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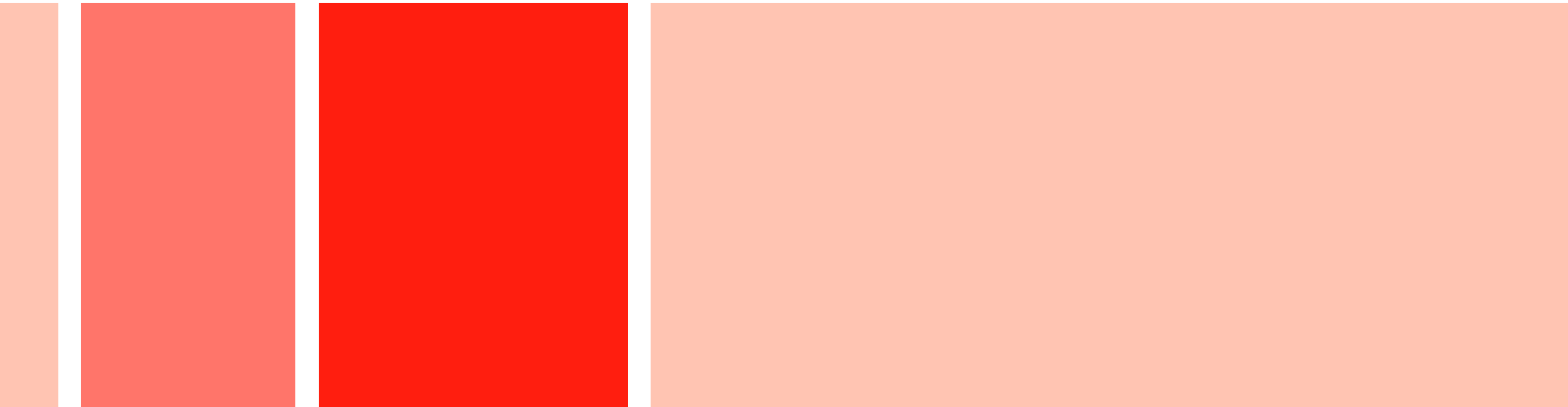
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# Learning to Improve: An Independent Assessment of the Welsh Government's Policies for Local Government, 2007-2011

## Final report: Part 2



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## Overview

1. In 2008, the Welsh Government commissioned Cardiff Business School to carry out an independent assessment of its policies for local government. The researchers were asked to examine: how local government policy is developed, communicated and implemented; whether national policies are helping or hindering local authorities in addressing the key challenges facing them; and what impacts and outcomes they are having in different localities and service settings. The research focuses on three themes at the heart of local government policy: collaboration, citizen engagement and the development of a partnership approach between the Welsh Government and its local authorities.
2. The first two stages of the research – involving an all Wales survey and case studies of Communities First, Local Service Boards, Schools Reorganisation: Powys and Transport Planning – was published in two interim reports which are available at the project website:  
<http://www.cf.ac.uk/carbs/research/groups/clrgr/research/public/learning.html>
3. This second part of the Learning to Improve: Final Report forms part of the final stage of the research which involved a repeat survey and further case studies of the Welsh Government representative at the Local Service Board, Schools Reorganisation: Ceredigion, the 2009 Local Government Measure and Collaboration in North Wales. The four case studies presented in this document complement the discussion elaborated in Part 1 of the Learning to Improve Report.
4. We acknowledge with gratitude the assistance of the local authorities and representatives of the WAO, WLGA and Welsh Government who agreed to participate in these case studies.

## Chapter 1. Selling the collaboration agenda in north wales

### Introduction

1. 1 Whether measured against the benchmarks of the current fiscal crisis, the demands of an increasingly diverse population or the record of international comparators, there is evidence of an emerging performance gap in the provision of Welsh local public services. A number of authoritative commentators (Pearson 2011; Simpson 2011; Thomas 2011) have suggested that this performance problem may be attributed to the small size of many Welsh local authorities. Operating below the minimum efficient scale, it is argued that Welsh local authorities are too small to deliver further improvement in certain strategic services.
  
1. 2 The Welsh Government has responded to this problem by encouraging local authorities to re-scale their activities voluntarily (Welsh Government 2011). By integrating particular functions across local authority boundaries it is hoped that regional collaborations will increase the scale of service delivery and in such a way improve services and reduce costs. But rather than formally and coercively re-organising local government into larger unitary authorities or recreating some kind of two tier arrangement, the Welsh Government has used relatively soft interventions – ministerial speeches, the compact, grant support – to encourage local authorities to enter into collaborative arrangements with their neighbouring authorities.
  
1. 3 On the basis of case study work in North Wales this note considers the effectiveness of the Welsh Government's voluntary approach to re-scaling. Following a brief description of theory and methods, we use data collected through a series of semi-structured interviews with key actors working on the collaboration agenda in North Wales to provide an assessment of the Welsh Government's voluntary approach to re-scaling.

## Theory & methods

- 1.4 In place of the usual questions suggested by orthodox evaluation studies, the Welsh Government's attempts to encourage collaboration with soft instruments, presents a challenge to evaluators. Without formal prescription it is not possible to study implementation in the traditional sense of the word. Both the levers pulled by the Welsh Government, and the collaborative activities initiated by local authorities, can prove difficult to pin down.
- 1.5 Accordingly, following Kotler and Zaltman (1971), this note considers the Welsh Government's collaboration agenda from the social marketing perspective. Social marketing is defined by Kotler et al. (2002, p. 394) as "the use of marketing principles and techniques to influence a target audience to voluntarily accept, reject, modify, or abandon a behavior for the benefit of individuals, groups, or society as a whole." Although the Welsh Government has not explicitly adopted this approach, social marketing suggests a line of inquiry well suited to the Welsh Government's reliance on voluntarism. More specifically we ask:

*How successfully has the Welsh Government sold the proposition of voluntary rescaling?*

- 1.6 According to Kotler and Zaltman (1971) the success of a social marketing campaign is dependent on the 4 Ps of product, place, price and promotion. On the basis of a single case study of the collaboration agenda in North Wales we use the four Ps to assess the Welsh Government's approach to rescaling.
- 1.7 The North Wales region – embracing Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham – was chosen as the site for this study simply because officials on our steering group perceived the inter-authority collaboration agenda to be more advanced – and to some extent rooted in more fertile soil – than some other parts of Wales. Although we talked broadly to our interviewees about the principles of the collaboration agenda, we focused specifically on two collaborations within our case study

– school improvement and high cost social care placements – which are currently at the forefront of developments in North Wales.

- 1.8 The school improvement agenda is being advanced by the establishment of a new regional school effectiveness and improvement service which will bring together support services across the six local authority areas. In place of the 72 staff currently working in these areas, the business case suggests that across the region 30 “system leaders” will have “the potential to ensure that decreasing resources are used to greater effect through efficiencies of scale” (North Wales Consortium 2012, p.11). The regional commissioning, procurement and monitoring hub – a partnership of the six local authorities and Betsi Cadwaladr University Health Board (BCUHB) – will employ 3.75 FTEs at a cost of £145k annually, to procure high cost low volume residential placements across North Wales. Financial modelling in the business case suggests benefits in the order of £1.1m to £2m over a 3 year period (Ellis et al 2012).
  
- 1.9 We researched our case study in three ways: first we interviewed 16 key actors working on particular collaboration projects; second we attended a member conference in Llandudno, third we analysed a number of documents relating to the two initiatives at the heart of our case study. We used data from these sources to explore the effectiveness of the Welsh Government’s rescaling campaign along the four lines of inquiry suggested by social marketing theory. While we focused particularly on school improvement and high cost placements, we did not in any sense seek to evaluate these initiatives, partly because they have only recently been given formal approval by the constituent authorities, but also because many of our respondents drew on wider experience of service rescaling from other areas including waste disposal, transport planning and back office or support services.

## **Product**

- 1.10 In this case, the product or proposition as Peattie and Peattie (2009) describe it, is one of collaborative or voluntary rescaling. Rescaling describes a process of bringing together the relatively small functions currently performed by individual local authorities

to deliver them on a greater scale at the regional or sub-regional level. This process promises to generate economies of scale and scope and in such a way improve services and reduce costs.

1. 11 Whereas rescaling is normally realised through a process of reorganisation or merger, the Welsh Government has suggested that this can be achieved through a series of voluntary agreements between contiguous local authorities. Voluntary re-scaling promises certain advantages over traditional approaches to reorganisation. First, the voluntary approach might deliver changes in scale at lower cost than formal reorganisation; second it might allow a bespoke approach which can deliver a different scale for each service; and third by giving stakeholders the opportunity to participate in the process, voluntary rescaling might win hearts and minds and so avoid the performance dip associated with formal reorganisation.
1. 12 Our interviewees responded largely positively to the rescaling proposition. With only one or two exceptions, respondents accepted that the functions under consideration have the potential to be significantly improved through rescaled delivery.
1. 13 Although our local government respondents focused mainly on the economies of scale which might result from shared service arrangements, non-local authority respondents considered the scope advantages – in terms of joined up service and streamlined governance – which might result from rationalisation.

### Economies of Scale . . .

"better for less ... this will improve standards, a single coherent service, system leaders with a consistent approach. Schools will see the benefit of a broader range of support and Welsh medium, there are schools at the moment who require that support but can't access it." (NW 9)

"It is the right thing to do, what we're doing – bringing together the six LAs with BCUHB, with education is the right thing to do – and that is something to keep you going. It is worth fighting for." (NW 13)

"I think we've got enough examples now that we wouldn't go back on, we've got a regional adoption service ... I don't think anyone would now go back and say we shouldn't have a regional adoption service, we've got an emergency duty team across three authorities, probably a fourth is going to join, these are not things that we are going to go back on. For specialist services, and where we have the same processes, it makes absolute sense." (NW 13)

"In social services you can't do everything yourself, you've got to have a mixed supply. You've got out of county placements which cost the earth. In some ways this is something the Welsh Government should have taken up, because what you have right across Wales are placements, mainly across the border, where the income generation and the employment is occurring and yet there could be a concerted effort to put some sort of centre of excellence of that nature in Wales . . . but they leave it with local authorities which as individual small authorities find it too difficult. So you've got to have some regional if not national setting for that issue." (NW 1)

"Across the region there are 60 FTEs engaged in that activity, the new region will have 30. Not all of that will be a saving because we also need to create some budget for specific commissioning ... We should end up with a really strong regional service that does what we are all trying to do individually" (NW 4)



... and scope

"Health is on a North Wales basis, Police are on a North Wales basis, Fire are, there's an ambulance region at the same level, Probation have got a region at the same level, CPS are on the same level, Yet there are six local authorities with six significant management teams. I know they've got sizeable organisations some of them, but doing business six times over is frustrating" (NW 5)

"As you get bigger everybody shouts that you lose localism, I don't think there is any evidence anywhere that that is the case, in fact if anything I think you do the opposite. You spend more time trying to secure things locally in order to counter the perception that things are going far away" (NW 6)

1. 14 Respondents were much more sceptical, however, that the rescaling project could or should be advanced voluntarily. Three distinct concerns are apparent in our data:
1. 15 First, almost everyone we talked to expressed some concern about the 'patchwork quilt' of governance arrangements emerging from the voluntary rescaling process. To date the Welsh Government has not given a clear steer on the way in which these collaborations should best be governed. Indeed local authorities have been encouraged to consider different models as part of their business planning. Nervousness about governance is in turn fed by three concerns:
  - that different arrangements adopted in different services and local authority areas will lead to compatibility and communication problems across services and areas;
  - that the benefits of scale will be lost in the recreation of regional but siloed bureaucracies;
  - that accountability back to the local level will inevitably be weakened.
1. 16 Second, elected members particularly, were suspicious of the direction of collaborative rescaling suspecting that the current proposals represented only the thin end of the wedge and that the Welsh Government's real agenda is to regionalise social services and education and therefore deprive local government of 80% of its budget. Members, egged on, according to some of our interviewees by some senior officers, are suspicious

of the Welsh Government's intentions and think that current limited proposals for collaboration are a Trojan Horse.

1. 17 Third, a number of respondents argued that the process of negotiating voluntary re-scaling will in the long run prove more expensive than formal reorganisation – a point we consider more thoroughly under the price heading.

1. 18 Taken together these three sets of concerns prompted some to disagree with the voluntary part of the product and call instead for an alternative approach based on formal reorganisation. Although we did not explore this issue in any depth, the advocates of reorganisation seemed to have in mind the creation of 2 or 3 unitary authorities in North Wales.

## 2.

### Rescale but perhaps another way?

"Will the governance model for the delivery of services in Wales be a complete Christmas tree of different decorations that are not in any way linked, so that when people say "switch on the lights" the whole thing is going to fuse because nothing is aligned" (NW8)

"You will have lots of different services with lots of different governance structures and it's going to be a mess . . . Rather than reducing bureaucracy you'll create a different type, with joint committees all over the place" (NW10)

"[members] really want to understand what North Wales will look like in five to ten years time. What services are going to be delivered at the regional level and what is going to be done sub-regionally. And the big question is what is left locally for councils to administer? (NW10)

1.19 In summary the rescaling product is largely uncontested. The vast majority of our respondents accept that the six local authorities are too small to deliver certain services and that rescaling promises significant gains both in terms reduced average cost and service improvement. There was much more doubt, however, that the rescaling agenda could or should be advanced through voluntary collaborations. Interviewees were unclear what the new regional governance would look like, and whether it would be fit for its purpose.

### Place

1.20 While there is a broad acceptance of the rescaling proposition – if not the voluntary process intended to deliver it – some respondents questioned whether the North Wales region provides the right place or scale for that endeavour.

1. 21 Certain aspects of the North Wales governing context were recognised as conducive to a single collaborative approach. Our respondents described the area as a well established entity, in which the six local authorities are bound together by their distance from Cardiff, coterminous health, police and fire authorities and perhaps less adversarial politics than some parts of Wales. In contrast to some other regions, our respondents did not regard North Wales as an artificial or imposed region in conflict with existing inter-authority collaborations.

#### Regional?

"The politics is different in North Wales. In South Wales it is very sharp, very political party aligned, very much driving the agenda. In North Wales it is more dispersed entity that is quietly moving along . . . In some ways you can see that it's possible to make more progress in North Wales than South Wales. The officers are trying to make progress but usually what happens in South Wales is that the officers try to make progress and you go into the arena and there is a great political reaction" (NW1)

"History, coastline, lateral transport, collective feeling of distance from Cardiff ... makes this a self defining region ... then if you think about size, none of us are big players in population terms ... So we feel quite dispersed. If you're not clustered around a big urban area you naturally connect more around boundaries. The politics, the fact we're all coalition councils, there's no really out there strong personal or political leadership ... people naturally align more easily. We are coterminous police, fire and health have exactly the same boundaries and you've got six authorities within those boundaries" (NW2)

"We've been fortunate on the whole with political leadership, we've managed to get our political leaders to be together now for quite a few years, and they've managed to forge a relationship. And

1. 22 But there are other challenges: the cultural and language divide between east and west, together with industrial and economic differences, inclined some of our interviewees to support an alternative place for the rescaling project focussed on two or three way sub-regional collaborations. Sub-regional collaborations could, they argued, run with the grain of cultural differences allowing the provision of bespoke services for very different populations. Advocates of the sub regional cause also referred to the accountability problems – typically represented by the experience of the regionally organised health and police services – which were taken to be intrinsic to any form of regional delivery. Finally, critics of regional rescaling called for a less coercive and more bespoke approach from the Welsh Government to the management of this agenda.

**Or sub regional?**

“North East Wales is different in character, in population, in terms of the economy ... North West Wales is more agricultural, tourism and public sector orientated. You question at times does one size fit all?” (NW 8)

“As a council we have got a Welsh administration . . . we have got to respect the council’s desire to be a Welsh administration. All of the collaborative work is skirting around that” (NW 8)

“The two things that divide us, strongly sometimes, are the West’s feeling about its fragile economy – Wrexham, Flintshire far bigger private sector presence – and the second one is language and culture” (NW 2)

“North Wales sees itself as an entity . . . but the further west you get the more Welsh you are – it is different, North West Wales – it’s that perception that the language is a language not that actually the language is their culture, but it is more than that, people think in Welsh, it is just very very different” (NW10)

1. 23 Perhaps in contrast to other parts of Wales, the place that is the North Wales region is largely accepted as an appropriate site for rescaling. While some argued for sub-regional arrangements – particularly to accommodate language and cultural differences – these calls could reflect perceptions that regionalisation sometimes amounts to an eastern English takeover. There is a particular onus on those arguing for, or managing, regional arrangements to prove they can deliver both appropriate services, and crucially, local accountability for the rural, Welsh speaking west as well as the industrial English speaking east. Clear tensions between the regionalisation and cultural distinctiveness agendas – focused inevitably on the language issue – are however likely to remain part and parcel of the collaboration agenda in North Wales.

## Promotion

1. 24 Although on the face of it The Compact (Welsh Government 2011) suggests that rescaling is to be achieved voluntarily, the Welsh Government has employed a wide range of instruments, short of legislation, to advance its rescaling agenda. The sticks and carrots include:
- contractual type agreements (the compact)
  - specific grants (in education, transport and waste)
  - reserve coercive powers (LG measure)
  - exhortation (in the form of Ministerial speeches, policy documents)
  - capacity building (through WLGA's regional structure)
1. 25 Indeed, taken together there are good reasons to question whether this is best described as a voluntary approach to rescaling at all. Certainly a number of our interviewees didn't buy that account. The North Wales region was perceived, by members particularly, as a 'one size fits all model' imposed by the Welsh Government. There is a disjuncture here, as in other policy areas, between the rhetoric of partnership rehearsed in The Compact and the reality as perceived by officers and members on the ground. Indeed in some areas – notably transport planning (as we discussed in an earlier discussion paper) – the Welsh Government has explicitly used legislative powers to rescale.
1. 26 That said, the two collaborations at the heart of this study – school improvement and social care commissioning – illustrate starkly different trajectories of change. Although emerging in the first instance from the collaborative work of chief education officers, the rescaling of the school improvement service has been strongly supported by the Welsh Government. While interviewees had a number of detailed criticisms of the conditions attached to its support, respondents largely welcomed the Welsh Government's involvement arguing, indeed, that it had not pushed the regionalisation proposition hard enough. There were explicit calls for direct legislative measures from those who regarded the painstaking negotiations and limping incrementalism of the voluntary approach as an unnecessary waste of time and money.

### Hands on?

"The Welsh Government should give direction and should actually legislate to get that common approach. To some extent they have opted out of giving that strong direction by saying over to you . . . it would be great if they legislated, it would make life easier" (NW 9)

"The compact wasn't perhaps as good as we thought it was going to be. Some of us had hoped it would be far more challenging in terms of really giving those key messages out that that's the way you've got to go . . . whereas it just feels a bit loose . . . I guess it's difficult because the WG are negotiating with the WLGA, I think there is a view that the WLGA are just about self preservation as well, if there's 22 there is a role for the WLGA, if there are 5 there isn't" (NW 10).

"I think what Leighton Andrews has helped to do is to say look this is no longer whether you do it or not, this is going to happen, it is either going to happen to you or you are going to do it yourself and we are going to support you. That has been helpful" (NW4).

1. 27 In other areas however – as exemplified by our social care commissioning case – respondents attributed their success more to the autonomy they enjoyed from Welsh Government than its active involvement. From this perspective progress in collaborative re-scaling requires the Welsh Government to step back, accept that not all initiatives will progress to fruition and allow local authorities to negotiate different arrangements on a piecemeal basis.
1. 28 In summary the Welsh Government's promotion of its product may be seen as effective in that the rescaling agenda has a very high profile, although not necessarily one recognised by members to the same degree as officers. The promotion is not however, the voluntary endeavour that it purports to be and ironically may be tight and loose in the wrong places. While in outline the Welsh Government has stressed the autonomy of local authorities to choose the most appropriate form of collaboration, there were claims that, both in its use of specific grants and its comments on business plans, it has adopted a much more hierarchical approach.



## Price

1. 29 The voluntary rescaling product comes at a price. Like formal reorganisation, meaningful rationalisation costs money both in terms of preparing option appraisals and business plans and then in changing business systems and organising attractive severance schemes. To its credit the Welsh Government has helped the rescaling project in school advisory services by providing resources for these ends. Indeed all of the initiatives we have considered benefitted from specific grants of one form or another.
  
1. 30 As Peattie and Peattie, (2009, p. 264) put it, however, the price or cost of 'changing behaviour' can be financial but it will also be felt in terms of time and effort in 'overcoming psychological barriers'. Certainly some elected members fear that regionalisation will inevitably lead to a reduction in the accountability of, and hence their influence on, these services. Costs like these are both more difficult to anticipate and measure. It is in the nature of a voluntary approach that the individual authorities in the region need to be persuaded to agree to each stage of integration. The cost of persuasion and negotiation intrinsic to a voluntary approach to rescaling are considerable. They are felt primarily in the workloads of senior managers and members but also in their distraction from other, no doubt, pressing issues.
  
1. 31 While almost everyone we talked to regarded the price of progress on this agenda as worthwhile, they pointed to the fact that all of this effort had secured only very small levels of integration and that not all attempts to collaborate will prove as fruitful as the two specific cases considered here. Indeed, respondents questioned whether it was feasible to deliver the regionalisation agenda in this way. The costs of an incremental and voluntary approach to rescaling would rapidly surmount those of a formal reorganisation.

### The costs of voluntarism

"Putting together the business case has really been an art form in producing something for numerous audiences. It has to say to the Welsh Government that we recognise the national drivers, then you've got the audience of local politicians and local requirements, and then you've got the schools you've got to work with" (NW 9)

"It's all about negotiation . . . Negotiation around everything and that takes an inordinate amount of time and effort and people get to a stage where they say sod it basically, it's too much like hard work" (NW10)

"It would be easier to reorganise, it would be easier for everyone – the resources, the time, the effort" (NW 9)

"progress is slow because you've got 6 authorities and 7 if health is involved, obviously with competing priorities ... they enter into it voluntarily ... it's when you try and do the work and sometimes get further down that you have the resistance and that's because people fear for their own positions" (NW 11).

"It's absolutely not a free lunch. When you think about what we've had to do with the hub . . . each scrutiny, each cabinet for outline business case stage, plus the full Board of Directors at BCU ... It was mind bogglingly complicated. Even now people have agreed slightly different things. One

1. 32 In summary then the price or cost of voluntary rescaling is considerable. Indeed we, like our respondents, question whether this approach will be cheaper than the formal alternative and may in the long run prove a more expensive way of delivering regional rescaling. The Welsh Government has, however, shown a readiness to put its money where its mouth is and support the development of these collaborative initiatives. There is some reason to think that rescaling delivered in this way may prove to be more effective more rapidly, precisely because of the effort invested in negotiation and persuasion. That is to say voluntary re-scaling may not exhibit the same dip in performance associated with traditional mergers. This would, if true, represent a

significant

cost

advantage.

## Conclusions and recommendations

1. 33 In many respects the two collaborations at the heart of this study – school improvement and high cost low volume placements – are very positive ones. In the world of collaboration the very concrete progress reported in these instances is both exceptional and commendable. It is testament to the high level of leadership and commitment shown by senior officers in the participating organisations. More important than the progress in terms of negotiating agreement, is the promise of significant service improvement. It is however too early to determine whether these collaborations will deliver on that promise.
1. 34 The two collaborations – and the other related initiatives in North Wales – do nonetheless flag up very important questions. While few doubt that rescaling of some form promises considerable gains in terms of efficiency and effectiveness, this case study suggests that there are significant difficulties with the Welsh Government's approach to rescaling. Two of these difficulties stem from a reliance on voluntarism while one, ironically, results from an excess of prescription.
1. 35 Predictably perhaps, the voluntary approach throws up two problems which are the almost inevitable consequences of this form of management. First and foremost, our case underlines the importance of additional negotiation costs incurred by voluntary rescaling. Voluntarism gives almost endless opportunities to those opposed to the process to delay and dilute progress. Although this approach might avoid a dip in performance, the need to secure the agreement of all partners comes at a considerable price which would largely be avoided by an authoritative rescaling decision. Second, the voluntary approach again perhaps inevitably, fails to capture the improvement in governance which might result from a more coordinated approach. Voluntary rescaling is already starting to create, as our respondents suggest, a patchwork quilt of different arrangements. The complexity of these different governance structures will in turn make it more difficult to capture the economies of scope which arise both across and between different services.

1. 36 These problems may be regarded as a price worth paying for the advantage of voluntarism, which is of course, that stakeholders are actively involved in the rescaling decision and enjoy the freedom to negotiate arrangements which are sensitive to, and appropriate for, their local population. The third danger suggested by this case study is, however, that the degree of direction in certain service areas raises the question of whether the Welsh Government's approach really captures the advantages of voluntarism. This issue is of particular importance in areas like North Wales which encompass considerable cultural heterogeneity. Although regionalisation promises economies of scale, the dictates of allocative efficiency (in terms of the match between patterns of service demand and supply) sometimes require services to be more closely connected to their communities. There is, in short, a risk of suffering from the worst of all worlds in which the Welsh Government's approach incurs the costs of negotiation and fragmented governance without delivering the advantage of bespoke rescaling solutions.
1. 37 Eyeing the first two problems, some of our respondents, were quick to call for a formal reorganisation which would minimise the costs of negotiation and deliver a more coherent form of regional governance. Other respondents – focused on the third of our problems – called for a more hands off approach which would allow local authorities to negotiate sub regional scales of collaboration to better match the requirements of different cultures.
1. 38 We do not think, however, that either of these straightforward answers is necessarily appropriate. There are clear and important advantages in keeping local stakeholders at the heart of the rescaling process, just as there are significant advantages in reducing the cost of negotiation and simplifying governance. It is not unreasonable for the Welsh Government to try to strike a balance between the autonomy of voluntarism and the rational planning promised by central prescription.
1. 39 To try and get the best of both worlds we suggest that the key advantage of voluntarism could be captured by engaging all stakeholders in a rescaling discussion intended to agree the allocation of different functions to different levels. Some services clearly should remain at the local level, others will be better managed regionally while others still may benefit from sub regional collaboration. Crucially this discussion should take place against the backdrop of clear proposals from the Welsh Government about its preferred

form of regional governance and a determination to legislate for the rescaling decisions to emerge from those discussions.

1. 40 For its part, local government – as represented by professional officers and elected members – needs to play a leading part in these debates making the case for local diversity and accountability where it needs to be made, but accepting and supporting regionalisation where appropriate. In declining to embark on a top-down reorganisation of local government – akin to that recently completed in health – the Welsh Government has given the local government community a valuable opportunity to help design a more effective form of governance for Wales. Welsh local government needs to make the most of that opportunity rather than complain that it would be easier if the Welsh Government just got on with reorganisation.

## Chapter 2. Ceredigion schools case study

### Introduction

- 2.1. School modernisation was selected as a case study because it is a significant issue affecting all local authorities in Wales. Local authority plans to close schools has received a considerable amount of press coverage across Wales and there is often vehement public opposition to any proposed change. As decisions on the configuration of schools are taken by local authorities, there is a wide variety of approaches to resolving the problem and engaging citizens in the process. After examining the Estyn reports of all 22 local authorities and interviewing key education stakeholders (in the Welsh Government, the WLGA and Estyn), Ceredigion County Council was chosen as a case study to assess how it has engaged communities in a meaningful debate about location, size and configuration of schools. This is the second case study on this topic area as we have also followed the schools modernisation process in Powys County Council (Martin *et al.* 2011).
  
- 2.2. The aim of this report is to assess how the school modernisation process in Ceredigion was conducted with a particular focus upon the ways in which the council has engaged citizens and other stakeholders in the process. It will compare and contrast with the approach taken in Powys and discuss what lessons can be learnt for other councils as well as policy implications for the Welsh Government.

### Background

- 2.3. The Welsh Government and Estyn have emphasised through recent policies and reports that schools need to be 'fit for purpose' and that councils need to make more effective use of scarce resources by removing surplus places in schools. Ceredigion County Council has received numerous recommendations to make changes in this area. In 2004, a Wales Audit Office report highlighted that the educational provision in small schools was unsustainable in the long term and in 2005 the council was criticised by

Estyn for its' high cost of education provision. The council had the second highest proportion of surplus school places in Wales, a large number of small schools which are expensive to maintain, and the condition of many primary school buildings was considered to be poor. Progress in implementing proposals for school re-organisation was deemed to be very slow. According to one interviewee, the process had been 'stagnant' between 1997 and 2005, but another argued that lots of time was spending consulting with people prior to 2006 which laid the foundations for the changes. Inspectors were concerned that 'the strategy for re-organising schools has not yet been articulated clearly enough' (Estyn 2005: 6) and that the council has not 'identified the capacity or resources required to implement the necessary changes' (ibid: 7). Ceredigion was generally behind other Welsh authorities on modernising schools as the Leader of the Council and the cabinet member for education believed that citizens deserve local amenities in rural areas and that keeping small schools open would also help to sustain Welsh speaking communities.

- 2.4. The breakthrough came in 2005 with the election of a new Leader who realised that the existing arrangements could not continue. A head teacher of a primary school in Ceredigion took a secondment for two days a week to work on a strategy for school reorganisation in the County. A policy was developed following wide consultation with all schools (and governing bodies) and other stakeholders including community councillors, local and national politicians and neighbouring county councils. Fifty six responses were received which were mainly from governing bodies. The School Review Policy was adopted in 2006. The Policy outlined a number of trigger points for a school to be reviewed - the most important of which is if the pupils in a school has fallen below 20 pupils or is forecast to fall below this number in the next three years. According to the policy, '*The review process offers a proactive approach to support and retain schools wherever possible, and in the discussions a variety of options will be considered in order to endeavour to secure the school's future*' (Ceredigion County Council, 2006: 9). If a school has less than ten pupils it will close. The review process has changed a little over time as schools are now reviewed if they have 30 pupils or less and closed if the number falls below 20 (Ceredigion County Council, 2009). The Policy also established a School Review Panel which assesses which schools to review and considers the medium-long term future of schools and then make recommendations to the Cabinet on its decision. This policy document was crucial as for the first time, there was political support for the



school rationalisation process and the 'rules of the game' (which were described by one opposition councillor as 'a common sense reviews policy') were clear to all stakeholders.

- 2.5. In 2008, the Council launched a report '*Developing Primary Education in Ceredigion: Planning Education Provision to 2020: A Consultation Document*' (2008a) which set out the council's vision and strategy for the provision of education across Ceredigion. This document made it clear that 'retaining the status quo is no longer sustainable' and called for 'vision, boldness and co-operation' (Ceredigion County Council, 2008a: 4). This consultation document was distributed to all the main stakeholders, including chairs of governors, head teachers, town and community councils, and a summary leaflet was sent to parents/guardians of all Ceredigion schoolchildren. The report was also posted on the Council's website and made available at council offices and libraries.
- 2.6. This report was closely followed up after four months of consultation with '*Developing Education in Ceredigion: Possible Future Options Discussion Document*' (Ceredigion County Council, 2008b) which outlined all the various options for configuring schools and included costings, maps and pupil numbers. This document stated that the consultation will be an open process of discussion, careful listening and one which involves anyone with an interest in children and young people. The council did not want to offer a *fait accompli* to the schools, but to provide various options for communities to discuss including 3 to 19 years schools and federations. A total of 84 responses were received to the consultation from 21 schools (30%). The council produced a report which summarised these responses and feedback from separate meetings with elected members, pupils, staff, governing bodies and community groups.

## Methodology

- 2.7. The Powys County Council case study provided an example of an authority which had used catchment reviews and Area Project Boards (APBs) to modernise the configuration of primary schools. Ceredigion was chosen as an authority which has taken a contrasting approach and had already closed a number of schools. Senior officers from the council agreed to be a case study and provided us with all relevant documentation on the review process over time.

- 2.8. We conducted a total of ten interviews and a focus group of school children affected by the proposed changes. The interviewees included the chief executive and leader of Ceredigion County Council, senior officers and cabinet member in the Education department, two chair of governors and an officer with corporate responsibility for community engagement. A few key respondents were interviewed a number of times during the case study. All of the interviews were conducted face-to-face apart from one which was conducted by telephone. All interviews were recorded and some were transcribed. A detailed topic guide was used to structure each interview.
- 2.9. The interviews explored a number of issues:
- How citizen engagement was understood
  - The mechanisms used to engage with citizens
  - The impact of initiatives
  - The rationale for introducing the schools modernisation approach, and
  - Views on whether the approach had been successful.
- 2.10. There are many different definitions of citizen engagement but it can be defined at a general level as ‘the practice of consulting and involving members of the public in the agenda-setting, decision-making, and policy-forming activities of organizations or institutions responsible for policy development’ (Rowe and Brewer, 2004: 512). The academic and practitioner literature is reasonably consistent in outlining the main themes of citizen engagement. The key questions are:
- What is the rationale for citizen engagement – why engage?
  - What methods are used and which are most likely to be successful?
  - Who is involved in the citizen engagement?
  - Are there problems of accountability?
  - Are there issues of capacity?
  - What are the outputs or outcomes from citizen engagement?
- 2.11. As in the Powys County Council case study, we used these questions as a framework for analysis (Table 2.1).

2.12.

Table 2.1: Citizen Engagement Themes for the Case Study

WHY ENGAGE?	METHODS	INCLUSION	ACCOUNTABILITY	CAPACITY	OUTPUTS/ OUTCOMES
External encouragement	Information	Consumer, citizen, user, partners, member of community/public	Dissemination	Enough financial resources	Service improvement/ performance
Demands from citizens/users	Redress		Existence of clear and accessible guidelines/rules of the game	Coordination with other departments/ organisations	Personal benefits for participants e.g. educative, empowerment
Local tradition	Public meetings		Transparency		
Desire for social cohesion	Consultation	Usual suspects	Link to decision-making	Staff training	
Enhance council legitimacy	Discussion forums	Role of elected members	Feedback to the public	Monitoring-evaluation	Public reaction
Improve services	Deliberative approaches	Learning from other individuals outside the unit of analysis	Political and bureaucratic 'buy-in'	Time taken to complete	
		Tolerance to conflicting views		Power imbalances (participant's background)	

## Findings

### *Why engage?*

2.13. The council decided to take a participatory approach to school modernisation because it was believed that 'it is only through a collaborative approach to change will we ensure success. Consultation at all levels and at every phase must occur to achieve a common vision for the future of Ceredigion' (Cabinet report, 8/7/8). This is not just rhetoric as the council has organised a large number of public meetings across the county to give governing bodies and parents a chance to hear about the proposals for change and to influence them. The council looked at what was happening in other authorities and wanted to learn from this and 'not just consult, but listen'. While an authority could (and some have) largely ignore key stakeholders from the process, in Ceredigion, it was clear that ensuring that everyone had the opportunity to be engaged and that the process is transparent was critical. A senior officer explained that,

*'If you're going to make changes on this scale, you've got to make sure that you engage with everybody, because if you enforce change, then you will hit brick walls time, and time, and time, again, but if you involved everybody from the outset, hard work because it means hundreds of meetings, but by doing it that way people express opinions, share views, and see documents and strategies changing and evolving to mirror what contributions they make... The important thing is to be seen to give people a voice in the process, and once you've done that, then you've got buy-in from everybody there.'*

2.14. The rationale for engagement was not the result of external encouragement to do so. While the council had to show the Welsh Government that they had carried out a thorough consultation process, this was not the driving force. The motivation was to improve the provision of education at a time when budgets were being cut and the quality of buildings deteriorating, but to do so in an inclusive way so that people are carried with you. An officer explained that you

*'don't cut corners on engaging with the stakeholders. If you do that, whatever plan you put in front of them will be shot down in flames. It is only when they think that they've contributed towards the end vision will you get sufficient political buy-in to get these things through and delivered.'*

## *Methods*

- 2.15. Our second interim report recommended that councils should be clear about the purpose of engagement and realistic about the level of engagement the public want. The council was clear that its' various reports were 'consultation', 'discussion' or 'option' documents rather than being policies set in stone. This gave the education community (and others) a chance to make an impact. When the council consulted on its' strategy for the county schools, meetings were held with all the constituent groups (pupils, school staff, governing bodies, community and town councils and community groups) and further meetings were held if there was a demand. 'An interviewee remarked that 'We did not say no to any meeting'. Information was provided to the public through traditional forms of engagement (meetings and newsletters), they did not make use of any social media for citizens to add their comments on proposals. A school pupil remarked that more information from the council would have helped to stop Chinese whispers.
- 2.16. These face-to-face meetings were critical to the participatory approach and the way in which they were led by the Director of Education and his colleagues was also seen to be important. Officers and members 'took a lot of flak' in these meetings but given the scale of change which was needed, it was essential that there was a consistent approach so that everybody received the same message every time. The Director of Education explained that,

*'So any public consultation meetings, I tend to take the lead in all of them, be they around the consultation around the strategy documents themselves or more specifically to do with individual or clusters of schools which are going through the review programmes. If any schools are facing closure, then I deal with those myself. I don't deputise that to anybody else. I'll deal with them personally.'*

- 2.17. This process was very costly in terms of senior officer time and it also required significant commitment from the cabinet member for education, but it was deemed a worthy cause and not something which could be delegated to a team of people.

*'The reason I've taken such a hands-on approach to it is in order for me to defend the thinking behind the strategy, I've got to make sure that I've actually been through all of the processes myself personally so that I can speak from experience, not hypothesising these meetings. I*

*don't want to be seen to be one of these people that turn up to the occasional meeting and then make these wild speculative statements that can't be backed up. So it's paid dividends, certainly paid dividends, but it's been a mammoth task to do that.*

2.18. These meetings with stakeholders were not simply focused on consultation around a strategy document but in some cases were critical to designing an approach to reorganisation. For example, a series of workshops were held with head teachers and governing bodies as part of the secondary school review process. Here, the proposals for change were 'thrashed out' in an environment where 'the report would not go any further than their initial arena until they were all signed up to the document'. This gave reassurance to participants that everyone's issues e.g. the Welsh language, would be fairly discussed. At the end of the process, the seven secondary heads and the head of the college presented the report to Cabinet and the Council, rather than an officer or councillor.

#### *Inclusion*

2.19. The council's approach to engagement has been inclusive of all stakeholders. On the concept of 3-19 schools, the council consulted with the public; elected members; head teachers, teachers and support staff; school councils and a representation of young people; community councils; and private and voluntary sector groups. Schools were asked to respond to four main questions:

- What is your wish regarding facilities/resources?
- Are you worried about anything you've seen on the plans?
- What would you add to the plans?
- How would you like to be involved in the future planning?

2.20. Results from consultation have been fed into the decision-making process. For example, minutes from all consultation meetings are considered by the School Review Panel. Estyn has recognised this good practice by stating that,

*'Extensive and very inclusive consultation processes of the authority have led to a wide consensus in terms of the way forward. This is an outstanding feature of the work of the authority (2009: 13).*

- 2.21. In Powys County Council, Area Project Boards were used to draft proposals for change on a catchment by catchment basis. The Boards consisted of those who are most likely to be affected by the reorganisation proposals and included head teachers, chairs of governors, local councillors and representatives from other organisations that provide services in the local area. In Ceredigion, the council seconded two head teachers to help draft the primary and the secondary school modernisation proposals and then used consultants for the feasibility study on the 3-19 schools idea. In each case, there were strategic reasons for this approach. For the school reviews, the head teachers drafted a strategic document on rationalising provision using their extensive local knowledge and experiences of education in the area as well as research from both Scottish and English authorities. Council officers then worked with these proposals to ensure that the council's objectives were being covered. It was easier for the council to sell the ideas of change to the education community when they had been put together, not by the council, but by 'one of their own'. One of the first primary schools outlined for closure was one where the wife of the seconded head who drafted the proposal was a teacher!
- 2.22. Consultants were used to design the 3 to 19 schools feasibility study. The rationale here was that consultants would provide independent credibility for the proposals. The feedback meetings on the proposals were chaired by Lord Morgan rather than anyone from the council. This might suggest a clear, independent, transparent process where all options were up for grabs, but a senior officer explained that

*'I'd gone through the options myself and I knew that it was the 3 to 19 model that I wanted. If I'd conducted a feasibility study with my own staff, then if I was sitting in the audience I'd have said well this doesn't hold any credibility whatsoever. So by going out to independent consultants and asking them please make your own evaluations on all of this and come back with your recommendations... It was a slight gamble because they could have come back with something completely off-the-wall and said we don't agree with you at all. But had that been the case, well then I would have certainly had to rethink the direction in which I was intending to travel.'*

- 2.23. These examples of head teacher secondments and independent consultants are not to imply that the process was 'stitched up' by the council as there are a number of examples where proposals have been developed from the bottom-up. However, these proposals have largely come from

within the confines of the council's options document. For example, there were two schools, one with 14 pupils and another with 28 pupils (with a shared head teacher). The council had previously given a lifeline to the smaller school to see if it would form a federation with the larger neighbouring school. A review panel meeting was held which was going to close the small school down but the head teacher suggested, after consultation with the governors, that the council closes the bigger school down as the smaller school has a better campus. The pupil forecasts for the school with 28 pupils were not good so it was likely that without this radical change, it would have to close in a couple of year's time anyway. A public meeting was held in both schools and every parent in the room signed the forms to transfer their children that night. The council had an influence on this process in two significant ways. Firstly, this proposal was one of many in the options document. Second, when the head teacher of the smaller school retired, the council allowed them to appoint an assistant head and made the head teacher of the bigger school the executive head of both schools. What is important here is that the council gave the schools the opportunity to choose an option for change themselves rather than dictating a solution to them which would have probably provoked large-scale opposition. In the words of one officer,

*'We let them work things through together and see what's possible. I just hoped that sooner rather than later people would see that this is a benefit and would work it out for themselves'.*

- 2.24. The council were helped in this case by circumstances such as the retirement of one of the head teachers and the fact that the neighbouring schools have always had a good relationship. The problem is when small schools will not enter into any dialogue whatsoever and there are cases of this in Ceredigion.
- 2.25. Finally, what role is there for elected members in this process? In Powys, we came across some examples of politicians using their influence on where a school should be located, but in Ceredigion, as the School Review Policy is in place and signed off by the full Council, there is little room for political manoeuvring. If a school has less than 20 pupils, it closes, if it has less than 30 pupils, it will be reviewed. There have been instances of councillors attempting to gain public favour by supporting the request for a 'stay of execution' for a school because the review process has been pushed too quickly or there was concern about pupil projections. But, it doesn't matter where the school is located (e.g. the school in the Leader's division has closed) or if there



is an election coming up – the ‘rules of the game’ are clear. Of course, councillors will continue to stand by their community and be part of ‘Save our School’ type protests to save face locally, but they are standing alone with no chance of success.

### *Accountability*

2.26. The council uses a School Review Panel to identify those schools which, having reached a couple of trigger points (e.g. pupil numbers, building quality, more than 35% surplus capacity), need to be reviewed. The Panel is composed of councillors from the Liberal Democrats, Independents and Plaid Cymru and three senior officers who don’t have voting rights. At the end of each review, they vote on the fate of each school. We were told by a council officer that

*‘it’s only in very, very, very exceptional circumstances do we fail to get a unanimous vote from those four. The four of them park political debate to one side and deal with strategy and policy. So once you’ve got those four buying into the initial recommendation that goes forward, you’ve more or less got the political backing of those political parties in the arena.’*

2.27. There have been occasions where the call-in process will be activated as

*‘there are two or three individual council members in the chamber out of the 42 that oppose every single school closure constantly. Irrespective of whatever the rationale behind it, they oppose it.’*

2.28. But this opposition has not changed the outcome of any reviews beyond giving schools more time to consider their approach to marketing their school and boosting pupil numbers.

2.29. The closure of schools can be a political ‘hot potato’ and so it is important for both officers and councillors to try and manage the process in such a way as to minimise the risk of it going wrong. The interviewees suggested that while it is officers driving the process, there is very clear political support. Officers know that the Leader and Cabinet Member for Education understand the principles behind the process and that they will support proposals for change. The Review Panel also provides important cross-party support. This political situation is in marked contrast to a few years ago when the steer was against closing any small schools. An officer provided an example of how the process ran in a recent cabinet meeting,

*'I took a paper into Cabinet yesterday which recommended closing two primary schools and reopening a campus where we brought the two schools onto the same campus, but then amalgamated them into a wider federated partnership of three other schools under a new name and formalised that federal partnership then in the same process. The Cabinet Member spoke for five minutes to introduce the report. I spoke for quarter of an hour explaining the report. The local member congratulated the wider community and thanked the Education Department for dealing with it sensitively. (There were) no other comments at all and it was passed unanimously in Cabinet. So there is no way on earth that would have happened without the spade work'.*

2.30. The following example uses quotes from one interviewee which explained from their perspective how the reviewing process worked.

**An example of the Reviewing Process**

'I went to the Review as a governor and put forward the views of parents and the community and got another year for the school'

'I fed back to parents what was happening in the process so there was good communications'

'We held meetings with other schools in the cluster' but there was no option of federation

'The Director of Education came to a meeting of the governing body and Head and explained that it was vital that everybody knew why the process was happening. Children were at the centre'

'The school wasn't sustainable in the long-term. Maybe not enough was done by the school to market themselves – it wasn't seen as being urgent'

'We held regular open meetings during the consultation phase'

'There's lots of pressure on the Chair of Governors if there is opposition'.

### *Capacity*

- 2.31. A significant amount of resources (including staff secondments) have gone into the schools modernisation process but this has been justified because it is such a significant issue for the council. There has been close coordination with other council departments (e.g. Finance and Transport) in bringing the various options for change together and in contrast to Powys County Council, the primary and secondary reviews have run alongside (and fed into) each other.
- 2.32. At each stage, officers have used feedback forms to gather responses from consultation meetings and while it has been a long process, more schools have been closed in a shorter period of time than in Powys County Council.

### *Outputs/Outcomes*

- 2.33. Burton (2009) (following Rowe and Frewer (2000)) suggests that there are a number of acceptance criteria for evaluating public participation exercises which include:
- Representativeness
  - Independence
  - Early involvement
  - Influence and,
  - Transparency.
- 2.34. The evidence from this case study suggests that the council performed pretty well on these criteria especially as schools modernisation is such a knotty issue and one which large sections of the community have a vested interest. The council took a collaborative approach and tried to engage all members of the population who were likely to be affected by the proposals, so it would be fair to conclude that participants were representative of the population. This contrasts to Powys where the council, head teachers and the chairs of governors drafted the proposals with no public/parent input.
- 2.35. Second, the process should be conducted in 'an independent and unbiased way'. The council's 'Future Options Discussion Document' made it clear that there were many permutations to reorganisation but it did not conclude which ones were favoured. The key factor here was

'persuasion'. The council had to sell the idea that, although change is hard, there are potentially better facilities available if some schools can close. Using seconded head teachers and consultants added to the impression that the process was independent but one interviewee described the situation whereby options were 'virtually imposed' on schools by the council and 'an element of steam-rolling'.

- 2.36. The third criterion for evaluating citizen engagement exercises is that 'the public should be involved at the earliest possible stage in the process'. This is a key point of difference between Powys and Ceredigion. In Powys, parents only had the chance to comment on proposals when they were in a very advanced state. In Ceredigion, all key stakeholders were involved from the beginning and the underlying message for others is the importance of involving stakeholders in the first instance. A councillor argued that 'You need to be honest with the electorate' from the beginning, while the strategy for an officer was to 'deal with the uproar first'.
- 2.37. Fourth, 'the outcome of the exercise should have a genuine impact on policy'. It was accepted that you are never going to please everybody all of the time but everybody should have the chance to have an impact. The process of building an area school provides an example of stakeholders influencing policy. Three schools in one area were facing closure so they came together and asked if the council would build an area school if they agreed to close the three schools. An officer replied,

*'I would. And then they said well what would you put in the school. I said well what do you want? Well to benefit the wider community would be to have an Astroturf with floodlights. And we said yeah we'll put that in. We want a community hall. Yeah, we'll put that in. We wouldn't mind having a special wing to support children with additional learning needs because there are quite a large number of children. Said yeah, we'll put it all in. So we designed the building to accommodate everything they wanted, and within two years we built it. The three schools closed and not a single objection from any of the three communities'.*

- 2.38. A knock-on effect of this was that other schools made representations to the council about closing their school if a new area school could be built in its place with better facilities. Officers were told, 'you won't have a single objection to closing any of us if you build us the same'. Interviewees believed that schools coming to them about closure were much better than the

council dictating to them that we're building an area school here. Other schools may also want one but they may not. It was significant that all capital and revenue savings made through school reorganisation programme were to be reinvested in schools so the Council could build a new area school without any financial support from the Welsh Government.

2.39. It is important to mention the level of influence. On Arnstein's ladder, the council's approach is very much at the 'Consult' and 'Inform' end of the spectrum. The public were provided with information which set out the various options for reconfiguration and views were sought on the proposals which were taken into account in the decision-making process. The engagement with the schools is more an example of 'Involve' as the council worked closely with schools to draft the proposals and directly engaged in meetings on the implications. It is not an example of empowerment which assumes there is a dialogue between citizen/users and providers/managers in different points in time throughout the process of policy-making. Although, there is a question about the extent to which citizens can ever be empowered on an issue such as school reorganisation.

2.40. Finally, the decision process should be clear to all. The review process is a public document and there is a clear step by step process to consultation (see Annex 1), but there were still some critics of the process. Llandysul-based Cymdeithas campaigner Angharad Clwyd was quoted in the press saying: 'They should go out and talk to these communities and discuss the different options available rather than calling governors over to Felinfach for an hour. It's no way to treat communities' (Carmarthen Journal - 3/11/10). Another interviewee wasn't impressed with the closure of a local school as there was a feeling that the decision had been taken already and that the council only briefly talked to them before they rubber stamp the decision.

### **Lessons for the welsh government**

2.41. Our first case study of schools reorganisation raised a number of questions for the Welsh Government to consider. We asked whether the Welsh Government needed to provide a clear statement (or principles) about the type and extent of consultation expected from local authorities, and whether local authorities should have more power to consider objections to

proposals at the local level. These, and other issues (such as speeding up the process), were brought up by interviewees in this case study.

- 2.42. According to one interviewee, the current guidelines that are in use are technically still the consultation document from 2001 as they have never been fully adopted by the Welsh Government. There should have been clear guidelines or protocols at the beginning of the school reorganisation process so that it was clear what a school reorganisation should look like. This would have stopped some authorities from going to a lot of effort drafting and consulting on proposals which are then overturned by the Welsh Government. If these would have been in place and

*'everybody had to follow, it would be a simple case of right, have you done step one? Yes. Have you done step two? Yes. Have you done step three? Yes. If you haven't done a step four, if you haven't done a step five, back to the beginning. And if you do it that way, then we'll sign them off.'*

- 2.43. Without such protocols, there are always going to be grey areas and potential loopholes for objections to scupper a plan.

- 2.44. The second question concerned whether local authorities should have more power to consider objections to proposals at the local level. We were clear in our second interim report that the Welsh Government should avoid duplication and not undermine local accountability (Martin et al. 2011). There was frustration from the council's perspective about the time (and resources) wasted by providing evidence to the Welsh Government on the processes which have to be followed in closing each school. Officers argued that if the Welsh Government agreed with the council's strategy and were happy with the first process of closure, and the process is always the same, then there is no need to refer constantly back to the centre. The Welsh Government would in effect ratify and adopt the local strategies, so that civil servants should ask,

*'Does it conform exactly to the guidelines of the policy and the strategy? Yes. Used the same process? Yes. We're happy. We've sanctioned those closures previously. We haven't an issue again.'*

- 2.45. At a time of severe budgetary pressures, such a move would streamline the process and reduce the workload for Welsh Government and local authorities enormously. At the moment, each school closure is considered on a piecemeal basis rather than taking into account the larger strategic picture. The interviewees suggested that the role of the Welsh Government would be to get involved if a different process is used and if there was a proposal which wasn't in the council's options document.
- 2.46. As in Powys, there was also a suggestion to change the rules on the number of people needed to trigger a formal objection. Even though Ceredigion may have consulted thoroughly and held more than 100 public consultation meetings and shared information with all relevant stakeholders, one individual can stall the process by objecting during the 8 week statutory period. This objection can create a back-log for Welsh Government officials and slow down the building of new school facilities. Interviewees suggested that this is not about cutting corners but ensuring that the process can work in a more efficient way. We were told that two or three people in Ceredigion have made objections just to see how the process works. There is not an easy answer to this problem. If the threshold for the number of objections was raised to say 10, a local pressure group would be able to produce a letter for 10 people to sign and send off, unless this could technically be banded together as one objection. Interviewees were keen that local councils should determine whether there were significant objections so that the case should be referred to the Welsh Government. But, this raises questions about how you define 'significant' and accusations that the council is not an independent arbiter.
- 2.47. Finally, while the council was fulfilling their side of the bargain by closing down small schools, reducing surplus places and making schools 'fit for purpose', there were concerns whether there was sufficient Welsh Government funding (through the 21st Century Schools) to match their aspirations. If the resources run dry, then this will lead to significant potential problems in the future. One councillor suggested that 'We want the tools to do the job'. The move to more regional working is also likely to be a tricky one. A councillor explained that 'I believe in our policies but it would be more difficult to deliver SWAMWEC (South West and Mid Wales Consortium comprising Carmarthenshire, Ceredigion, Neath and Port Talbot, Pembrokeshire, Powys, and Swansea) policies as these are more linked to urban local authorities'.

## Conclusions

- 2.48. In 1997, there were 76 primary schools in Ceredigion. In September 2012, there are likely to be 53 which is a reduction of 30%, achieved predominantly between 2008 and 2012. School closures are an emotive issue and it is therefore a challenge to engage with citizens in any meaningful way. Three interviewees stressed that the public need to be mature about the need for change and this has to be built up slowly through public engagement. While this is said to be the case in Ceredigion, communities in other authorities may not yet be signed-up for change. The local media used to make a front page splash on the school closures (e.g. 'Plans for Ceredigion schools could lead to 13 closures') which caused the council some problems but this is no longer the case.
- 2.49. We concluded in our second interim report that the Welsh Government policy on citizen engagement is ambiguous as it is not clear which citizens should be engaged, how they should be involved or what role they might play in the process (Martin et al. 2011). We made the following recommendations:
- Be clear about the purpose of engagement
  - Be realistic about the level of engagement the public want
  - Avoid duplication
  - Disseminate understanding of what works, and
  - Don't undermine local accountability.
- 2.50. The council was clear about the purpose of engagement – the status quo was not an option because of the poor quality of buildings and the financial cost of small schools – so there needed to be change and this would be more easily delivered if everybody had the opportunity to be involved. As in Powys County Council, the council has largely succeeded in winning the support of education professionals on the need for change and thereby depoliticising the issue of school closures and dampening down the Save Our School campaigns. There is a danger, however, that councils only pay lip service to the idea of citizen engagement. In Powys, there were accusations that parents (and children) were effectively excluded from the process until it was too late. In Ceredigion, the council ran a number of consultation meetings and these fed into the



decision-making process. They also provided a clear audit trail if there were objections about the process.

- 2.51. School closures are an issue which provoke strong feelings and public debate. The interviewees suggested that the large number of public meetings shows that the council were realistic about the demand for engagement. In other areas of council work, however, there was a suggestion that the duty to consult should be downplayed. The public are much more interested in an issue that directly affects them (schools) than being consulted on say the community strategy. An officer suggested that they were 'regarded as being good practice' in the way they engaged the public in the community strategy process, 'but it didn't add any value to what we already knew' and 'who the hell cares about the community strategy?' A member supported this point by arguing that 'we hear what the public want through local councillors' not the Citizens Panel. There is an awful lot of effort to consult and engage the public but 'it's to tick boxes...for not much impact'.
- 2.52. The council's approach in conducting the primary and secondary school reviews at the same time reduced the chance for duplication and ensured a 'joined-up' approach. The council believed that, 'It is better to take many small steps in the right direction than to make a great leap forward only to stumble backward'
- 2.53. The schools modernisation process was described as being 'uncomfortable...it's a very bumpy ride, but the process is correct and the same every time'. In 2009, Estyn graded the authority's approach to access and school organisation as good (grade 3 out of 4) and that improvement prospects were also good, with significant improvements already in place. The report concluded that 'There is a clear vision in the authority for the future organisation of schools. The authority has established an effective record of political commitment to school rationalisation' (Estyn, 2009: 13).
- 2.54. There have been two ways in which the council has disseminated understanding of what works. First, there have been lessons for other council departments. For example, the council are moving the town library into the old town hall building and relocating the day centre to the lower ground floor so that the elderly will have greater access to the library service. The Education department advised the Social Services department that they needed to speak with the elderly in

the day centre to make sure that they understood that what they are being offered is an improved provision, but they'll have to move from one side of the town to the other side of the town. This didn't happen.

*'It went through Cabinet, full approval. It survived the call-in period. No issues at all. But then when the elderly suddenly realised and it dawned on them what was happening, they started lobbying local members frantically to say whoa, whoa, whoa, we're not going to be put down in the basement...So there had been no consultation whatsoever.'*

- 2.55. The issue was debated in full council and one of the messages was that the Social Services department should follow the example of the Education department and consult fully with the stakeholders and that that needs to happen now. An interviewee explained that 'If you are taking something away [a school, day centre etc], you need to explain and not just lock the door'.
- 2.56. The Council was commended in 2008/9 in the Excellence Wales scheme for the 'good practice' in the restructuring of schools. This has meant that its approach has been disseminated across Wales. The main lesson learnt for other authorities was 'Ensuring strong partnerships with all stakeholders through regular meetings, consultations and actions'.
- 2.57. To conclude, the key difference between the two case studies of schools modernisation is how and when the main stakeholders (such as head teachers and chairs of governors) are involved, the ways in which the public have a chance to influence the process through public meetings and the importance of having a strategic policy document in place, signed off by the full council, at the beginning of the process. For Ceredigion, once this 'extensive and very inclusive consultation' has taken place, it is crucial that local accountability is not undermined so that modernised schools can be in place as quickly as possible.

## Chapter 3. The role of the welsh government representative on the local service board

### Introduction

- 3.1 This case study was led by three questions that the LSB baseline reports (WAG, 2007; 2008) and previous qualitative research on LSBs (Martin et al, 2011) posed in relation to the role of Welsh Government representatives (WGRs):
- How are WGRs facilitating the relationship between the Welsh Government and local government?
  - Are WGRs breaking silos within the Welsh Government's organisational structures?
  - Are WGRs contributing to promote partnership working at the local level?

### Literature review

- 3.2 Public management researchers around the world have noted a shift away from vertically integrated hierarchical bureaucracies towards networked modes of organising (Kickert et al. 1997; Bovaird et al. 2002; Goldsmith and Eggers 2004; Ferlie et al. 2011). It is argued that this is because governments have sought co-operation with non state actors in response to problems of ungovernability associated with the cognitive, strategic and institutional uncertainties that characterise contemporary society (Mayntz 1993; Kooiman, 2003; Van Bueren et al. 2003). In particular networks have been seen as a way to address 'wicked issues' (Rittel and Webber 1973; Clarke and Stewart 1993) which defy bureaucratic solutions because they transcend conventional professional and/or organisational boundaries (Alter and Hage 1993; O'Toole 1997; Grint 2005; Bevir 2010).
- 3.3 Some researchers have gone so far as to suggest that collaboration has become a hegemonic discourse, the instrument of choice when it comes to implementing public programmes (Skelcher and Sullivan 2008; Turrini et al. 2010). However, others point out that lateral forms of organising can present formidable new challenges for public managers. Collaborative inertia is

commonplace (Huxham 2003). Networks can be volatile and some have only short life cycles (Ferlie and Pettigrew, 1996). Negotiating joint strategies and achieving joint actions among multiple agencies, each of which has their own mission, modes of operating and lines of accountability, is a tall order. It requires skilled network management (Provan and Millward 2001; Keast et al. 2007; Klijn et al. 2010) which in turn calls for a new breed of 'collaborative public manager' (McGuire 2006; O'Leary and Blomgren Bingham 2009).

3. 4 Collaborative managers operate as informational intermediaries who, by virtue of their nodal position, promote understanding between partners. To achieve this they must be able to work across different organisational cultures, roles and responsibilities in order to make connections between network actors (Huxham and Vangen, 1996; Williams 2002; Klijn et al. 2010; Ferlie et al. 2011). This means that they have to know how to exercise influence through informal as well as formal channels. They need to build trust and ensure effective communication between partners. They may be called on to resolve conflicts between partners. They have to know when to give a clear steer and when to share leadership, and they are often looked to by other members of a network for advice and new ideas. Just as important as information giving is the ability to listen emphatically; not only to build trust, but also to understand the social constructions that other partners have and to define issues in relation to the partners' own values and interests.
3. 5 Local Service Boards (LSBs) are a good exemplar in which the role of the Welsh Government representative (WGR) has acquired the characteristics that the literature addresses. In the 2007 prospectus (WAG 2007:4), LSBs were defined as a 'leadership team, comprising elected, appointed, executive and non-executive members of the statutory authorities, the voluntary and private sectors, and other key stakeholders, working as equal partners and taking joint responsibility for connecting the whole network of public services in an area'. The intention of LSBs was not to replicate the work of existing statutory partnerships or create new service delivery vehicles. Instead, these new networks were to focus on high profile policy problems that were not being addressed adequately by existing arrangements.
3. 6 The role of WGRs is to help promote both 'horizontal' integration among local service providers from the three main sectors (public, private and voluntary) and 'vertical' integration between local agencies and the Welsh Government. WGRs are volunteers drawn from the upper echelons of

the bureaucracy, who combine the role with their existing 'day jobs'. They are expected to attend LSB meetings, help local agencies to understand Government policies, and to alert the Government to instances where its policies cause difficulties for local partnerships.

- 3.7 WGRs have to help LSBs to develop 'local leadership to realise the maximum benefits from collaboration in the design and provision of local services; the latter with the objective of making best use of resources and expertise, including staff, finance, assets and technology' (WAG\_Note7 n/d). On the other hand they have to break the boundaries between the two tiers of government through building trust. WGRs seek to build consensus about the benefits of collaboration between government tiers; however, their participation in the LSB has always been treated with care by local agencies who generally at the start of the relationship test for the level of interventionism that the WGR may have.
  
- 3.8 WGRs, being another member of their LSBs, have to contribute expertise and knowledge at the same time that they learn from other partners (WAG 2008). The act of leading and learning at the same time puts WGRs in a position where they have to share the leadership and learn from local practice. As a member of the board, WGRs are not only expected to communicate effectively with other LSB members but also with their own organisation (Welsh Government) and mobilise its contribution towards the work and projects led by LSBs (WAG 2008). Hence, WGRs have to share information about the Government's structure and policies, as well as to pool expertise and resources within the Government's departments in order to get things done for the LSB. Finally, WGRs have to seek out and share innovative ideas in order for the LSB leadership to make the most of collaboration (WAG, 2008).

## Methods

- 3.9 The case-study design included a mix of methods of data collection. To contextualise the nature of the LSB scheme and the role of WGRs, we conducted two introductory interviews with the LSB central team in May 2011. A documentary review of the notes/minutes of the workshops and seminars targeting senior civil servants also helped us to understand the evolution of the role within a broader policy context. Two online surveys were distributed in 2011 to previous and current WGRs and to LSB members across all 22 boards in Wales. Both surveys provided a general picture on the relationship between WGRs and LSBs. Feedback to the findings was

obtained throughout the analysis phase of the quantitative data (June- December 2011) from the LSB central team and a workshop held with senior civil servants. Triangulation of information amongst all data collected was conducted in order to confirm the findings.

### **Analysis of Welsh Government documents and minutes**

3. 10 The LSB central team has organised regular meetings for discussing the development of the role of WGRs and the linkages that this role has with emerging policies and programmes promoted from the centre. In analysing the notes/minutes (WAG notes October 2007-May 2010) of the workshops and seminars prompting discussion and learning between WGRs it is clear that these meetings have been found useful in order for civil servants to understand and develop their role as boundary spanners between tiers of government.
3. 11 The notes also show how their role changes in relation to the regional and performance strategy pursued by the Welsh Government at different points in time. The LSB policy was initially embedded in a broader set of policies known collectively as the 'Making the Connections' (WAG, 2006) which sought to promote a holistic approach to public service delivery. Originally LSBs were seen as a means of promoting this agenda. The objective was to facilitate collaboration among key service providers and mutual understanding between Welsh Government departments and local agencies in order to tackle 'wicked issues' such as crime and anti-social behaviour, obesity, long term unemployment, climate change and care for older people.
3. 12 The LSB policy first had to co-exist with the Spatial Plan (SP), which aimed to bring together planning strategies developed centrally with those developed locally. Here, LSBs were seen as an opportunity to help share intelligence of local experiences with ministers and civil servants. The SP also aimed to overcome administrative boundaries and create subregions that could benefit from economies of scale.
3. 13 As public spending has come under increasing pressure, the rationale for LSBs evolved. They became one of the vehicles for delivering an 'Efficiency and Innovation Programme' which sought to make savings through reconfiguring services, sharing expertise on issues like procurement, financial and workforce planning, and pooling assets such as buildings and

information technology. LSBs were seen as a means of trying out new models of delivery which, if successful, could be used as exemplars to be adopted more widely.

3. 14 By 2011 a third rationale for LSBs had emerged. Local agencies were finding that their attempts to develop more 'joined up' approaches were impeded by the functionally organised structure of Welsh Government departments. The police, local education authorities, and health and social care services were overseen by different parts of the Welsh Government each of which had its own priorities and performance frameworks. Local partners were, for example, required to submit four separate strategies covering community priorities, crime and disorder, education and health and social care. In order to overcome this problem some LSBs argued that they should be able to prepare a single integrated strategy covering all of these issues. As a result, LSBs have begun to oversee strategically all of the local public services in an area, rather than focusing on specific wicked issues as was originally the case. The role of WGRs was seen as a means for breaking some of the barriers within the structures of Government. However, this had been found very challenging by civil servants.

## Survey findings

### *Survey responses*

3. 15 WGRs were asked to undertake the survey through a web based software. They received e-mails with an explanation of the research and a link through which they could access the online survey. Officials submitted their responses from June to August 2011. A personalised e-mail and two reminders were sent in order to increase the response rate.
3. 16 At the time of fieldwork, there had been a total of 35 WGRs, three of which were not contacted because they were on indefinite leave or have passed away. From the 32 left, we received a 75% response rate.
3. 17 In half of the cases, the boards have had the same WGR since their creation; whereas the other half have had between two to three different officials. We received responses from 10 former

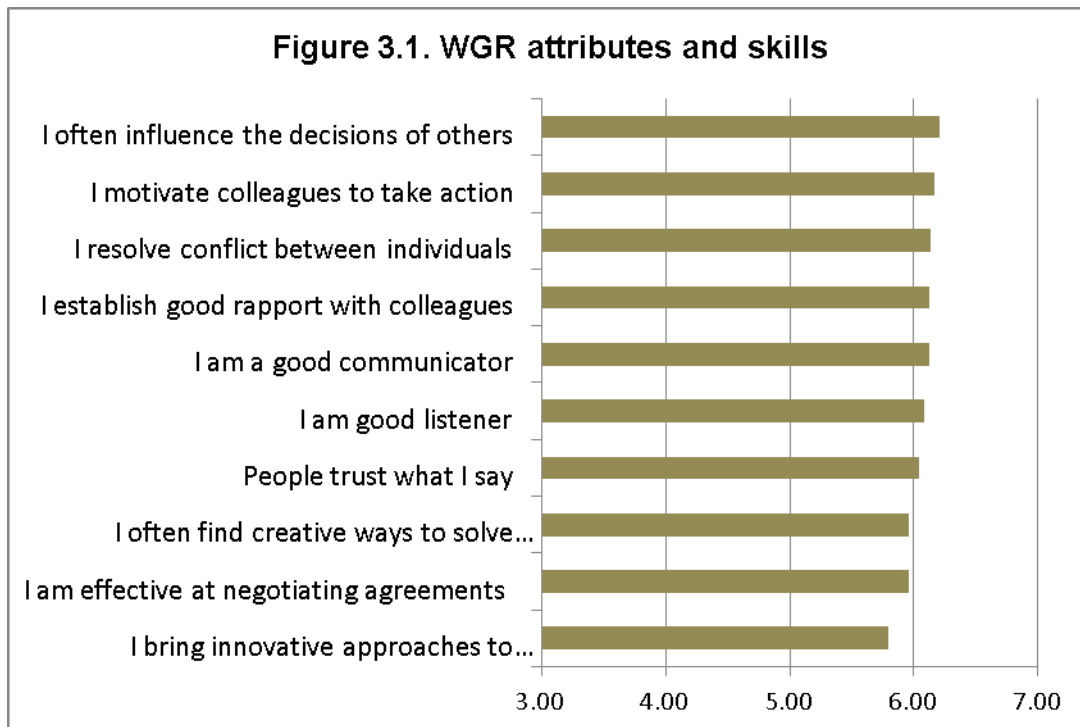
WGRs and 14 from current ones at time of fieldwork. These responses represent 15 of the 22 LSBs across Wales.

3. 18 LSB members undertook the survey via the same web based software. They received e-mails with an explanation of the research and a link through which they could access the online survey. LSB members submitted their responses from August to September 2011. An online reminder was sent to all missing respondents and for those local authorities that had low representation an additional reminder was sent via the support of their LSB coordinator.
3. 19 The total sample was of 283 members and we received 41% response rate, including replies from all 22 local authorities. The number of responses varied depending on the size of each LSB and the type of relationship established per local authority between LSB members and WGRs (e.g. in some cases members did not interact frequently with WGRs). This latter criterion was left to the discretion of each LSB coordinator. Of all LSB member responses, 18% were from LSB coordinators; 71% from members representing the local council and voluntary, health (NHS related) or education organisations, and 11% from other public organisations (e.g. police and environment agency).
3. 20 In both surveys, respondents were asked to answer questions based on a seven point scale (from 1= strongly disagree to 7= strongly agree; 4 = neither agree nor disagree). The WGR survey had seven main sections asking their views on: their attributes and skills; their role as WGR; general characteristics of their LSBs; the achievements of their LSBs; the Welsh Government's role in relation to LSBs; and their experience as WGRs within the Welsh Government organisational culture. The survey sent to members of the LSBs had exactly the same questions except those regarding the attributes of WGRs and the experience within the Welsh Government organisational culture. Both types of surveys included open ended questions for respondents to clarify or extend their answers.

#### *Attributes and skills of WGR*

3. 21 WGRs scored very high throughout all questions showing means between 5.8 and 6.17 (Figure 3.1). These results suggest that WGRs believe that they have the skills and attributes that the literature identifies with boundary spanners.



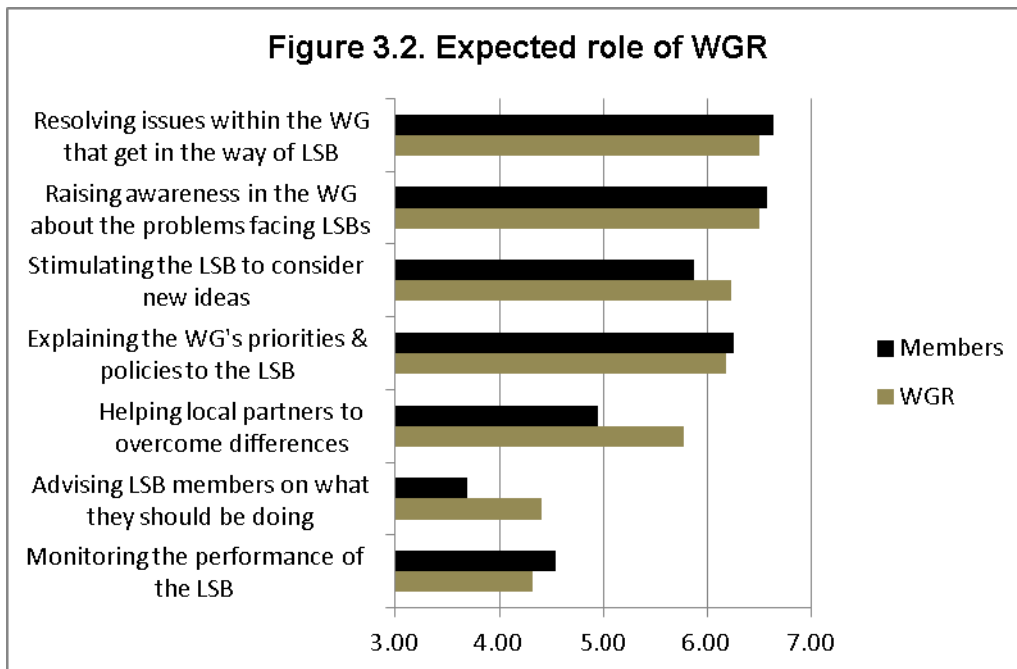


*The role of WGRs*

3. 22 The survey results demonstrated that LSB members and WGRs had similar expectations of the role. LSB members saw WGRs first and foremost as a channel of communication with the Welsh Government. They reported that the most important roles were to:

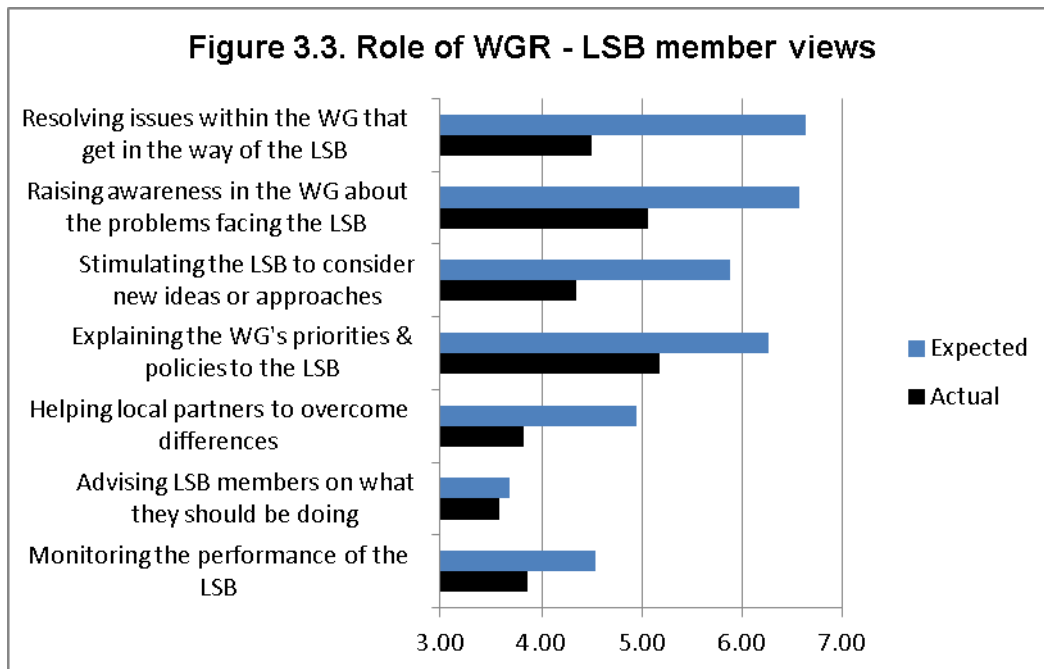
- Resolve issues within the Government on behalf of LSBs (mean score 6.7)
- Raise awareness within the Government of the needs of local partnerships (6.6), and
- Explain the Government's priorities and policies to local partners (6.3).

3. 23 WGRs agreed with the above points. In addition they believed they should play an important role in stimulating new thinking by LSBs – mean score 6.2 compared to 5.8 among LSB members. Directing LSBs and monitoring their performance were ranked as the least important activities by both groups of respondents, although it was noticeable (but perhaps unsurprising) that WGRs attached more importance to monitoring than local partners (Figure 3.2).



3. 24 Both groups agree that the main responsibilities of this role is to resolve issues within Government, raise awareness in Government about LSB problems, stimulate the LSB to consider new ideas, and explain Government's priorities to the LSB. It is interesting to notice that neither group sees monitoring of the LSB performance nor advising LSBs on what they should do as important as the former responsibilities.

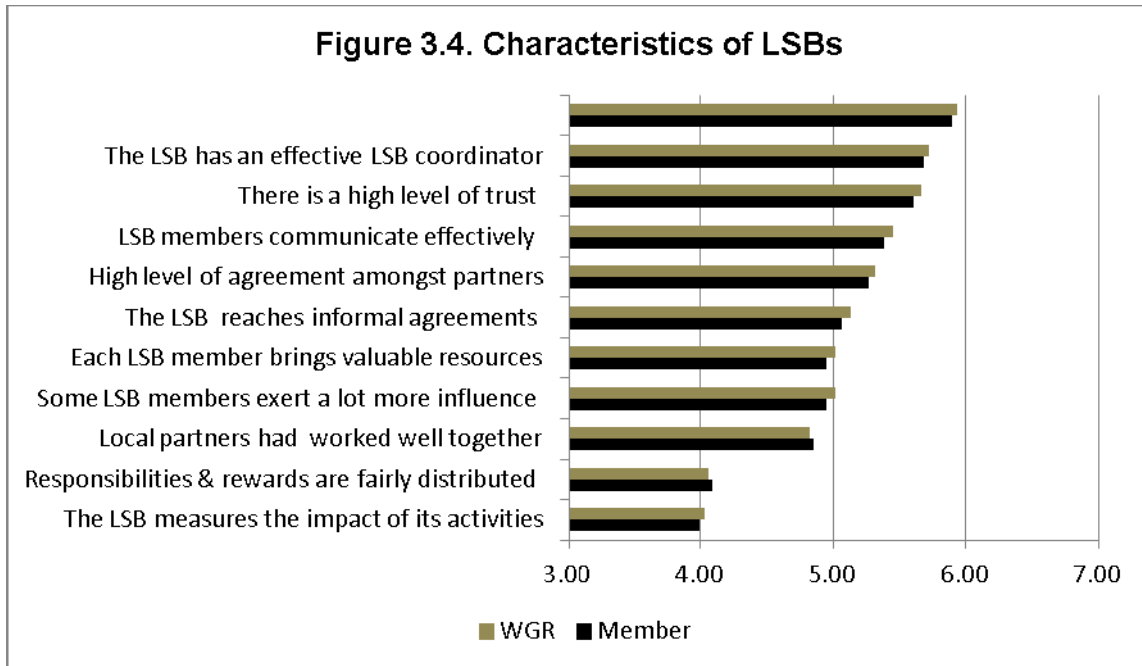
3. 25 The results show that WGRs believe that they have largely developed the parts of their role addressing the main responsibilities, which they and LSB members see as most important. The role is perceived as it has contributed to communicating policies between levels of government and raising awareness in Government about the problems facing LSBs. These actions are linked to the qualities of boundary spanners where communication and raising awareness of problems happening on the ground are ways of breaking boundaries between tiers of government. However, the results show (Figure 3.3) that although WGRs are doing their work, they are not doing it as effectively as it has been expected by LSB members.



3.26 LSB members were particularly disappointed with progress in resolving problems within Government. The mean difference between their expectations and perceptions of performance was -2.32 (compared to -0.95 among WGRs). There were also large expectation gaps in respect of raising awareness in Government about the problems facing LSBs and stimulating LSBs to consider new ideas. There was a much smaller gap when it came to the roles that were perceived to be least important - monitoring of LSBs and advising them what to do.

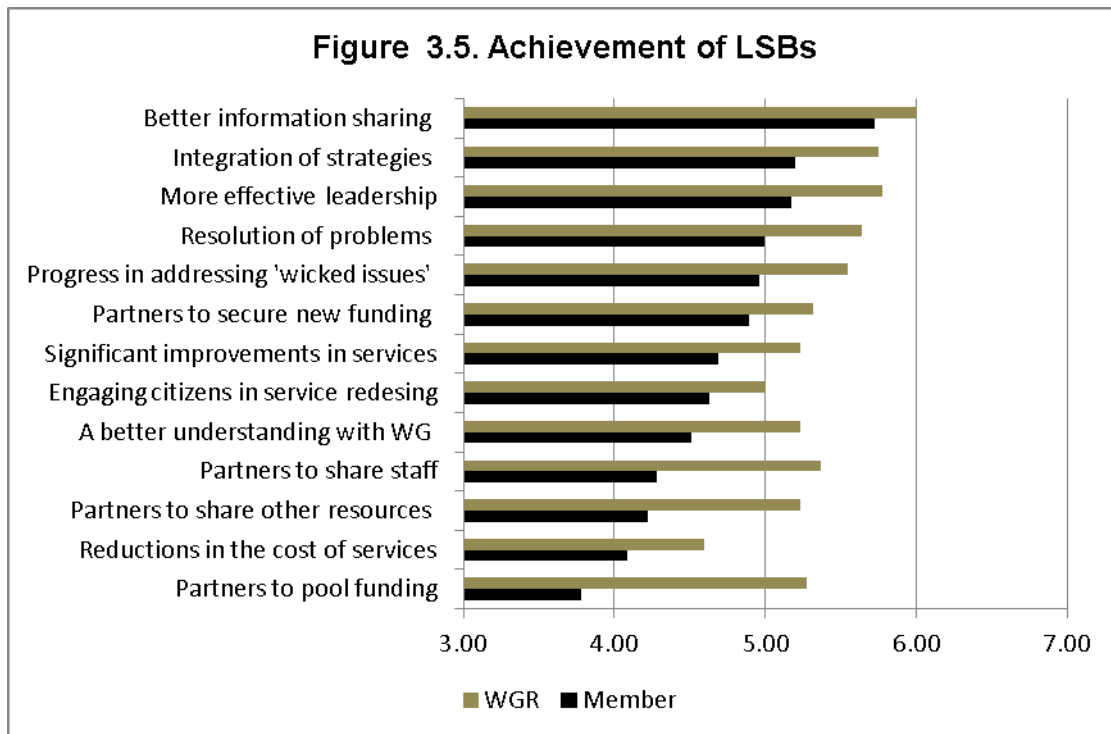
#### *Characteristics of the LSBs*

3.27 In this set of questions both WGRs and LSB members gave the highest mean score to those statements that clearly acknowledge the inter-personal characteristics among the LSB members and LSB coordinators; for example, quality of personal relationships, trust, and communication. The mean scores in both samples show more disagreement in those statements regarding power and equality in the contribution of resources by different LSB members (Figure 3.4).



*Achievements of LSBs*

3.28 Partners reported that LSBs were best at improving information sharing amongst themselves, integrating strategies or rationalising partnerships and more effective leadership (all three of these were rated as having mean scores of over 5 on the seven point scale). The areas in which they were seen as performing least well were sharing staff, sharing other non staff resources, reducing costs of service provision and pooling funding (all four of these achieved mean scores of less than 4.3 from LSB members). WGRs were consistently more upbeat than LSB members about the achievements of LSBs, and (with the exception of citizen engagement in service delivery and better information sharing) this was most evident in those areas in which LSB members perceived to have performed least well (Figure 3.5).



*WGRs and the Welsh Government*

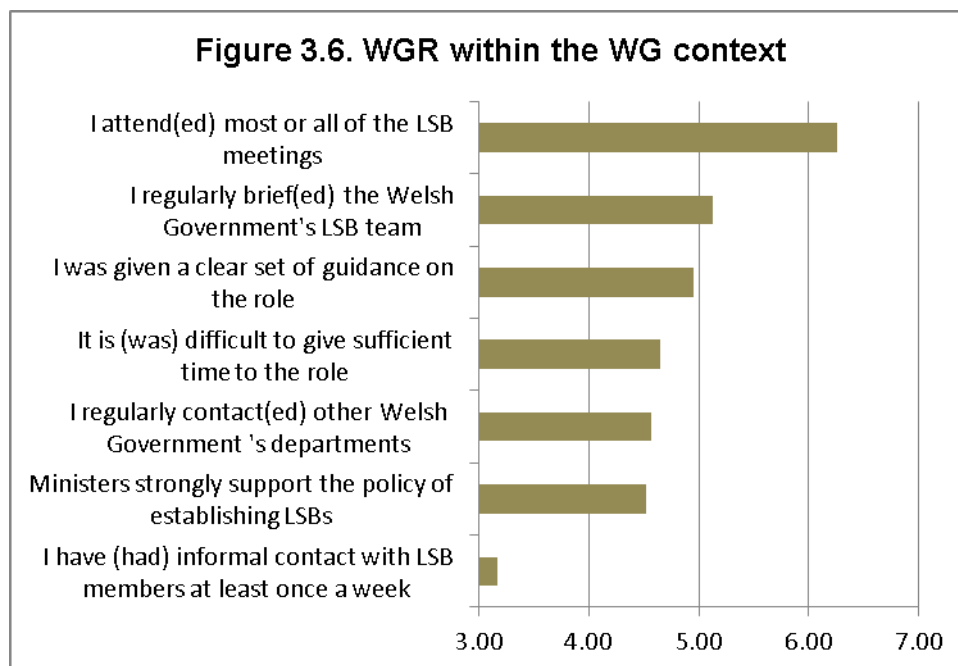
3. 29 WGRs did not only score high (m=6.23) when asked if 'they attended most of the LSB meetings', but 100% of respondents agreed to some extent with this statement. This percentage decreased when asked if 'it was difficult to give sufficient time to the role' - where only 70% agreed. And only 24% agreed when asked if they had 'informal contact with LSB members at least once a week' (Figure 3.6). These results show that WGRs do not think it is onerous to attend LSB meetings (which tend to be organised quarterly) but a more continuous informal communication or involvement with the LSB is.

3. 30 Contrary to WGRs' perceptions on attendance, the survey's open comments by a few LSB members pointed out the absence of some WGRs in the LSB meetings.

*'There is a real problem with attendance in terms of our nominated civil servant. All other participants, including the Chief Constable and Chief Executive of the LHB, attend regularly, but we very rarely see him.'*

3. 31 The turnover of WGRs was also perceived by some as a factor that contributed to the LSB weakness:

*'Some of the weaknesses identified result from the changing representation we have suffered over the last 18 months/2 years including three different WG officials.'*



3. 32 Activities which may contribute to the breaking of silos within the Welsh Government such as 'regularly contacting other Welsh Government's departments about the LSBs' and 'believing that LSBs had a strong ministerial support' show mean scores below 5. In the open statement section of the survey, 33% of respondents wrote that they had contacted other Welsh Government departments (at least once) during their role and that this type of action contributed to: establishing more 'join up' working between different departments in the Welsh Government, giving consistent advice to ministers and, in one case, organising ministerial visits to an LSB.

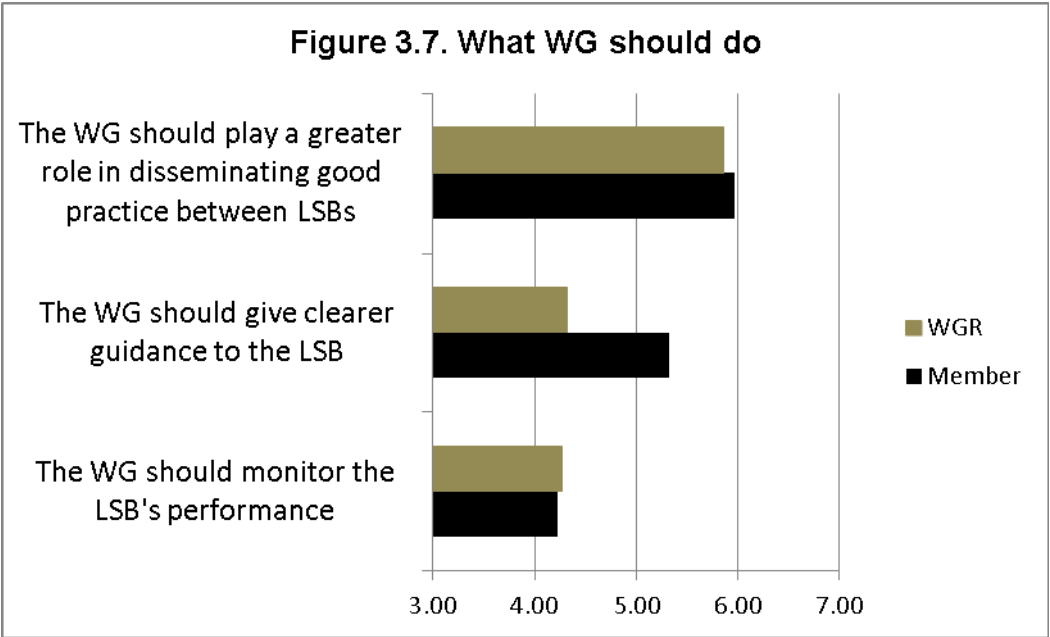
3. 33 According to some respondents, breaking silos in the Welsh Government has been one of the most 'challenging' aspects of their roles, partly, because this aspect was not initially envisaged as

one of the main purposes of a WGR and, partly, because the LSB scheme has not been properly disseminated throughout all the Welsh Government. A couple respondents wrote:

*'Initially there was a lack of understanding or knowledge of the role of the LSB beyond the immediate contacts in the WG. Gradually this has improved (perhaps too slowly), however, there is still too little attention paid to the impact of policy developments on the work of LSBs and a lack of complete understanding by Departments of where the LSB could positively deliver WG policy priorities. This results in a significant amount of effort required from the WG LSB representative and the WG LSB Team to address specific issues/opportunities/problems effectively.'*

*'Whilst some WAG departments have been very receptive to supporting LSBs e.g. in the case of Health with...suicides (they were excellent), other departments are less willing. I am not sure how this can be addressed but it needs to be.'*

3. 34 Finally, a few questions were asked about the approach that the Welsh Government should take in developing the national initiative on LSBs (Figure 3.7). Responses by WGRs and LSB members were quite similar. The only notable difference is that LSB members believe that the Welsh Government should do more in giving clearer guidelines (m=5.24) than WGRs (m=4.35).



3. 35 Although the mean score by WGRs is low for 'WG should monitor the LSB performance', it is worth mentioning that 50% of respondents agreed with this statement. A WGR in an open statement wrote:

*'I think we need to monitor performance of the LSB more strongly. This is because I think the LSBs are often good at taking action, but I think they need to spend much more time testing whether the things they are doing are making a difference and achieving the outcomes they seek and with this evidence question whether they are doing the right things. I see little evidence of this being done. They often seem driven by securing funding to do something, rather than achieving an outcome.'*

#### *Comparing the performance of LSBs*

3. 36 To test whether there was an association between the performance of WGRs and the achievements of the LSBs, we first examined the data from the responses of LSB members regarding the statements listed in Figures 3.2 and 3.3. The 13 measures shown in Figure 3.5 were grouped to produce a general index of LSB effectiveness describing behaviour, sharing resources and outcomes. We compared then the index of LSB effectiveness with perceptions of the performance of the WGRs. Spearman rank correlations indicated the existence of some associations but none of them were sufficiently strong to set much store by. This was unsurprising given the small numbers of respondents per network. However, many of the networks which were reported to be the most effective also had WGRs who were perceived to be highest performers. There were seven networks<sup>1</sup> with mean scores of 5.0 or above for two or all three of the indexes of effectiveness. Four of these also had very high performing WGRs, and five of the seven had WGRs who ranked in the top ten. Although it can be argued that the role of the WGRs is that to support the LSB rather than to assure the board's effectiveness; results in Table 1 show some indication that when WGRs are more proactive in their role they might also contribute to the board's effectiveness.

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<sup>1</sup> LSB-E, LSB-B, LSB-R, LSB-L, LSB-F, LSB-O and LSB-C.



**Table 3.1: WGR performance and network effectiveness**

Local authority	WGR Performance		Average effectiveness		Response rate per LSB (%)	N
	Mean	s.d.	Mean	s.d.		
LSB - E	5.714	.655	5.744	.235	33	3
LSB - B	5.048	.951	5.026	.851	33	3
LSB - R	5.000	.000	5.115	.054	50	2
LSB - H	4.943	.217	3.662	.987	45	5
LSB - L	4.929	.716	5.679	.607	86	6
LSB - S	4.631	1.026	4.462	.713	63	12
LSB - K	4.571	.378	3.827	.476	40	4
LSB - P	4.571	1.212	4.154	.326	33	2
LSB - Q	4.571	.996	4.510	.800	61	8
LSB - F	4.524	.951	5.308	.204	60	3
LSB - J	4.238	.791	4.385	.919	40	6
LSB - N	4.143	.599	4.685	.329	59	10
LSB - A	4.114	1.563	4.077	1.681	55	5
LSB - O	4.039	.879	5.091	.545	55	11
LSB - G	3.829	.478	4.954	.626	25	5
LSB - M	3.810	.617	4.769	.424	28	6
LSB - V	3.643	1.033	3.904	.945	44	4
LSB - U	3.510	.751	4.571	.784	41	7
LSB - C	3.446	.788	5.529	.672	88	8
LSB - D	3.238	.218	4.256	.089	50	3
LSB - T	3.143	.404	5.154	.653	40	2
LSB - I	2.476	.733	4.359	.464	16	3
<b>Total</b>	<b>4.181</b>	<b>.982</b>	<b>4.703</b>	<b>.855</b>	<b>42</b>	<b>118</b>

*Note:* Results based on LSB member sample only.

3. 37 Data in Table 3.1 are not definitive but they do suggest a possible link, as do the additional comments made by survey respondents that the role of WGRs has a positive impact on the effectiveness of LSBs. Members of the LSBs that were perceived to be the most effective indicated that WGRs had assisted them by:

1. Resolving differences between local partners;
2. Improving local partners' understanding of Government policies;
3. Lobbying Government officials and ministers on behalf of LSBs; and
4. Prompting local partners to apply for additional funding from Government.

3. 38 Several explained that WGRs had brought local partners together and helped them to resolve differences by:

*'lead[ing] several sessions aimed at building a positive working relationship between the senior leaders';*

*'provid[ing] a positive endorsement to local efforts to bring educational partners together with partners from other services';*

*'offering robust challenge about our collective aims in the face of specific openly rude and subversive behaviour from a small number of individuals'; and*

*'ensur[ing] that pressure was placed upon the health partners to co-operate effectively to resolve differences'.*

3. 39 They also gave examples of the ways in which WGRs had improved communication and understanding between the Government and local partners by:

*'passing on information';*

*'[providing] short slots at each meeting of the LSB on the latest development within [Government]'*

*'Help[ing] explain Government priorities and listen[ing] to their (LSB members) concerns'*

*'Listening and learning, asking open questions and reinforcing our joint agenda'*

*'navigat[ing] the Welsh Government to provide answers'*

*'providing a link to specific Departments in order to secure info[rmation] on issues, development, timescales for responses'.*

and one explained that:

*'Having the Welsh Government official on the LSB has been the credibility of the LSB and has offered an improved communication route into [Government] for local organisations. This is a vital element to the success of the LSB.'*

3. 40 WGRs confirmed that a major part of their role had involved 'discussing' issues which caused difficulties for the LSBs with colleagues in the Government and 'advocating' on behalf of local partnerships. One reported that:

*'I have brought issues back into the Welsh Government that were obstructing local progress in delivering outcomes and engaged in discussion to remove the obstruction. I have also been able to convey the level of ambition of local providers to colleagues here [Welsh Government].'*

3. 41 Another wrote of:

*'Alerting relevant departments/officials to the issues arising [in the LSB] and particularly using knowledge, experience and understanding gained from up-to-date local knowledge to inform the practice of my own division and our advice to the Minister.'*

3. 42 Whilst the data suggest that WGRs can have a beneficial impact on LSBs, it is clear that this is not the only influence on their effectiveness. More detailed examination of the responses from members of the most effective LSBs suggested that the local context is very important and that the determinants of success varied between boards.

3. 43 LSB-E, LSB-F and LSB-R were seen as effective LSBs by our survey respondents and by the LSB central team who we interviewed in the initial stages of the research. All three LSBs were clear about what they were trying to achieve, there was a strong commitment among the leaders of the local public services to working together, and the local authority was large enough to 'get things done'. The WGRs who had worked with them had helped in various ways. They had assisted the LSB-F to secure additional Government funding and helped to secure agreement for the LSB-E to be allowed to submit a single integrated strategy in place of the four statutory plans which the Government had previously required local partnerships to produce. The WGR working with LSB-R had secured ministerial backing for a key project which had in turn brought other

national agencies 'to the table'. These LSBs can therefore be seen as 'self-starters' which used WGRs to help them achieve their objectives.

3. 44 At one end of the spectrum, the LSB-L serves a small, very deprived area and the local authority lacks in-house capacity. The partners struggled to find a sense of purpose and it was not until the Government provided a full time secondee to assist them that the partners began to make progress. The member of the LSB explained:

*'From a slow start, whilst we negotiated the role, the [LSB-L] ..... became a dynamic forum which generated and implemented ideas. However, this was only made possible by the provision [by Government] of an experienced and able seconded official. It was too much to expect small local authorities to be able to undertake the significant and complex background work underpinning effective partnership without such support. The developing success of the LSB was achieved by the seconded official...who handled the situation and the developments with exquisite skill.'*

3. 45 WGRs played an important role in helping the LSB to recognize its need for additional external support and without their involvement the LSB would almost certainly have remained 'stuck'.
3. 46 LSB-H is another LSB which has struggled. It also had support from a WGR who was seen as being very effective. However, he had not been able to turn things around in the way that had happened in the LSB-L. The involvement of an effective WGR is not therefore on its own enough to overcome collaborative inertia and a lack of local capacity. LSB-B is at the other end of the spectrum. Survey respondents rated the LSB as successful but the average performance of the WGRs as ineffective. Here the LSB achievements were attributed to the influence of an energetic local authority chief executive who had strong connections with ministers and Welsh Government officials.
3. 47 These results reflect that the characteristics of LSBs and the roles played by WGRs are varied. Local areas have had different needs and WGRs have personalities and levels of experience and seniority within Government which contribute to this variation. An LSB member who had worked with two WGRs explained:

*'There is a lack of clarity about the role of the Welsh Government representative and their role on the LSB. The value they add differs dependent on who they are and the position they hold and thereby their spheres of influence. '*

3. 48 Another wrote that:

*'the extent to which they are able to become involved tends to reflect their day job.'*

3. 49 A good illustration is the way in which a WGR was able to lobby successfully for the local partners to be allowed to submit a single integrated strategy because of their position as one of the Director Generals and with years of experience of working in the Welsh Government. Both aspects gave this WGR access to ministers and considerable influence with other senior civil servants. A less experienced WGR, or one working in another policy area, would not have been so well placed to argue for potentially radical change or had the support of their minister in doing so.

3. 50 Although it seems that a good WGR depends very much on civil servants' own personalities and experience, the survey results indicate that their familiarity with local government may be also relevant. Seventy three percent of the WGRs from the most successful LSBs reported that they had worked in local government throughout their careers.

## Conclusions

*How are WGRs facilitating the relationship between the Welsh Government and local government?*

3. 51 The case study has thrown interesting findings about the role of WGRs. The first finding is that both, WGRs and LSB members, believe that the main activities of WGRs are to:

- Resolve issues within the Welsh Government on behalf of LSBs
- Raise awareness within the Welsh Government of the needs of local partnerships

- Explain the Welsh Government's priorities and policies to local partners

3. 52 Although both groups had the same expectations about this role, WGRs are not doing as much of these activities as LSB members would like to see them perform.

*Are WGRs breaking silos within the Welsh Government's organisational structures?*

3. 53 It may be natural to believe that LSB members are stricter on what they expect from WGRs, especially if they are not aware of how the structures and processes operate within the Welsh Government and which hinder the performance of WGRs. Our findings also report that WGRs have found it very challenging to overcome silos across different portfolios in Government, which halt integration of service delivery at the local level. It is only in a few cases where the experience and attributes of specific WGRs that these structural barriers are overcome and, to our knowledge, only on a temporary basis through informal arrangements held between civil servants. Since single integrated strategies/plans have become a formal initiative promoted by Government, it is to be seen if they will have a long term impact and effect in breaking silos at the national level.

3. 54 It is important for the Welsh Government to be aware about the challenges that WGRs face in breaking with portfolio silos and disseminate the dilemmas to ministers and other departments of Government that go beyond the Direction for Communities and Local Government. Perhaps a closer collaboration between LSB central team and the Welsh Government's communication department could help overcome the marginal dissemination that the role of WGRs has in relation to other organisational innovations within Government.

3. 55 Over time the LSB policy has adapted to other co-existing policies. It was originally envisaged as a means of addressing wicked issues but has since been co-opted to serve two very different policy objectives – improving efficiency and streamlining the statutory planning process. These different rationales have not displaced each another but have tended instead to be laid on top of each other. As a result, some LSBs and WGRs have been unsure what they should be doing and have struggled to carve out a niche for themselves. In turn, their professional background and attributes appear to be more significant in shaping the development of their LSBs.

*Are WGRs contributing to promote partnership working at the local level?*

3. 56 The survey findings also reported that the WGRs did not do as well as expected in promoting partnership working at the local level. The actual activity of stimulating new thinking in the LSB and helping LSB partners to overcome differences between them received low scores. The findings indicate that the success of the LSBs in achieving results from collaboration may also depend on the size and capacity of local authorities in order to promote the development of the LSB. However, when a robust LSB is combined with a WGR who has long experience working in the Welsh Government or has specific attributes, the achievements of LSB become exponential. Neither the LSB nor the WGR alone seem to be able to turn things round in integrating and innovating local services. Having both factors are significant for making a difference.

### *Recommendations*

3. 57 The challenge for the LSB central team is to couple LSB needs with a WGR who has the right personal attributes, experiences and contacts within the Welsh Government. It is left to future research to find out systematically a combination of attributes that most suits the diverse needs of LSBs. For now some recommendations are listed that may help overcome the challenges that the LSB policy encounters:

- The meetings and workshops organised for WGRs have been useful to reflect about the role of these senior civil servants. These sessions foster civil servants from different departments to come together and share experiences happening on the ground. These sessions have contributed to a more cross-cutting inter-departmental dialogue. However, it does not seem to involve ministers often enough making it difficult to overcome silo thinking within the Welsh Government.
- When the local authority is small it is unlikely that a WGR alone would be able to turn things round at the local level. Personnel support (through secondments) has been helpful in guiding the LSB to achieve better results. The Welsh Government has recognised this and findings from the ESF-LSB process and outcome evaluations (2012-2014) will help to assess the level of success of these secondments.
- When there are particular conflicts between LSB members, an appointment of a WGR within a related policy area in which the conflict revolves can be very beneficial for the LSB members to overcome differences. However, the WGR will need to make additional effort in building informal relationships with LSB members that go beyond the simple attendance to the LSB meetings.

- Having an adequate WGR in terms of attributes and experience may not be enough to turn round LSBs. The LSB central team needs to assess the local context of the LSBs. Some factors that are important to consider are: (a) if LSB members have the same vision, (b) if there is enough commitment of senior local leaders in making changes within their own organisations to promote inter-sectoral collaboration, (c) if the local authority has an adequate size and capacity to run an LSB on a daily basis, and (d) if there are different Welsh Government or UK government grants that could help develop LSB projects.



## Chapter 4. The local government (wales) measure 2009 part 1

### Introduction

- 4.1. The way in which local government performance is defined, assessed and reported goes to the heart of central-local relations. It also has implications for the way in which local authorities engage with and are held to account by citizens. So it is very relevant to an assessment of the Welsh Government's policies for local government.
  
- 4.2. This paper presents the main findings of one of the case studies that we conducted in order to shed light on central-local relations in Wales. It examines the ways in which local government performance is assessed, focusing in particular on the arrangements that were put in place as a result of the Local Government (Wales) Measure 2009 (hereafter referred to as 'the 2009 measure'). It draws on evidence from policy documents, research reports and interviews conducted between November 2011 and May 2012 with leaders and other senior councillors, chief executives and heads of performance of four councils from different parts of the country and with different experiences of performance assessment, plus senior representatives from the Welsh Local Government Association, Welsh Government and Wales Audit Office.

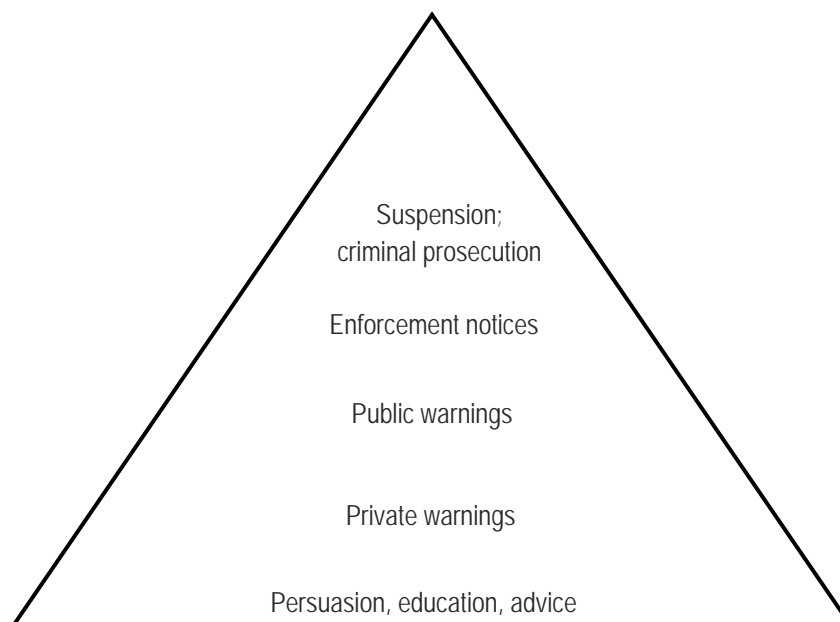
### Some useful concepts

- 4.3. Performance assessments play an important role in the management of public services. What Power (1997) called the 'audit explosion' is a transnational phenomenon (Pollitt et al., 1999), and in the last two decades most European countries have introduced performance assessments at the municipal level (Jeanrenaud and Martin 2005). In many cases, these have been voluntary arrangements developed by self-organising benchmarking clubs or the local authority associations. The UK is unusual in having imposed top down targets, indicators and inspections on local services (Hood 2007). Until recently, the Welsh Government eschewed the explicit comparisons between councils, such as star ratings and league tables, favoured by the Blair/Brown governments in England. However, the recent publication of school banding hints at a toughening of its stance in response to a growing emphasis on 'delivery'.

- 4.4. Historically, audit and inspection have been designed to provide assurance that local authorities manage their finances properly and services meet minimum standards. Over the last decade though, they have increasingly been seen as a means of supporting or 'driving' improvement. As a result, regulators are no longer seen simply as watchdogs whose job is alert the public (and/or ministers) to unsafe or underperforming services. They are now expected to proffer advice and disseminate good practice to help councils address problems (Martin 2004), and this 'inspection-for-improvement' paradigm is reflected in a range of policy statements and reports issued by the Welsh Government, the Wales Audit Office (WAO) and the Welsh Local Government Association (WLGA).
- 4.5. The drive to improve performance through assessment has been strongly influenced by the theory of responsive regulation. Advocates of this theory argue that the approach taken to regulation needs to be tailored to the trustworthiness of the regulatees whose actions or performance are being assessed. If regulatees can be trusted to achieve the desired standards (i.e. they are both competent and well intentioned), then self regulation is the best approach. However, if there is doubt about its ability and/or willingness to perform to the required level, then alternative 'regulatory strategies' need to be used. According to Ayres and Braithwaite (1992: 25) 'The trick of successful regulation is to establish a synergy between punishment and persuasion', a claim which they illustrate using the concept of 'enforcement pyramids' which involve hierarchies of sanctions and regulatory strategies.
- 4.6. At the base of the pyramid is self regulation where (in theory at least) organisations and individuals might be left to manage themselves in whatever way they see fit. They would set the standards and decide how to achieve them. At the apex of the pyramid is what the academic literature describes as 'command regulation' where an external regulator dictates both the standards and the processes by which they are to be achieved. Between these two extremes, there are a range of options including for example co-regulation where a group of individuals or organisations (rather than an external regulator) exercises control over its members' behaviour and/or performance (Baldwin and Cave (1999)).
- 4.7. The hierarchy of regulatory strategies potentially includes persuasion, exhortation and peer pressure (at the base) through to private and public warnings, enforcement notices and criminal prosecution at the apex (Figure 4.1). These activities may focus on processes (how organisations or individuals behave), performance (what they achieve) or both. Depending on

the enforcement strategy, standards may be self imposed or enforced by external bodies or a combination of the two. A regulator may for example set minimum performance standards but leave regulatees to determine how they will achieve them. Or they may insist that regulatees follow specified procedures but not specify performance targets. In some cases neither party lays down standards but regulatees are required to publish information about their practices and/or performance so that the public can hold them to account, what Camison-Zornoza and Boronat-Navarro (2010) call 'information-based regulation'.

Figure 4.1: Sanctions pyramid



4.8. A number of researchers have applied responsive regulation to analyse approaches to the management of public services. Hughes et al. (1997) contrast 'punitive' and 'non-punitive' approaches, and Day and Klein (1990) differentiate between a 'policing' approach, concerned with enforcing rules, and a 'consultancy' approach which relies on persuasion. Responsive regulation has also influenced policy makers. The concept of 'proportionate' audit and inspection has, for example, gained increasing currency in the UK and the Blair Government's approach to the regulation of public services was predicated on the related idea of 'earned autonomy'. Under

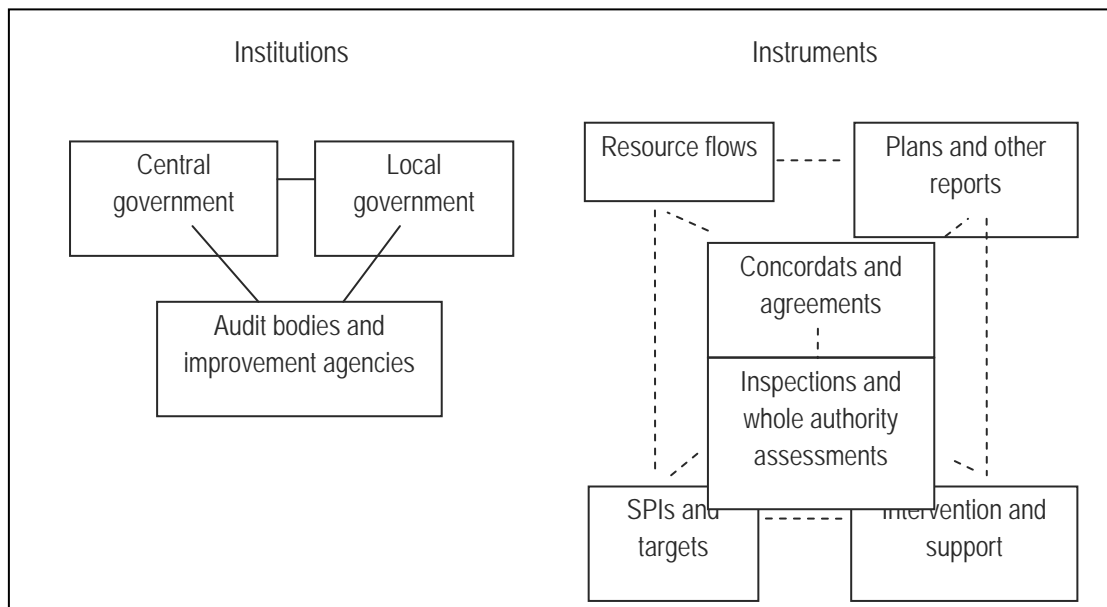
the Comprehensive Performance Assessment (CPA) framework councils judged to be at risk of serious or sustained failure were subject to intensive surveillance and, in extreme cases, external interventions, whilst 'good' and 'excellent' authorities were promised 'lighter touch' inspection. Though less explicit, the principle of 'proportionality' has also featured in discussions between the Welsh Government, the WAO and local authorities.

4.9. Another useful concept is the notion of a 'performance improvement regime'. Hood et al. (2001) noted that regimes which seek to regulate risk involve three activities:

- Setting standards, goals or targets
- Gathering evidence and
- Modifying the behaviour of regulated bodies.

4.10. The way in which a regime operates is, they argued, dependent on who undertakes each of these tasks, which is in turn determined by the nature of the relationships between regulators and regulated bodies. Downe et al. (2009) have applied this framework to local government performance assessments. They argue that local government performance improvement regimes involve the same three activities and that the instruments used to discharge them are determined by the interrelationships between central government, audit bodies and local authorities (Figure 4.2). So for example, local authorities or local government associations may set standards locally or alternatively central government can impose a universal set of national minimum standards. The evidence to inform judgements about performance may come from self evaluations, auditors' assessments or a combination of the two. Local authorities can be left to work out how to improve their own performance or they may have changes imposed on them through legislation or external intervention.

Figure 4.2: Local Government Performance Frameworks



4.11. Comparing local government performance improvement regimes in England, Scotland and Wales, they concluded that all three countries used very similar instruments (a combination of funding, statutory plans, performance agreements, performance indicators, whole authority assessments and interventions). However, differences in the relationships between institutions such as central government, audit bodies and local authorities meant that there were differences in the ways in which the instruments were used. Superficially, regimes in the three countries looked very similar but in fact they had a quite different operations and 'feel' from each other. Seen in this light, measuring local government performance is not a technocratic exercise. Definitions of performance and the instruments used to assess it take different forms in different political and institutional settings and change over time (Pollitt 2003).

#### The 2009 measure

4.12. Our analysis of part 1 of the 2009 measure draws on both of the concepts introduced in the previous section - responsive regulation and performance improvement regimes - to examine

why the 2009 measure was introduced, how it was developed, and what impact it is having on local government performance.

- 4.13. The local government performance improvement regime in Wales has undergone a series of changes over the last decade. The national indicator set has shrunk. Policy Agreements were replaced by Improvement Agreements, which in turn have been replaced by Outcome Agreements. Single Integrated Plans have been introduced, and there have been three different frameworks for assessing authorities' overall performance and capacity.
- 4.14. In the period immediately following devolution, councils in Wales were judged in the same way as their English counterparts. They were subject to Best Value inspections conducted by the Audit Commission which rated their current performance and prospects for improvement on a four point scale. From 2003 onwards however, Wales developed a distinctive approach known as the Wales Programme for Improvement (WPI). Like CPA which replaced Best Value inspections in England, the WPI sought to ensure that councils fulfilled a statutory duty to secure continuous improvement that had been introduced by the 1999 Local Government Act and emphasised the importance of 'corporate capacity' to achieving this. However, it differed from the English approach in a number of important respects.
- 4.15. Unlike CPA, which was imposed top down by the Audit Commission, the WPI was developed jointly by civil servants, representatives of local government and the auditors. Whereas CPA used a standard scoring system and key lines of enquiry, the WPI was tailored to each council's own priorities and 'improvement journey'. In England the Audit Commission published reports on each council and authorities were rated on a five point scale from 'poor' to 'excellent'. Under the WPI there were no published reports on individual councils, no league tables and no 'naming and shaming'. Authorities undertook their own 'whole authority assessment' which evaluated their capacity to achieve continuous improvement. In light of this they agreed a joint risk assessment with the Audit Commission which formed the basis of an improvement plan and a regulatory plan. The WAO presented the Local Government Partnership Council with an annual report on the progress being made across the country as a whole, but risk assessments were subject to bi-lateral confidentiality agreements between authorities and their auditors.
- 4.16. In 2005, new guidance lifted the requirement for councils to produce whole authority assessments each year and allowed more flexibility around the nature and timing of risk

assessments. It also emphasised the importance of equality and sustainability in improvement planning and reduced the number of performance indicators which needed to be collected (WAG 2005). However, there were concerns about whether the process was sufficiently robust.

4.17. There was general acknowledgement that the WPI had helped to improve council's corporate planning processes but it is not clear that services were acting on the findings of risk assessments. The WAO feared that the WPI provided only 'partial assurance that services are improving' because of 'weaknesses in its application' (WAO 2007). Ministers were frustrated that because risk assessments were not published, they had no way of knowing which councils were underperforming or risk of failing. There were a number of failures which they had not been forewarned of and some independent studies suggested that services were improving more slowly than in other countries (Andrews and Martin 2010; Burgess et al. 2010; OECD 2010). Interviewees told us that there was a feeling that the focus on risk was not getting to the issues that mattered most to councils or the public, and the WPI was disconnected from community strategies.

4.18. Part 1 of the 2009 measure was intended to respond to these concerns by making significant changes to the WPI. Prior to 2009 the WPI had focused on risk, whereas the post-measure WPI was concerned with securing continuous improvement. (Improvement was defined very broadly to include enhancing economic, social and environmental wellbeing; gains in service quality, availability and efficiency; reducing inequality; promoting sustainable development, and innovations which contribute to the achievement of an authority's strategic objectives). Interviewees told us that the intention was to link performance more closely to community strategies and local authorities' community leadership role. They also said that the measure was indicative of an increasing focus on 'delivery'. Some local services were improving fast, notably waste management. However, others seemed to making little progress. Ministers wanted 'hard' evidence about the performance of each council rather than the more 'subjective' overall assessments provided by the pre-2009 WPI:

*“the minister was becoming less keen on ‘warm words’”*

and hoped that the provisions introduced by the measure would mean that the WPI would in future provide better information about local government performance and increase transparency to the public.

4.19. However, as one interviewee put it, the measure was a

*'refinement not a revolution. It didn't fundamentally change the way authorities managed performance.'*

4.20. It is still up to authorities to decide on the priorities for their areas and tailor their improvement strategies to these, but the new guidance required them to take account of the dimensions listed above in their decision making processes and performance assessments. Authorities choose how to report performance, but the measure stipulated that they should analyse their progress over time and compare it with other authorities that provide similar services. Evidence can be drawn from a wide range of sources including statutory and local performance indicators; measures of public satisfaction; calls and contacts from citizens; levels of usage of services; service assessments and peer reviews; scrutiny reports; the findings of audit, regulatory and inspection bodies; accreditation with recognised assessment schemes; and intelligence about the need for projects, programmes and new approaches to service delivery.

4.21. The WAO publishes an annual analysis of whether an authority has achieved planned improvements (a performance assessment) and a forward looking assessment of each authority's capacity to comply with the duty of continuous improvement in future (a corporate assessment). It is also able to undertake assessments of an authority's governance and management arrangements and reviews of specific functions and activities where relevant. Section 9 of the measure gave authorities powers to collaborate with each other and a wide range of other bodies, and section 12 required them to consider whether such collaboration would assist in the discharge of their improvement duties and if so, they had to seek to exercise that power.

4.22. Like most regulatory regimes, the post-2009 WPI therefore combines elements of self-regulation and external regulation. The external requirement that councils publish performance information places it slightly higher up the 'enforcement pyramid' than the pre-2009 arrangements. However, councils still have some discretion over the regulatory activities identified by Hood et al. They determine the priorities for their local areas (i.e. they set the standards), although the WAO also has a role – it has for example argued that some councils have too many priorities. Authorities also gather evidence about their own performance albeit within a framework of strategic performance indicators set by the Welsh Government and the WAO visits authorities to



gather and check the data. Councils are responsible for implementing actions needed to secure improvement (i.e. changing behaviours), but the WAO can make recommendations about what it believes they need to do and check on whether they have acted on its reports.

### Designing the 2009 measure

4.23. Interviewees reported that the process of developing the measure was 'low key', consensual and consultative. The Welsh Government consulted extensively with both the WLGA and local government networks about the policy which lay behind the measure, and the legislation was discussed by a variety of local government forums and networks.

4.24. There was very little opposition from within local government because the measure wasn't seen as a fundamental change. One interviewee told us that local authorities saw the measure as:

*'Business as usual but with even more freedom than ever.'*

4.25. Nor was there much scrutiny from the National Assembly. The legislation was passed following a debate lasting just two and half hours in April 2009. One interviewee reported:

*'There was very little challenge from AMs. It was too complex and boring.'*

4.26. Although the Welsh Government established a 'Measure Implementation Group' (which included local government officers and representatives from SOLACE, WLGA, regulators and academia) to consider how the Measure would be implemented including the drafting of Guidance, the Guidance was not issued until June 2010. Local authorities complained that it took too long to issue the guidance:

*'After the measure the Welsh Assembly Government seemed to breathe a sigh of relief.'*

4.27. In the absence of guidance, because of the deliberately broad way in which the measure was drafted and in particular the way in which improvement was defined, some councils were unsure what was required of them. One interviewee reported that the measure had

*'Maybe left too much room for manoeuvre for local authorities, more flexibility than they could cope with. Councils wanted to know what the hidden meaning was but there wasn't one.'*

- 4.28. Several interviewees noted that the consensual way in which the Welsh Government's policies around improvement and the measure itself was developed has been replaced by a more 'top down' approach to policy making. The process used to develop the measure was described as:

*'a watershed, the end of the old days of consultation'*

*'the last point in the more consensual approach to central-local relations and performance assessments.'*

- 4.29. The Government had since become:

*'more prescriptive and impatient about local government performance.'*

- 4.30. Interviewees said that there is less consultation and local authorities are increasingly seen as 'delivery agents'. This has, they argued, been reflected in new policies such as the introduction of outcome agreements. They were imposed with little consultation and the fact that some of the funding associated with them had been withheld from councils that had not hit targets was seen as symptomatic of a toughening of the Government's stance.

*'Ministers are increasingly using all of the levers available to them to direct and encourage improvement'*

*'The rhetoric is increasingly critical of patchy performance and is acted on with the interventions in the last 18 months'*

*'The 2011 measure took a completely different approach to the 2009 one which has destabilised the relationship with local government.'*

- 4.31. In this new climate, the 2009 measure was seen by most interviewees as a remnant of a now bygone era of central-local relations when the WLGA and local government generally enjoyed much greater influence and engagement. Others suggested that there is still a lot of consultation but that in recent years the Welsh Government has relied less on the WLGA as the political,

representative body and some departments have sought to develop more direct channels of communication with professionals in local government.

4.32. Whereas the Government led on the development of the measure, the WAO was primarily responsible for deciding how to interpret the new provisions relating to performance assessment, so in effect, how the 2009 measure was implemented. Representatives of local government were also involved at the implementation stage of the process. One interviewee explained that the Welsh Government did not positively promote the Measure as a positive change as they didn't want to cause too much of a ripple. The WAO promoted it as a bigger change and a chance to do something different.

4.33. Both the WAO and WLGA believed that the new post-2009 WPI was an improvement on the previous version. The WLGA welcomed the emphasis on local priorities and proportionality. It also supported the attempt to coordinate the WAO's work with the activities of the other inspectorates, although it believed that the measure did not go far enough in doing this. In this regard it was, we were told,

*'a bit of a missed opportunity to align the whole performance framework.'*

4.34. Some interviewees argued that there was a need for what one called a

*'pan public service performance improvement framework. The measure was silent on how the rest of the public sector would be held to account for community strategy achievements.'*

4.35. We were also told that more could have been done to join policies up. In particular

*'Improvement agreements were a bolt on rather than being a core part of the wider performance framework.'*

4.36. However, the only element of the measure to attract significant criticism was the power to direct councils to collaborate. The WLGA regarded it as

*'wrong in principle and we couldn't see how it would work in practice'*

and several interviewees questioned whether it was in fact workable and suggested that it was

*'there for show to make a political point.'*

### Impacts of the 2009 measure

4.37. We noted above that performance assessments can be seen as having two main purposes: to provide assurance and promote improvement. There were mixed views about the effectiveness of the post-2009 WPI on both counts.

4.38. Some interviewees told us that WAO reports do provide a measure of reassurance – for local councillors and senior local authority managers and for the Welsh Government. They give a clearer and more consistent picture of performance than was available pre-2009:

*'WAO now produces much clearer reports. The messages aren't coded in audit language like they used to be and there's no longer things hiding in local authorities in the way that was possible in the past.'*

*'The measure has created a climate where now if you find fault you say so very clearly.'*

4.39. However, others argued that it was still necessary to:

*'read between the lines of reports.'*

4.40. They said that if you know what to look for, improvement reports can be used to identify councils that are experiencing problems, and both the WLGA and the Welsh Government use them as one of a number of sources to detect potential problems. However, none of our interviewees believed that the public used reports to hold councils to account. The guidance hadn't, they said, been sufficiently clear about how councils should report to the public and this was the area in which least progress has been made.

4.41. Some believed that scrutiny committees could make much more use of improvement reports than they currently do.

4.42. There was, we were told, better information sharing between the regulators now although this had not gone as far as some interviewees had hoped. One interviewee said:

*'you can still see the joins between WAO, Estyn and CSSIW'*

and a lot of information was still shared in informal 'corridor' discussions rather than via formal performance management instruments.

4.43. Assessment processes were rather more 'joined up'. The WAO brings in Estyn and CSSIW when they visit local councils and has a member of its staff on Estyn's inspection team to look at corporate issues.

4.44. It is perhaps too early to assess the impacts on improvement but we found evidence that there have been changes in some council's internal management processes. Interviewees reported that several authorities have used the flexibility provided by the post-2009 WPI to re-orientate their performance management systems so that they focus on outcomes in a way which would not have been possible prior to the measure. It had, we were told,

*'Given the better authorities room to breathe ....there's lots of latitude for councils and for the WAO.'*

4.45. In particular, compared to the pre-2009 WPI, councils have a lot more flexibility about how they present data about their own performance.

4.46. We were told that this has led to

*'a better alignment of the improvement framework and community strategies.'*

4.47. In some instances, it had encouraged authorities to be clearer about what their main priorities were and to make them measurable. Some had more than thirty 'improvement objectives' and

the WAO had encouraged them to reduce these in order to concentrate on key priorities. However, not all councils accepted the need for more focus. One interviewee argued that the

*'WAO are obsessed with reducing the number of objectives as a large number makes it harder for them to do their work ..... They will say things like, 'Well you're not complying with this part of the measure. You've got too many priorities.' To which we say, 'It's our local discretion whether we've got the right number of priorities and the right things. You have a right to comment on the evidence-base behind them and our capability to deal with them all in one go, but it's not your job to give us a lecture over whether there are too many.'*

4.48. The majority of interviewees from local authorities said that improvement reports

*'are not giving officers or members anything they don't already know.'*

and had only a minor impact on the ways in which their councils operated. For authorities that already had clear priorities, sound financial planning and good performance management systems it was, we were told, 'business as usual'. Improvement reports had only really added value where councils were weak in these areas. Interviewees from local authorities told us that WAO reports did not enable them to identify good practice elsewhere which they could learn from and the lack of comparative data makes it difficult for members to judge how well their councils are doing. One officer told us that the current approach doesn't

*'give us a clear handle on performance. It seems a very subjective form of judgement by the WAO.'*

4.49. The current arrangements therefore rely to a large extent on the capacity and willingness of councils to manage their own performance. One interviewee said

*'If local authorities are robust and rigorous then things should be fine. It breaks down where personalities or processes aren't right for some reason.'*

4.50. Some councils complained about what they saw as inconsistencies in the way auditors have applied the post-2009 WPI. The WAO can now make statutory recommendations and made three last year which reflect councils having areas needing significant improvement. One interviewee told us

*'Some councils have no statutory recommendations, which baffles me .... I just find it's a very inconsistent un-moderated approach. I don't think the system is anywhere near consistently applied across Wales at all .... I think some councils have better relationships with WAO and they're able to manipulate it better. '*

## Conclusions

4.51. It is important to note that Part 1 of the 2009 Measure is only one element of a much wider performance framework, and was not seen by any of our interviewees as the most important or useful component of it. They told us that other instruments, such as Outcome Agreements and statutory interventions, had more clout, whilst Ffynnon – a national software system of integrated performance, risk and management - was more useful to councils in monitoring their own services.

4.52. The power given to ministers to instruct authorities to collaborate was the only provision in the measure that had provoked any real controversy. However, most interviewees doubted that this would ever be used. For the most part, Part 1 of the Measure has attracted little attention and was seen by councils as less interesting than the issues covered by Part 2.

4.53. That said, the post-2009 assessment framework is seen as an improvement from the previous version of the WPI. It has established a stronger link between performance management, financial planning and the priorities set out in community strategies. This has led to improvements in some authorities' performance management systems. It has also encouraged councils to review their priorities and in some cases to narrow them down into a more focused set of key objectives and outcomes.

- 4.54. Another advantage of the post-2009 WPI is that it provides clearer cut assessments of performance and this makes it easier for councils and the Welsh Government and WLGA to identify potential problems. There are, we were told, fewer 'hiding places' than was the case with the pre-2009 WPI.
- 4.55. Our examination of the way in which the new assessment framework was developed and how it has been implemented point to four main issues that we believe merit consideration.
- 4.56. First, there is more scope for differentiation in the way in which councils are regulated. In theory there is a degree of proportionality in the current arrangements. But we didn't find much evidence of this in practice. The councils we visited felt that there is a lot more scope for reducing the burden on authorities whose performance is judged to be satisfactory. Suggestions included the introduction of 'light touch' annual checkups with more detailed assessments conducted only once every three to five years.
- 4.57. It is important to get this balance right – avoiding overregulation of authorities that are at the 'leading edge' whilst providing robust scrutiny of and sufficient support for councils that are struggling. This is where the concept of responsive regulation could be helpful. We believe there would be benefit in applying the concept more explicitly to the design and implementation of performance assessments. It would be useful to think through the kinds of enforcement strategies that are likely to be most effective for different councils. It is also important to consider how different elements of the overall performance improvement regime interact and the role which the measure plays alongside other forms of regulation of and support for authorities.
- 4.58. Second, we believe that there would be benefit in considering the current distribution of roles between the Welsh Government, local government and the WAO. The Welsh Government largely handed over the task of deciding how the measure would be implemented to the WAO. It has in effect chosen to manage the process at arm's length. Having deliberately couched the measure in broad terms, it allowed the WAO to interpret the legislation and define the criteria that it needed to make councils 'auditable'. The lack of specificity in the original measure was welcomed by many authorities and worked well for those that already had effective performance management systems. But interviewees in these authorities often criticised the WAO for adopting what they saw as a prescriptive approach that was at odds with the spirit of the measure. Conversely, there are other councils (often those that have struggled with



performance management) which wanted a clear indication from the outset of what 'they should be doing'. They were unnerved by the ambiguity of the measure and complained about the length of time it took to issue the accompanying guidance. An interviewee from one authority explained:

*'It seems as if the Welsh Government isn't yet mature enough or confidence enough to work out for itself how things should be developed in practice and defaults too much to people like WAO to work through the detail in reality'.*

4.59. One way of considering the distribution of roles is to look at who undertakes the three tasks identified by Hood et al. (2001). Under the current provisions, standard setting and evidence gathering are shared responsibilities. Local authorities establish local priorities and the WAO establishes criteria by which it judges the soundness of councils' corporate capacity, performance management and financial planning. Similarly, evidence gathering involves a combination of self assessments by authorities and external judgements by the WAO. It is less clear who is responsible for the third task identified by Hood and his colleagues – ensuring behaviour change – or what the theory of improvement in Wales now is. There is still much less emphasis on explicit performance comparisons between councils than was the case in England under CPA and CAA. The WAO does now publish assessments of each council, but there is still no attempt to rank councils. However, there have been proportionately more interventions in Wales than elsewhere in the UK and ministers have been increasingly critical of councils that they judge to be underperforming.

4.60. Thirdly, we believe that there are important questions about what is currently being measured. One of the differences between the pre and post 2009 WPI is that the former was concerned with the assessment of risk whilst the latter is focused on improvement in a range of different kinds of outcomes. However, outcomes are difficult to measure, especially in the short term. So in practice it seems to us that the current assessments are concerned largely with capacity and processes. This is important because there have been a number of examples of councils – in Wales and other parts of the UK – whose management processes have been judged to be satisfactory by inspectors and auditors but where serious problems with performance have subsequently come to light. In our view, it is therefore important that over time more attention is given to the kinds of outcomes that councils are achieving for their citizens.

4.61. Finally, there are questions about the usefulness of the evidence which is currently being generated. Councils still collect large amounts of performance data above and beyond the national statutory performance indicators and can use this to compare themselves with other authorities. However, it is very difficult for members of the public to judge how well their council is performing. While WAO reports provide a clearer set of messages for councils, civil servants and ministers than in the past, they are not designed for nor are they read by many members of the public. In the absence of published, independently audited comparative data there is a danger that public perceptions about council performance rely on isolated media stories and personal anecdotes, what one interviewee described as 'finger in the air stuff'.

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## **Annex 1: Consultation Process in Ceredigion County Council**

1. The Director of Education and Community Services will provide a report for the County's Schools Review Panel, noting which schools have met two or more of the trigger points.
2. The County's Schools Review Panel will identify those schools it considers to be in need of a detailed review, and will invite the Governing Body of each school that faces such a review to attend when the Panel meets, to discuss their particular school.
3. If a school faces a review, the Headteacher and Chairman of Governors will be notified of that fact (normally towards the end of January.)
4. The report will be shared with the School Headteacher, the Local Member, the Staff and the Governing Body.
5. The County's Schools Review Panel will normally commence its work in February and complete its work in April.
6. The initial meeting of the County's Schools Review Panel and the Governing Bodies will examine the school's options for the future, in accordance with the Authority's long-term vision for the education service in Ceredigion, in order to enable the school to meet future challenges.
7. Following meetings with the Governing Bodies, Panel Members will discuss each school individually, before coming to a recommendation regarding their future.
8. The Schools' Review Panel will follow Welsh Assembly Government guidelines as published in the guidance document 'School Organisation Proposals' 021/2009.
9. The Governing Body of each school under review will be invited to attend a Feedback Meeting in order to receive the recommendations of the Review Panel and gain a further opportunity to present additional evidence.
10. Initial Consultation Meetings will be held with the parents and community, they will be presented with: The report prepared by the Authority for the Review Panel Meeting  
Minutes of meetings held with the Governing Body and the initial recommendation of the Review Panel
11. Written observations will be invited by Governors, staff and parents as well as neighbouring schools that are likely to be affected by the recommendation.
12. The Review Panel will reconvene in order to discuss the outcomes of the initial consultation and formulate a final recommendation to Cabinet.
13. Following the above process, a report will be submitted to the Cabinet in order to fully consider the relevant report, representations and final recommendation of the Review Panel.
14. If the Cabinet decides to proceed with the preferred option / options, the Statutory Process will be followed.