data that these PIs made available could be used by local authorities to build evidential cases for action or decision-making, and hence support evidence-based planning and action, as well as 'evidence-based policy', which was a key term during the Blair and Brown administrations (Cabinet Office, 1999).

CPA may also have simply been a "managerial tool applied to a political environment" (Leach, 2010, p.451) and thus, as Leach goes on to argue, may have depoliticised local authority performance; this may have been inadvertent, as the rhetoric of local determinism was strongly written into the policy and guidance, as has been argued earlier. A further complication is that the assessments may have been inadequately constructed to take account of circumstances beyond local policy-maker control, such as deprivation, or central government grant formulae, as some have argued (i.e. Andrews, 2004; Andrews et al., 2005).

Yet the positive features associated with CPA and CAA – the clear guidance, the structure, the focus on embedding improvement across the organization – suggest that the regime may have helped to develop local authority capacity and capability to improve (Ashworth et al., 2010a), particularly the whole authority approach (Martin, 2011). Participants felt these skills and competencies were still present, although concerns were also expressed about the loss of experienced staff (section 4.2.3).

This thesis contends that to better understand CPA, and its successor CAA, it is important to be able to unpick the values behind the mechanisms, and the reality of the practices as compared to the rhetoric of their presentation. Whilst accepting the resource burden generated by CPA and CAA, 26 of the 35 interview participants felt that the assessment regimes had contained some positive aspects. Most of those also stated that the removal of the regime was not wholly positive in that to some extent it reduced authorities' ability to:

- identify areas of poor performance
- compare performance with other authorities
- provide a legitimising rationale for protecting key services from cuts (i.e. those that were high-performing compared nationally or locally, or were critical to achieving high scores in CPA or CAA assessments)
- 'force' services to participate in performance management activities and thus engage corporately
- Provide an overview of whole council performance for internal debate or public performance discourse (what has been termed here the 'performance of performance')

Given the nature of this research as described in Chapter 3, these views are suggestive, rather than generalizable, although it would seem a logical supposition that many of these perspectives would be replicable with further study.

Finally, this research – like most – perhaps risks raising as many questions as it answers. The Best Value duty remains in force, yet authorities are evidently unable to meet this statutory requirement. The full scale of local authority cuts is perhaps only just being felt, as austerity has driven authorities to find inefficiencies and to cut or scale back services that might have been politically unpalatable before – so-called 'sacred cows' – and the mechanisms through which authorities will communicate, consult, and engage residents, businesses, and other stakeholders are still emerging.

2010 onwards has been notable for a lack of consistent policy towards local government beyond austerity and a rhetorical attempt to “wrest power out of the hands of highly-paid officials” – perhaps an early pre-cursor to ‘take back control’. This may have been a deliberate strategy.

Perhaps, then, another question that should be asked is: ‘What was the impact of removing Best Value as a regime whilst implementing significant budget cuts for local government?’ Yet another might be: ‘Are centrally-imposed performance frameworks an appropriate method for stimulating improvement in the quality of public services?’ And a third, more pragmatic, question is: ‘How can we best support local authorities to cope through austerity and ensure that wider public value is not harmed?’ This research cannot answer these questions, but hopes that raising them might begin the process of arriving at an answer in the future.

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Appendices:

Appendix i. Participant information sheet



Understanding the legacy of public management performance and service improvement reform in English local government

Adult Participant Information Sheet

Main investigator: Russ Glennon, PhD student, School of Business and Economics, Loughborough University, Leics. LE11 3TU. Contact tel: 07799 34 11 81

Project supervisors: Prof Zoe Radnor, Dr Nicola Bateman, School of Business and Economics, Loughborough University, Leics. LE11 3TU. Contact tel: 01509 228275

Purpose of the study

This research aims to explore how English local authorities currently approach performance and service improvement.

Most of the mandatory performance reporting arrangements in place over the last twenty or so years have been removed. This research seeks to examine what local authorities are now doing, and how they approach the management of improvement. The research will not be making a judgement on how well you or your local authority delivers services or performs, but is instead interested in how you approach the management of performance and service improvement. The research will be based on a series of interviews that will consider what approaches you use to manage performance. The result of the study will hopefully be a model that helps understand how performance and service improvement are managed in diverse local authorities.

Researcher profiles

This study is part of a research project supported by Loughborough University. It is being led by Russ Glennon, a PhD researcher at Loughborough University's School of Business and Economics. Russ is a former local government officer, with considerable experience in policy and improvement across several large councils. The research is being supervised by Professor Zoe Radnor and Dr Nicola Bateman.

Zoe holds a Chair of Service Operations Management at Loughborough School of Business and Economics. Her area of interest is in performance and process improvement and, service management in public sector organizations.

<http://www.lboro.ac.uk/departments/sbe/staff/profiles/radnorzoe/radnor-professor-zoe.html>

Nicola Bateman is a Senior Lecturer in Operations Management. Her main research interests are performance measures and their use in visual management.

<http://www.lboro.ac.uk/departments/sbe/staff/profiles/batemannicola/bateman-nicola-.html>

This research forms the core part of Russ's PhD and will be used to develop a model to help better understand how local authorities are responding to the need to improve and manage their services.

What will you be asked to do?

You will be asked to take part in either a focus group or a 1-2-1 interview. Russ Glennon will conduct all interviews and focus groups. Focus groups will be made up of a range of staff working in corporate and service department improvement roles. Both the interviews and the focus groups will have a core set of questions, and additional questions may be asked, based on what emerges from the discussion. Interviews will take at your site, in a room that is convenient for you. Interviews will last around an hour, and focus groups around two hours.

What personal information will be required?

You will be asked about your views on how your organization views and approaches service and performance management. You will not be asked to make judgements on how well you, your peers, management or the council performs, and the interview will not evaluate your performance. Your comments will be kept confidential, and you will have the opportunity to review what you have said before it is used in the research.

Once I take part, can I change my mind?

Yes. After you have read this information and asked any questions, we will ask you to complete an Informed Consent Form. However if at any time, before, during or after the sessions you wish to withdraw from the study, please just contact the main investigator, Russ Glennon. You can withdraw at any time, for any reason and you will not be asked to explain your reasons. Please note, however, that after 28/02/2016, the information you give will have been aggregated and it will not be possible to remove it.

Will my comments be kept confidential?

Yes. Interviews and focus groups will be digitally recorded, and you will get to see the transcript of the conversation before any data is used. You will be able to remove anything that you think didn't come out as you intended it to. Your individual answers will not be shared, although an aggregated set of views will be shared with all participants from an organization. The transcripts and recordings will be kept securely, password protected, and in line with the university's data protection policies. Any published material, i.e. the final thesis or any academic papers, will not name organizations or attribute any comments to individuals. All data will be destroyed after ten years.

What will happen to the results of the study?

The results will be used to develop a model for better understanding how local authorities approach performance and service improvement. It is hoped that this could be used to help authorities develop or enhance improvement strategies. A short summary report will also be produced for all participating organisations.

What if I am not happy with how the research was conducted or if I have questions?

If you have any further questions, please contact Russ Glennon on r.j.glennon@lboro.ac.uk or on 07799 34 11 81.

If you are not happy with how the research was conducted, please contact Ms Jackie Green, the Secretary for the University's Ethics Approvals (Human Participants) Sub-Committee: Ms J Green, Research Office, Hazelrigg Building, Loughborough University, Epinal Way, Loughborough, LE11 3TU. Tel: 01509 222423. Email: J.A.Green@lboro.ac.uk

The University also has a policy relating to Research Misconduct and Whistle Blowing which is available online at

[http://www.lboro.ac.uk/admin/committees/ethical/Whistleblowing\(2\).htm](http://www.lboro.ac.uk/admin/committees/ethical/Whistleblowing(2).htm).

Appendix ii. Letter to potential participating organizations

NAME

ADDRESS

DATE

Dear NAME

My name is Russ Glennon, and I am a PhD researcher at the Centre for Service Management in the School of Business and Economics at Loughborough University. I am also a former head of performance and policy in local government, with over a decade's service in senior roles.

I am carrying out research into approaches to performance and service improvement within English local authorities. I am interested in how authorities are using performance and service improvement methods in the current climate of significant austerity and reduced statutory requirements for corporate performance reporting.

I would like your permission to come to ORGANIZATION and interview a small number of staff, as well as run a focus group.

I am not looking to make any judgements on how well your authority is doing, nor whether you are using the 'right' methods etc. Every local authority has their own approach, which suits their local context. Therefore, this is what is known as exploratory research, where I am simply listening to what people say about their own approach, and not evaluating them. I have included a brief summary of my research.

Naturally, participation is entirely voluntary, and I am held to a strict ethical code that will ensure anonymity of your organisation and any comments. Individuals will have final say over their data, and I am happy to feed back views to you or a management team if you would find that useful.

I hope that you are able to participate, as my intention is to carry out research that will help local authorities develop their approaches to performance and service improvement. I am very committed to the support and development of local government.

I will phone your office within the next three weeks to follow up this letter, and I am happy to answer any questions then, or before if you wish. You can contact me on 07799 34 11 81 or r.j.glennon@lboro.ac.uk. If there is someone else you would prefer me to speak to at «Authority_short_name», then please let me know and I will contact them.

Yours sincerely,

Russ Glennon

Appendix iii. Informed consent form



Understanding the legacy of public management performance and service improvement reform in English local government

INFORMED CONSENT FORM

(To be completed after Participant Information Sheet has been read)

The purpose and details of this study have been explained to me. I understand that this study is designed to further knowledge and that all procedures have been approved by the Loughborough University Ethics Approvals (Human Participants) Sub-Committee. Yes ☐ No ☐

I have read and understood the information sheet and this consent form. Yes ☐ No ☐

I have had an opportunity to ask questions about my participation. Yes ☐ No ☐

I understand that I am under no obligation to take part in the study. Yes ☐ No ☐

I understand that I can withdraw from this study at any stage, for any reason, and that I do not need to explain my reasons for withdrawing. I am aware that after 28/02/2016 my information will have been combined with other sources and will not be disaggregated after this date. Yes ☐ No ☐

I understand that all the information I provide will be treated in strict confidence and will be kept anonymous and confidential to the researchers unless (under the statutory obligations of the agencies which the researchers are working with), it is judged that confidentiality will have to be breached for the safety of the participant or others. Yes ☐ No ☐

I agree to participate in this study. Yes ☐ No ☐

Your name _____

Your signature _____

Signature of investigator _____

Date _____

Appendix iv. Flyer used to communicate research



Centre for Service Management

Russ Glennon

PhD research: Seven dimensions of reform in English local authorities

What is my research about?

I am interested in how local authorities approach performance management and improvement, particularly in the current context of significant austerity.

The 1997-2010 New Labour administrations introduced a large number of corporate performance management, improvement and assessment regimes (e.g. Best Value, LPSA, LAA, CPA/CAA, NIS etc.), which had a big impact on authority behaviours and structures. I am interested in what the legacy of those arrangements is, given that the coalition government of 2010-2015 removed a great deal of these requirements, and that the current Conservative government has yet to make clear if anything will replace them. From this current state, which previous approaches have been retained by local authorities, and why?

The model:

Academics have tended to emphasise particular perspectives when analysing reforms to local government, including that address performance and service improvement. In addition, we recognise that a reform that mainly focuses on one aspect, e.g. the use of a tool, drives changes in other parts of the organisation.

My research has identified seven primary dimensions of change that cover reforms of the last thirty or so years, and I now want to explore these dimensions with local authority case studies.



What do I hope to find?

I want to examine the relationships between the dimensions and see how local authorities sustain momentum in their improvement and performance journeys. I hope to find some connections and patterns that can be tested more widely to help local authorities conceptualise and deliver performance improvement programmes. We know that sector has made huge progress over the years, yet many programmes still fail. I think that the relationship between academics and practitioners can be further developed by using a range of theoretical tools on practical case situations, and believe that my research will make a contribution to our understanding of the culture of improvement. I am not evaluating local authority performance.

Who am I?

I am a PhD researcher at the School of Business and Economics at Loughborough University and a former local government senior officer, with over a decade's experience in senior policy, improvement and performance roles. I have been responsible for creating and operating performance management frameworks in a range of local authorities, as well as leading LA engagement with Audit Commission inspections.

You can contact me on 07799 34 11 81 or r.j.glennon@lboro.ac.uk

<http://www.lboro.ac.uk/departments/sbe/research/centres/csm/phdstudents/>

Appendix v. Interview questions

- **Introductions**
- **Explain the project**
- **Ethical consent**

Interview questions

- Tell me a little bit about your role in the organisation, and your background.
- How would you describe your authority's approach to performance and service management?
- Since 2010, many of the statutory performance mechanisms have been removed. What impact has this had on how you approach performance and service improvement?
- To whom are you accountable? What does that look like?
- What are the most important things when managing performance and improvement within the organization?
- How do you manage improvement across the organization and how do you maintain momentum and focus?
- What are the key tools you use? (How were these introduced? How have they developed?)
- What's changed over the last five years?
- What do you think are the main challenges coming up with regard to how you manage performance and improvement over the next couple of years?
- Is there anything else you'd like to add about how the authority handles things?

Pick-ups:

Improvement culture? What evidence can they advance for this – story telling or empirical description of what it should look like e.g. normative?

What democracy / governance changes have taken place?

Appendix vi. Focus group questions

- **Introductions**
- **Explain the project and purpose of focus group (conversation between them)**
- **Ethical consent**

Focus Group questions:

- How would you describe your authority's approach to performance and service management? What does it mean to each of you?
- What does an improvement culture look like to you?
- Who leads improvement, and who should lead it?
- How do you make improvement sustainable?
- What skills do you need?
- How have things changed over the last five years or so?

(What one thing would you most like to get stuck into?)

(If you had, say, £50k, what skill would you most like to develop for you and which one for one of your service managers?)

Pick-ups:

What sort of culture, skills?

Are there issues / barriers to democracy / governance, and accountability?

Are people listened to?

Are they just 'feeding the machine'?

How much has changed?

Appendix vii. Samples of transcript and coding

Key to colours on transcripts:

- Green text and yellow highlighting: initial sift.
- Purple text and orange highlighting: second and third sift
- Turquoise writing: classification into final codes

We administer housing Benefits and I used to be in charge of that maybe ten years ago, and the goal was to be the best council in the country, you know, if you submit a benefit claim to [REDACTED] you'll get it analysed and assessed five minutes before you've actually delivered it and all that sort ... And our goals were as, obviously not as crazy as that, but they really were you know ...

ambitions for residents
Ambitious, yeah. *set by officers historically*

managed decline
Our chief officers would set targets that were based on the upper quartile and why should [REDACTED] residents you know be any worse off than anywhere else in the country and all this sort of stuff, in terms of the support they get. So that was the starting point. And I think some level of decline, relative decline, from that position is acceptable really, I think that's what, you know, far be it for me to apologise for this Government, but what they've said since the recession and the crash and everything else is, look, we can't afford for everybody to be gold-plated and you're getting too much money and do you know what your people, your residents don't really need their Benefit claim assessed in ten days, thirty days is probably quickly enough. So you're managing down from ten to thirty. My problem comes when you're managing, when thirty's unaffordable and you're saying, well actually it's going to take two months.

min. acceptable levels
Yeah.

inability to sustain services / improve perf.

driven by austerity

PM1

3

[REDACTED] Okay, I think very much as you said in your introduction, when I came in, we sort of inherited the legacy of the previous government and I understand why Tony Blair and others went down that line of putting lots of performance indicators in. But it became, like it always does, a tick box exercise and the process was the master and the performance was the servant and we recognised that. We have a thing, which you've probably seen, called the IPMR, Integrated Performance Management Report, which I've been part of slimming down from the statutory bits. We've been trying to make it more relevant, but we're also trying to improve the use of that format.

renewal of PMF
PMF development starting with stat indicators
more local flavor.

- dereg.

PM2?

6

are tied by procurement rules ...

Yeah, yeah.

... or a procurement office that are risk averse, then in some ways you're already stifling some of that innovation and some of those sort of more community focused developments that you'd want to push forward.

Mm mm.

So you're back to looking at the whole system then, aren't you?

Yeah, so is a sort of, is a systems approach something that's featuring in your thinking in terms of reviewing the system, yeah?

It is, we've got, I mean I've commissioned an external organisation to come in, in fact they're next door, they're just finishing off their piece of work, and they've looked at the whole system to actually ensure, because what's ... what's happened in the past, services or service area or elements of the pathway have been looked at in isolation.

Yeah.

Changes have been made and the appreciation ...

The knock-on ...?

Yeah, it's never been considered. So they're looking at the whole system for me.

Yeah.

10

procurement 'getting in the way' of innovative delivery

systemic view intelligence

systematisation of operational delivery

- service operationalisation

move to AF2 AF3

commissioning

performance of performance CPA/CAA →

mobility of indicators

link to perform. zones model

excessive focus on top level

I think performance management, we've got to a point where we've struck the good balance between feeling like you need to do a lot of performance management to be seen to be doing it and a lot of that has been helped by the change in regimes around performance management.

PM2

I think we've got a good balance now between that and having some high level indicators that at the strategic level tell us something about [redacted] and tell us something about our direction of travel. Having that at the top layer and then services having their management information, other indicators that we don't assess too much around at the strategic level, at the corporate level, but services look at, monitor, look at and have a responsibility to do that.

I think sometimes in the past there was too much information at the top level and maybe not enough actual going on at the lower level. I think we've got to a good balance really, but

6

1. politicians
 2. electorate
- accountability
→ tensions.
- diff. forms of accountability

IAZ

For me, obviously, we're accountable to the politicians and the electorate, ultimately. So, obviously, with the experience and what you, that we gain with that. If you ask other colleagues, other staff, they're still trying to get their heads around that. We're trying, as part of the development that we do with staff, is try and take the personal views out of some of the things that they get involved in pieces of work.

Because of the work we do, we get involved a lot in the decisions that are taken. Staff will have their own views on whether it's right or wrong, indifferent and what have you. We have to bring them down to the level, you put forward your professional opinion, your advice etc when you're putting comments through etc. Ultimately you've got to detach yourself on whether that's a right or wrong decision.

It's the politicians that have to take that decision. They're the ones that, ultimately, are accountable to the electorate. As

Mm, but, and a more sort of narrative based approach really, telling the story about what's happened?

man's
of
achievement

Yeah, we do, I mean we still collect all the indicators but we do both now. We used to have what we called a magazine, a performance magazine, that was, did some case studies as well, did some ... kind of little updates about where different projects were up to but we've stopped doing that, we do more of a narrative report, just saying you know this is now on-line ...

new forms of perf
→ narrative

Yeah, yeah, these are some of the achievements ...

... and these are some of the achievements. And for SMT, also focusing some on the areas where we've, it's been reported that there are barriers, things aren't going as well as we thought they might, so ...

PM3

OK, so you're flagging concerns as well as ...

deficit model / flagging concerns

Flagging concerns and issues, yeah, and the exec board get both, SMT do tend to focus on the, you know, these are the issues, these are the issues which aren't performing well, although the information's all there for them, we can see it.

good quote to use

"Chief Executive, if anything goes wrong you're liable. ^{Counsel} DCC, you're liable. Legal Council, you're liable." You're all completely liable in an Ofsted failure and we expect heads to roll because that's what the public mood is, without recognising what does that do for recruitment, what does that do for leadership, what does that do for risk taking?

Russ Glennon: Retention, development.

assumption of continued improvement 'good times'

managing improvement
↑ rates
impact of finances

Risk taking, innovation, all of those sorts of things. I think in a world where we've got to be more transformation rather than less, you've got to take more risk but be aware of that risk.

Whereas CPA and CAA it was all about managing in good times. In managing in good times to a large extent any fool can do that because no one is switching off the money.

[pm] - death of improvement

So, from that perspective we've got a lot less cash, we're having to make much more risky decisions and on that basis you've got people having to be comfortable with taking that risk, while you've got a significant regulatory regime on the other side of the door, at some point coming in with its unannounced inspection.

What does that machine look like or feel like when, for you in service now?

It's still in its embryonic stage I would say.

Mm, sure.

And I think what we're now doing, I'd say if we just look for example, the peer review programme, there was a commitment from local authorities that everyone would contribute to the peer review programme ...

(laughs)

... both by providing staff and also by having peer reviews.

peer reviews but not everyone is cooperating

free-riding?

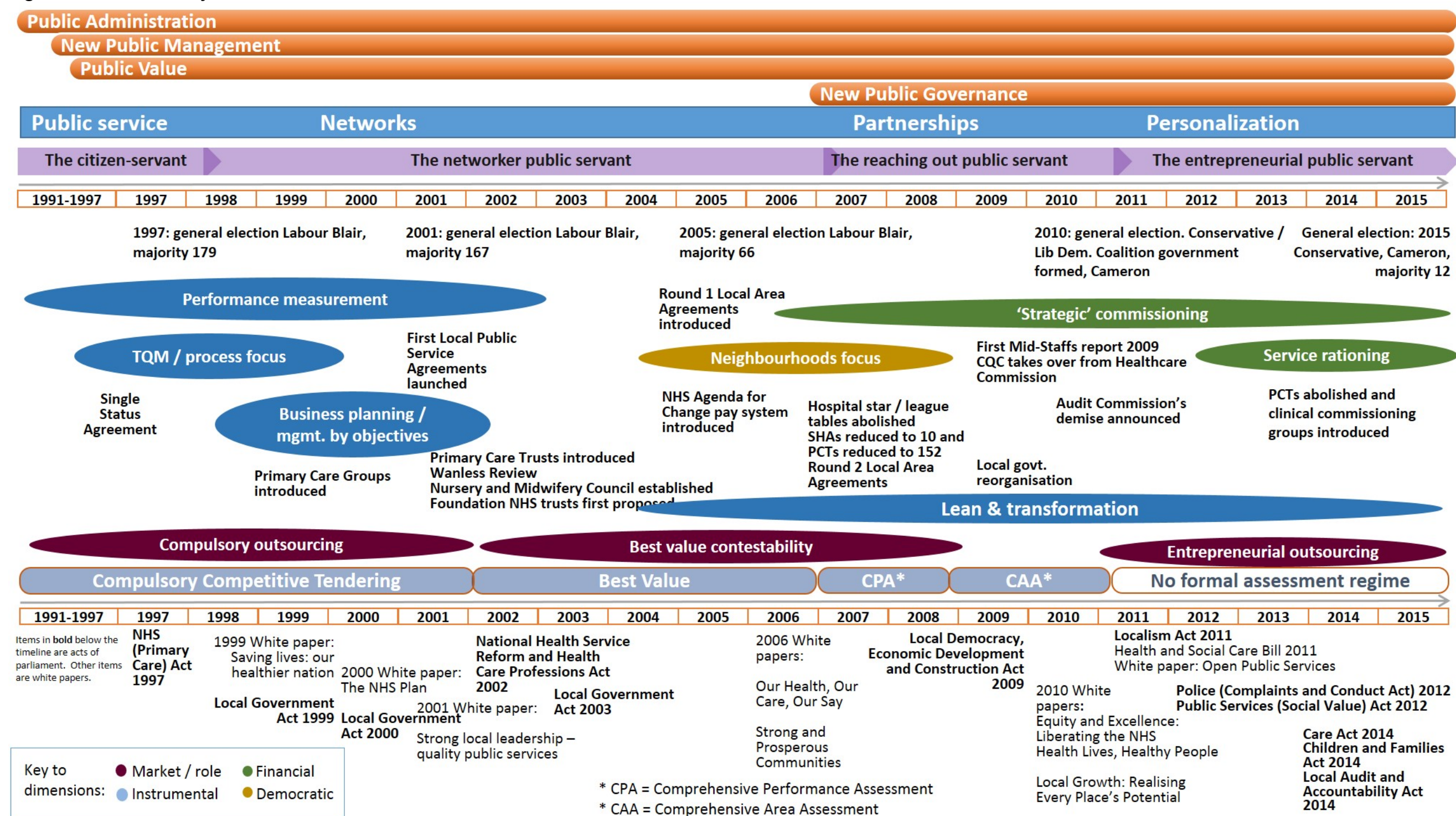
inspection & accountability

3

peer reviews
→ as opposed to external inspection

Appendix viii. Timeline analysis of reform efforts

Figure 8: Timeline analysis of reforms



Source: Author and (Ahmed and Cadenhead, 1998; Aucoin, 2010; Barnes and Radnor, 2008; Bevan and Hood, 2006a; Bovaird and Halachmi, 2001; Burgess and Radnor, 2013; Christensen and Laegreid, 2002, 2011; Dawson and Dargie, 2002; Driver, 2006, 2008; Dunleavy and Hood, 1994; Ferlie et al., 1996; Ferlie et al., 2005; Hood, 1983, 1995; Hood, 2002; Lupton et al., 2013; McLaughlin et al., 2002; OECD, 2010; Osborne, 2006; Osborne and McLaughlin, 2002; Radnor and Walley, 2008; Rashman and Radnor, 2005; Stoker, 1997, 1999b, 2002, 2003; Taylor-Gooby and Stoker, 2011; Wilson and Hinton, 1993)

Appendix ix. Interview coding analysis sheet

Table 28: Interview coding analysis sheet

Qualitative statements	Linkages	First order codes	Theoretical categories	Aggregate dimensions
<p>Statements about political ambition expressed via goals, pledges etc. (not always using language of objectives)</p> <p>Issues regarding the resource implications of political pledges (not always either assessed or understood)</p> <p>Move away from national priorities (e.g. CPA / CAA, PSA etc.) and towards more local interpretation e.g. 'master of own destiny'</p> <p>Outcomes, outputs, inputs, etc. – political accountability</p> <p>Tighter control of performance data – kept to executive and scrutiny sometimes side-lined</p> <p>Capacity to deal with doorstep / mailbag / postbox / mailbox issues (i.e. lack of resources, and potential conflict between established priorities and case-based complaints)</p>	Accountability / performance	Politicization of performance (OP1)	(Beech, 2008; Gamble, 2006; Leach, 2010; Svava, 2001; Svava, 2008)	Organizational & political challenges
<p>Statements about control of performance mechanisms</p> <p>Struggle for corporate services to show they add value (negotiated tensions between political elite, senior departmental officers and senior corporate management 'us and them')</p> <p>Who controls the 'performance agenda' and resources?</p> <p>Collegiality, role, and identity of corporate services (recreating new roles more focused on more supportive roles)</p> <p>Differential performance levels – i.e. 'good' performers (via external inspection such as Ofsted or CQC) pulling away from corporate teams</p> <p>Statements about use of community and voluntary sector to fill in</p> <p>Statements about working across local authority boundaries</p> <p>Need to work in partnership (linked to commissioning)</p> <p>Academy schools forcing changes to modes of interaction</p> <p>Whole council facing budget challenges, thus moving away from classical NPM business unit approach (is this actually not moving away from business unit for managed decline services)</p> <p>Significant example of integration in health and social care (this is likely to be identifiable and needs careful handling)</p> <p>Role shifting of corporate team to function more as internal consultants supporting clients (still examples of corporate performance analysis and importance of this)</p> <p>Lots of talk of centralising performance teams – tensions with depts. About level of expertise in central performance staff</p>	link to external inspections	Corporate, departmental, and external relationships (OP2)	(Andrews and Boyne, 2011; Ashworth et al., 2010a; Boyne, 2010)	
<p>Loss of 'competent middle core' of staff through EVR etc.</p> <p>Everyone reporting significantly reduced workforce</p> <p>'brain drain', especially in areas where people can move outside local government and into the private sector / non-local authority roles</p> <p>The need to work differently, which may have lots of skills requirements</p> <p>Impact of continued cycles of redundancy</p> <p>Reliance on graduate trainee etc. to deliver</p> <p>Reduction in corporate asset base leading to more 'flexible' working, more community based etc.</p>		Staffing levels, and the loss of individual expertise (OP3)	(Gould-Williams, 2011)	

Qualitative statements	Linkages	First order codes	Theoretical categories	Aggregate dimensions
Different skills needed to deliver 'transformation' and to manage cuts agenda				Performance management frameworks
Performance management used to equate to improvement – now about “delivering the unthinkable” Funding attached to improvement has now gone Assumptions of continuous improvement now invalid 'improvement' associated with cost saving Managed decline of street scene / environmental services etc. Reduced teams making it hard to analyse services' data effectively – capacity question	link to lean use in local gov TINA – no more incremental improvement	The 'death of improvement' (PM1)	(Entwistle and Laffin, 2005) (Ashworth et al., 2010b; Broadbent, 2003; Entwistle and Martin, 2005; Talbot, 2010)	
Need to outline new outcomes-based framework – support for this despite there being less resource available Need to include political pledges / ambitions (links to political control) Problems with lagging performance information reporting More discursive political conversations Use of data heavy operational performance management outside of corporate regimes etc. Differing interpretations of performance within the same organization Different models of performance: The 'deficit' model (highlighting problems) exception reporting (often punitive) The political model The 'opportunity' model – where can we make changes – linked to commissioning sometimes The 'accountability' model i.e. how services are held to account for what they deliver (against their budgets) The 'concern' model – flagging issues for consideration (but often CYOA?) The 'control' model – making sure things happen The 'narrative' or 'telling the story' model - reputation management (political?) The 'narrative' or 'telling the story' model - understanding the reasons, often focused on improvement The 'trust' model – delegating trust to services to allow them to deliver, using more individual performance targets	Politics and outcome management	Renewal of performance management frameworks (PM2)	(Moynihan, 2008) (Arnaboldi et al., 2015; Behn, 2003; Bititci et al., 2012; Bouckaert and Peters, 2002; Bourne et al., 2000; Bourne et al., 2003; Brignall and Modell, 2000; Neely, 2005; Radin, 2008; Radnor and McGuire, 2004; Rashman and Radnor, 2005)	
Statements about being able to measure different things Not all indicators are equal worth Getting people to let go of favoured measures Removal of statutory indicators allowing a more localised set of measures and significantly weakens sense of 'all indicators must show improvement', although some have suggested that this allows indicators that are not political priorities to drop off the radar Preference for benchmarking and peer reviews Postbag / doorstep / mailbox performance management Preference for sector-led improvement (in health and social care generally) Move away from pages of tables and towards more narrative forms, but also seeing more information kept internally, and reporting less public sharing of performance data - corporate reports still being produced, but less public presenting of this information Still a lot of expressed preferences for quantitative measurement – if it cannot be measured then it doesn't exist		Authentic performance management (PM3)	(Talbot, 2005) (Radin, 2006) (Radin, 2008) (Moynihan, 2008) (Moynihan, 2013) (de Lancer Jules, 2011; Dereli, 2011; Melnyk et al., 2014)	

Qualitative statements	Linkages	First order codes	Theoretical categories	Aggregate dimensions
<p>Statements about freeing up from burden of reporting</p> <p>Statements about authenticity of CPA / CAA as inspection (this varied between positive and negative statements)</p> <p>Now able to be master of own destiny, better reflect our own priorities</p> <p>Some reporting a reduction in burden of reporting from central teams</p> <p>There was comfort attached to being told what to do, allowed defence to political ambition</p> <p>Allowed people to take their 'eye off the ball'</p> <p>Castle Gate reporting that performance mgmt. (and no CPA etc.) didn't give any warning signs before negative inspection of children's and adults' social care</p> <p>Some reporting no significant reduction in burden of report for central teams</p> <p>Most reporting children's and adults' departments still having to produce significant amounts of data returns (especially Ofsted)</p> <p>Lack of comparable performance data means it is harder for members and officers to understand the relative performance of their services – recreation of benchmarking clubs, although significant challenges exist about their validity / usefulness</p>		Responses to deregulation (IA1)	(Martin, 2011; May, 2007)	Inspection and accountability
<p>Public accountability exercised through narrative / discursive mechanisms</p> <p>Public accountability through mechanisms such as armchair auditors to hold services to account</p> <p>Accountability to public,</p> <p>Legislated accountability through extant inspection regimes (Ofsted)</p> <p>Lack of regulated accountability means people stop doing things</p> <p>Peer accountability now more significant in authorities</p> <p>CPA / CAA - external presentation of scores etc. provided a level for accountability for reputation, which has now gone</p> <p>Local authorities retaining some level of accountability for school performance in academies, but losing many of the levers to influence / deliver change</p> <p>Increasing use of political groups / mixed officer and member groups for internal accountability</p> <p>Move away from pages of tables and towards more narrative forms, but also seeing more information kept internally, and reporting less public sharing of performance data</p>	<p>More narrative forms of performance for publics</p> <p>Politicisation</p>	Differing forms of accountability (IA2)	(Romzek, 2000) (Sinclair, 1995) (Greasley, 2007; Martin, 2011)	
<p>Reactions to external inspections – main focus was concern around reputational impact of negative inspections</p> <p>Managerial challenges around residual inspection regime</p> <p>Threat of Ofsted, but CQC not felt to be real challenge</p> <p>Social care and education – not feeling much of a change</p> <p>Focus on education via Ofsted would effectively facilitate cuts in Adults' social care</p> <p>Some positives to residual inspections, seen as part of accountability</p> <p>Social care moving towards greater emphasis on sector-led improvement (links to benchmarking) – filling the gaps left by CPA etc.??</p>	Accountability forms	Residual external inspections and peer or sector-led improvement (IA3)		
<p>'all about the cuts'</p> <p>Financial considerations outweighing all others – hugely repeated in almost every interview, even including elected members</p>		Dominance of austerity financial targets (AF1)		Austerity and finance

Qualitative statements	Linkages	First order codes	Theoretical categories	Aggregate dimensions
<p>Doing the best possible within tight financial envelope</p> <p>Having to consider stopping valued services because of inability to sustain them or other services over longer term</p> <p>Relationship between performance and finance is changing: no longer more money=better performance (although this may well not have been the reality, it was certainly a perception that this relationship was like this, or at least more like this in previous years)</p>	Continuous improvement versus transformation	Value for money in an age of austerity (AF2)	(McKevitt, 2015)	
<p>Statements about whether the 'right things have been cut' and considerations of difference between popular services and 'needed' services</p> <p>Value added by internal performance / change teams</p> <p>Significant number of experiences about outsourcing – leading to examples of in-sourcing of some big services</p> <p>Things put out to tender have not necessarily generated the savings required or delivered the benefits promised (two large contracts coming back in)</p> <p>The 'mutual model' i.e. spinning off services to standalone companies (with some expressed preference to do this from within the existing in house team)</p> <p>Comments about co-production (often set in context of budget savings) for low volume, high variability services such as adults' and children's services</p> <p>Moving people to lower cost channels</p> <p>Technological developments about integration of services</p> <p>For high volume, low complexity services – impetus is about moving to cheaper channels</p> <p>Gathering more qualitative data to understand user needs and interfaces</p> <p>Intelligence-led commissioning work</p> <p>Market / portal based approach to commissioning social care</p> <p>Developing more in house skills to access customer data (surveys, analysis, systemic integration between services etc.)</p> <p>Commissioning and the purchaser / provider split</p> <p>Engagement with communities / individuals / stakeholders re: service changes</p> <p>Moving back from delivering council to being commissioning (i.e. links to market place approach)</p>	Political ambitions	Commissioning and insourcing / outsourcing (AF3)	(Bovaird and Halachmi, 2001)	