Learning from and about Improvement in Local Government in the North West

Strand 2

How do local authorities bring about improvements in performance?

Final Report

Alan Boyd and Adrian Nelson
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Needless to say, any errors or omissions in this document are due solely to us, and not to any of the above.

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Manchester Business School, December 2009

Further information:

Further information about this evaluation, and copies of this and our previous briefing paper, are available at http://www.mbs.ac.uk/research/hsi/research/NWIN.aspx

If you would like to discuss any aspect of the research, or this briefing paper, please email alan.boyd@mbs.ac.uk
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Executive Summary

Background
In 2006 the North West Improvement Network (NWIN) commissioned Manchester Business School (MBS) to conduct an evaluation in order to learn from and about improvement in local government in the North West of England. This briefing paper concludes one strand of that evaluation, which considers how local authorities use improvement processes, systems and tools to bring about improvements in performance. By analysing what was done in four improvement initiatives, the paper expands on previous findings and draws out practical implications with regard to improving the performance of local authority services.

Key findings from earlier in the evaluation
During the autumn and winter of 2007, interviews with over 160 managers from six high performing local authorities in the North West of England revealed the factors which they regarded as important in contributing to service improvement (for further details see Briefing Paper 3).

The evaluation concluded that improvement can viewed as resulting from “intelligent application”. Problems can best be solved if one has a clear, in-depth understanding of the situation, which is intelligence-based i.e. through continually gathering and analysing data about the situation. Such knowledge is not however sufficient by itself, but needs to be applied effectively in order to bring about change. In other words, for improvement to happen, it is necessary to both ‘do the right things’ and to ‘do things right’.

Five principles were identified:
- understanding and managing customers;
- understanding and managing staff;
- understanding and managing relationships with the wider organisation and external organisations;
- engaging with external ideas;
- challenging existing assumptions.

The findings suggested that further research might usefully investigate the roles that managers, staff and users play in improvement, and the factors that influence which groups adopt which roles, including consideration of what is recognised as relevant expertise and how it is brought into the improvement process.

The present study
The research described in this briefing paper attempted to build on the previous findings from the evaluation. The theories espoused by managers having been elucidated previously, the main focus of the research was to investigate how improvement appears to happen in practice, in order to assess the utility of the theories, develop them further, and consider how they might be implemented. This was done by following the progress of particular improvement initiatives over a period of 12 months, beginning in the summer of 2008.

Four initiatives were studied, drawn from four of the six authorities studied previously:
- Introducing systems thinking in an internal service department
- Introducing area based working for waste management and recycling
- ‘Roll out’ of neighbourhood management
- Introducing a new model of regulating business premises
All of the authorities were unitary authorities in Greater Manchester or Merseyside; three had been consistently rated as high performers over a number of years, while the other had been consistently “good” and its aspirations to improve further were regarded as realistic by knowledgeable observers; the authorities had a range of approaches to improvement; and party political contexts varied.

In most cases it was not feasible to study the whole of the initiative, on account of size, duration or both. Instead, a relatively self-contained part of each initiative was identified and studied either for the 12 months available to the researchers or until a suitable project milestone was reached. This meant that in some cases the research had to focus on processes to date, and so conclusions about the ultimate value of the initiatives studied should not be made on the basis of this report.

**Research Methods**

Data was gathered primarily through regular, confidential, semi-structured interviews with key informants active in the initiatives, and non-participant observation of key meetings. The key informants were chosen so as to represent a range of stakeholder viewpoints. A total of 98 interviews were conducted, involving 25 people, and 17 meetings were observed. This data was supplemented by an analysis of relevant documents such as plans and reviews provided by each initiative.

**Initiative 1: Introducing Systems Thinking**

The local authority studied had instigated a strategic programme to achieve improvements and efficiencies. It was envisaged that transformative ‘step change’ to organisational processes and methods would be needed, and that a culture of transformational change would need to be developed over the next few years. The improvement programme was based on a form of systems thinking\(^1\), that focuses on reducing waste and adding value, incorporating ideas from Lean\(^2\), which has demonstrated some success in the public sector\(^3\). The aim was to change the way staff think so that they recognised and were driven by the purpose of fulfilling customer demand; and to provide methods and tools that staff could use to redesign organisational systems to better fulfil that purpose.

The element of the initiative studied as part of the research was a project to introduce systems thinking in one of the authority’s internal service functions. This was the first part of the authority to use the approach, and it was hoped that it would demonstrate service improvements, interest managers and staff elsewhere in the organisation in trying out systems thinking, and build capacity within the organisation to support the introduction of systems thinking in other functions. The authority recognised that it lacked knowledge and expertise in systems thinking, and engaged a firm of consultants to support the project.

The initial focus would be on the service desk, which was the initial point of contact with many customers and to which the systems approach should be straightforward to apply. Other parts of the service function would be investigated later, and as staff time was freed up through reducing inefficiencies.

The whole process took longer than initially expected, due to factors such as staff illness, leave and turnover, but produced very large improvements in the quantitative performance measures that had been identified as relevant. A majority of staff felt that the initiative had been

\(^1\) Throughout this document footnotes are denoted by a letter and references by a number.
beneficial, particularly with regard to the service becoming more customer-focused. A significant minority, however, felt it had been harmful, because they were now less in control of the content and organisation of their work. Such negative views were most prominent among staff who had had less exposure to systems thinking, so it is plausible, but not certain, that their views would become more positive in due course.

It is planned that systems thinking will continue to be implemented across the whole of the initial service area. Projects are underway in some other parts of the organisation and over time trainees will take on responsibility for supporting these projects, with less input from the consultants.

Initiative 2: Introducing area based working for waste collection and recycling

A best value review of refuse collection had found that the Council’s costs for waste collection were significantly higher than other councils, that customer satisfaction with the service had reduced and there were concerns about the service’s performance, while transport costs were judged to be too high. The review identified a range of problems within the Waste Collection Service (WCS). It was found that there was an ‘overtime and bonus claiming culture’. The internal perception of the WCS was poor. “They won’t listen and they don’t pick up the phones” – call centre response times were also poor. Customer satisfaction had dropped to 76% and sickness absence was at 14%. One of the main problems identified was one of communication barriers between management and operational staff. Under these conditions there was a real threat of the service going out to tender. It was clear that there was need for a culture change within the service.

The main initiative was centred on Area Based Working (ABW). With ABW, the crews remain in their designated areas from Monday to Friday. In previous arrangements teams would work their way in to the centre from the Borough boundaries at the beginning of the week, which in terms of the time taken was seen as inefficient. With ABW, crews will be familiar or familiarised with their areas and in addition to the advantage of local knowledge, will act as the ‘eyes and ears’ for that area on wider issues such as tipping or graffiti, with them able to alert other Environmental Services of problems. Instead, crews would be responsible for their own designated area.

The outcomes of the ABW initiative have included a saving on labour costs of £811,874 due to the withdrawal of bonuses and productivity gains. Savings on transport costs through reorganisation and route efficiency have been in the region of £200,000 and the saving as a result for the management restructure has been approximately £75,000. There has been a reduction in sickness from 12% to 4.3% with saving on sickness absence £ 98,469. Other tangible benefits have included increased customer satisfaction (from 76% to 85%) with improved customer relations. The service has created 40 new posts and now only relies on 1% agency staff.

At the point of the final interview with the waste collection manager, the plan was to introduce annualised hours for the waste collection crews to address the problem of seasonal peaks and troughs in the demand for green waste collection.

Initiative 3: ‘Roll out’ of neighbourhood management

Between 2006 and 2008, the local authority piloted neighbourhood management in a deprived locality comprising about 12,000 people. The aim was to make services more responsive to local needs and desires, and to improve service performance with regard to crime, housing,
education, the environment, health and worklessness. The Local Strategic Partnership decided to continue neighbourhood management in the pilot area and to roll out the model used to 3 further localities. There was a common consensus that the pilot had been a success, neighbourhood management was congruent with council and national government priorities to achieve sustainable improvements in deprived areas through community involvement, and related government funding was available.

All of the additional localities had populations less than half of the population in the pilot locality, and this case study research focused on the smallest, which had a population of about 3,000 people and some of the highest levels of deprivation. The initiative would establish a clear identity, distinct from that of existing agencies such as the council, who residents associated with service shortcomings and previous failed initiatives. This identity would instead be associated with listening to residents’ concerns, through establishing a visible, accessible base within the locality; and a commitment to getting things done, through taking up concerns of individual residents and ensuring action from the relevant services by means of experienced and knowledgeable troubleshooters with good contacts within those services. The community level work would start by trying to tackle concrete issues that were both of high concern to residents and relatively easy to make visible progress on quickly, such as environmental blackspots and crime hotspots. Such “quick wins” would help win the confidence of residents and increase their pride in the area, laying the foundation for increased community involvement and moving on to try to tackle tougher, longer term issues such as worklessness and health inequalities.

Some elements of the project were implemented much more slowly than the project plan envisaged, and there was no data available with regard to substantive outcomes by the end of the research period, although a performance monitoring framework was in the process of being developed. Local activists involved in the neighbourhood board appeared happy that there were genuine opportunities to influence and gain funding. The coordinator appeared to have established good links with operational staff providing local services, but engagement with middle managers was recognised as being more patchy and requiring attention if there was to be an impact on mainstream services.

Neighbourhood management will continue to be implemented in a similar fashion over the next two years. Immediate priorities are engaging with action groups of middle managers, and starting to collect data related to Local Area Agreement priorities as part of monitoring and evaluation of the initiative.

**Initiative 4: Introducing a new model of regulating business premises**

The government’s Local Better Regulation Office (LBRO) manages a Retail Enforcement Pilot (REP) which is investigating ways of coordinating inspection and enforcement activities across environmental health, fire safety, licensing and trading standards services in order to increase efficiency, better protect consumers and reduce burdens on law-abiding businesses. A cluster of local authorities one of which was studied in depth as a case study, felt that the REP approach was unwieldy and that there was scope for more integration of service activities, which would improve effectiveness and efficiency. Rather than undergoing a full multi-disciplinary inspection plus checklist, eligible premises would instead be given a briefer, non advice-giving, multi-disciplinary audit, incorporating Health and Safety, Fire Safety and
Environmental Health regimes, with advice being provided through a separate mechanism. It was also planned to make use of new electronic ‘hand-held’ technology to facilitate efficient collection and sharing of data between agencies.

The element of the initiative studied as part of the research was the pilot testing of a prototype system based on the preferred model which had been developed earlier in the initiative. If evaluation showed that the prototype worked in practice and had realised the hoped for benefits, then there was an expectation that a business case would be constructed to enable the system to be rolled out widely.

The pilot was generally perceived by the managers leading it to have been a success: it had been very ambitious, and conducting nearly 1000 audits within the planned timescale was a considerable achievement; a large number of staff had been engaged in the audit process, potentially smoothing future implementation through familiarity with and confidence in the process; 95% of businesses referred for fire inspection on the basis of audits were found to be non-compliant by those inspections, though the corresponding figure for food and health and safety referrals was lower, at about 50%; and approximately 75% of audits indicated that businesses were compliant on all dimensions – similar to the proportion of all businesses that have been assessed to be ‘broadly compliant’ by inspections using Food Standards Agency definitions. The data from one authority comparing audits and inspections suggested lower levels of compliance and that the audits might miss problems, but managers regarded these findings as unreliable because inspections have their shortcomings and do not provide a ‘gold standard’, and because of the relatively small sample size. There also appeared to be substantial differences in scoring between auditors from different disciplines, with different levels of experience, and from different authorities, and the reasons for these differences were to be explored in order to inform future training needs.

The auditors were also fairly positive. Although they believed they had not been involved sufficiently in the planning of the pilot and had some remaining concerns about practical details of the model, they felt that some of their concerns had been listened to, and that there would be further opportunities to refine the model as the initiative continued.

A second pilot is planned, with a very similar design. Training will be provided for auditors, based on needs identified through the first pilot; and the confidence in management audit measure has been reconceptualised in the light of confusion among auditors about how to make a judgement on this dimension.

The extent of “intelligent application” and learning

The overall conclusion from the analysis of the previous interviews was that managers’ beliefs about how improvement happens can usefully be thought of as two factors: intelligence and application (see above). This should be an ongoing, reflective learning process of double loop learning that seeks to challenge assumptions, as this opens up the possibility of step change improvements.

The learning processes of the case study initiatives were analysed in terms of their potential for learning:

- Challenge posed to current improvement processes
- Challenge posed to current service models
- Strength of the underlying evidence base
- Plans for learning
The greater the costs of change (E.g. the scale of the intervention), the harder implementation is, and the greater the risk of harm from proceeding, then the stronger prior evidence (from theory, experiences of others and research) needs to be. If the prior evidence is insufficiently strong, then experimentation to produce learning is more appropriate than immediate implementation.

All of the initiatives, to varying degrees depending on the innovativeness of the underlying idea and the strength of the existing evidence base, provided opportunities for learning about improvement processes or about services. If following a learning paradigm such as evidence based management, each initiative should have been designed not only with regard to the existing evidence, but also so as to produce learning with regard to aspects of that initiative where the evidence base was lacking. On the face of it, this was indeed the case: the weaker the evidence base, the more plans and initial designs emphasised testing areas of uncertainty and fundamental underlying assumptions through experiments; the stronger the evidence base the greater the emphasis on incremental or tactical learning, and on action rather than on reflection.

What was actually learned did not always match what had been planned, however. These initiatives demonstrate that organisational learning may be difficult to achieve, even when, as in the systems thinking initiative, learning was explicitly one of the main aims.

**Barriers to learning**

Four barriers to learning were identified in the case studies:

- Confictual “Us and Them” dynamics
- Lack of expertise
- Time and other resource pressures
- Over-attachment to particular ideas for improvement

The case study initiatives seemed to be more akin to the diffusion of an innovation than mutual learning, with a lack of staff participation. One of the most striking observations was of the presence of competing perspectives regarding what constituted improvement and how to bring it about. These sometimes led to “us and them” dynamics being created and conflict between stakeholders, particularly between promoters and adopters of ideas, typically managers and staff.

Differences between groups were often tackled by trying to create a new shared identity so that all were working cooperatively and enthusiastically towards the same goal rather than different, antagonistic factions forming. The new shared identity was however defined in terms of the new service model and associated staff roles that were being proposed, rather than this being open to negotiation. This tended to restrict learning to single loop learning, rather than enabling double loop learning.

Social Identity Theory suggests defining the new overarching identity in terms of incorporating group difference, whereby old identities are not suppressed but acknowledged and valued for what they can contribute to the new work group. Staff can then identify with both the new and the old. This also makes sense from a perspective of learning from difference. Rather than trying first to get staff to subscribe to a new overarching identity and then developing appropriate group identities within that, research suggests developing such an organisational identity by first developing the identities of existing groups, and then bringing those groups together to build an overarching understanding. There were examples of lack of expertise causing problems both with
regard to the process of learning/improvement, and with regard to the content of a proposed improvement. Greater staff involvement and use of appropriate methods, supported by external consultants where necessary, may be able to address some of these shortcomings, provided that there is sufficient expertise to hold the consultants to account.

The learning processes in the case study initiatives took up time and other resources, and did not always withstand pressures, both self and externally generated, to be seen to be producing results within relatively short time scales. Possible ways of tackling such pressures might include renegotiating timescales or explicitly casting the initiative in terms of learning. Dividing up initiatives into a number of different projects and freeing up staff from their “day jobs” may also help, but have potential drawbacks.

Action is promoted by enthusiasm for an idea, so this is important to improvement, but it is problematical if there is an over-attachment to a plausible but poorly evidenced idea or underlying assumption, and this was apparent in some of the case studies. There are a variety of techniques to enable critical reflection on one’s assumptions\(^8\). But this is unlikely to be effective unless the personal, group or organisational culture has supportive values, such as dialogue, access to accurate information, freedom from coercion, an ability to weigh evidence and assess arguments objectively, openness to other perspectives and new ideas.

**Conclusions and suggestions**

Approaches to improvement which are based on a commitment to organisational learning may have potential. Such approaches can be thought of as “intelligent application”. Following a learning paradigm is however difficult in practice. The amount of time, expertise and ongoing effort it takes to understand customers, staff, systems and the environment should not be underestimated. Furthermore, if what is attempted is truly transformative (i.e., it involves challenging existing assumptions), then the barriers to success may also be of a higher order. In most organisations it may be productive to have a preparatory stage of developing a culture that is supportive to learning. Sense of identity is an important factor in the dynamics of improvement, and social identity theory supports the idea of developing an organisational identity focused on learning, which values existing social groups for the different perspectives and skills they can bring. This might best be done in a “bottom up” way. A complementary constituent of a learning culture might also be an ethic of caring for others.

There needs to be an honest and informed appraisal of the evidence, and if there are large uncertainties regarding the proposed solution, then further research, experimentation or modelling needs to be undertaken rather than implementing that “solution”. Knowledge and expertise with regard to methods of research and learning will then be necessary. The likely need for support to enable ongoing critique and for research expertise suggests the potential for staff to engage in collaborative improvement through organisational development programmes based on co-researcher models such as cooperative inquiry and participatory action research\(^9\), which emphasise critical reflection and learning. Generally, engaging an independent, external advisory group to observe and comment on the improvement process is likely to be helpful, provided that the role is legitimised and respected. Methods such as critical systems heuristics (CSH) and strategic assumption surfacing and testing (SAST)\(^10\) may also be helpful in enabling critique.
Background
In 2006 the North West Improvement Network (NWIN) commissioned Manchester Business School (MBS) to conduct an evaluation in order to learn from and about improvement in local government in the North West of England. This briefing paper concludes one strand of that evaluation, which considers how local authorities use improvement processes, systems and tools to bring about improvements in performance. By analysing what was done in 4 improvement initiatives, the paper expands on previous findings and draws out practical implications with regard to improving the performance of local authority services.

Key findings from earlier in the evaluation
During the autumn and winter of 2007, interviews with over 160 managers from six high performing local authorities in the North West of England revealed the factors which they regarded as important in contributing to service improvement. These findings are summarised in this section (for further details see Briefing Paper 3) and related to three broad domains: people, the environment, and systems to support improvement. Each of these domains presents its own opportunities and challenges, yet there are common principles which can be applied across all of them.

The role of People
Where people are concerned, it was of primary importance to have a good understanding of customers, their needs, and how those needs might be best addressed. For example, it was suggested that only by trying to put yourself in the customer’s place; to understand their experience of engaging with services, can real improvement be brought about. As one of the participants said, “What if it was your mum?”

Frontline staff were viewed as crucial to achieving this, since they are the ‘eyes and ears’ of the authority in terms of delivering services to customers. There is a need to create an ethos of improvement across the whole organisation. This is an ethos where improvement is continually being sought by every employee – where improvement is ‘everybody’s job’, not just within the gift of senior managers.

In order to enable these conditions it is important to remove what was termed the ‘blame culture’, and create the conditions in which ‘all ideas will be heard’ and where no one is afraid to try things out if it might mean a better service to the customer.

The role of the Environment
In the context of improvement, the environment was seen by managers in these authorities as a source of opportunities to learn from others, both within and outside the local government sector. It was felt to be important to evaluate the authority’s assumptions and practices by gathering evidence and feedback from a variety of sources. Moreover, challenging feedback should actively be sought as a means of facilitating the questioning of those assumptions. In addition, it is important to be open to new ideas, from outside the organisation. This did not mean assuming that ‘what worked in A would work in B’ or about slavishly copying, from other organisations. Rather, it is about understanding the underlying causal mechanisms and having a clear awareness of what is being done, why, whether it can be done better, and how.

b In 2008 NWIN merged with the North West Centre of Excellence to form the North West Improvement and Efficiency Partnership (NWIEP). The Partnership is funded by Department of Communities and Local Government and will work with councils from the region to deliver a three-year strategy that will focus on shaping improvements and efficiencies around the priority outcomes from North West LAAs and the broader transformation agenda.
Managing relationships, both externally and within the authority, was, it was felt, crucial to creating the space to innovate and the resources to do it with. Local partnership working, developing shared services and providing services for other organisations are aspects of this, where recognising and working with differences in values is important, as is identifying shared goals and a common purpose.

The role of Systems to support improvement

In terms of systems to support improvement, authority-wide strategic planning, performance management and project management systems were in place in all of the authorities. These were widely used, and regarded as making a useful contribution to improvement. What is important is that genuine improvement remains the purpose, rather than meeting the requirements of these systems. Use of formal improvement approaches such as Continuous Improvement, Business Process Re-engineering, and quality standards (ISO, EFQM etc.) was however largely limited to particular service areas or projects. It is arguable whether this relative lack of use of such approaches is a missed opportunity, or a suitable matching and adapting of given tools and systems to particular circumstances.

The need for “Intelligent Application”

The managers we interviewed felt it was their primary role to build the most effective conditions in which improvement could be enabled. Many talked about this in terms of creating the right ‘culture’ for their service. Still others talked about the need for a clear vision of purpose based on creating the best service for the community which the whole authority could ‘buy in’ to. Their observations also suggest the need to create a balance between the need for systems of control, such as performance management, and the facilitation of ideas and innovation at all levels through encouraging staff to contribute to the improvement process. While targets and performance measurement were seen as important, they should not be seen as ends in themselves, and for many, meeting national performance targets was the beginning rather than the end of the improvement journey.

Managers also generally emphasised the need for an outward focus rather than a parochial or silo mentality. This meant being open to new ideas and learning from outside, and that the authority should create the conditions in which new knowledge and expertise is effectively assimilated and utilised with the aim of improvement.

In conclusion, improvement can viewed as resulting from “intelligent application”. Thus, problems can best be solved if one has a clear, in-depth understanding of the situation, which is intelligence-based i.e. through continually gathering and analysing data about the situation. Such knowledge is not however sufficient by itself, but needs to be applied effectively in order to bring about change. In other words, for improvement to happen, it is necessary to both ‘do the right things’ and to ‘do things right’.

Issues requiring further investigation

The analysis of the interviews suggested that greater collaboration was seen as an important way of bringing about improvement: ideally staff would have a shared sense of identity, values and purpose, encapsulated in concrete plans to progress towards a shared vision of a desirable future. This would facilitate trust, the decentralisation of decision making and reductions in bureaucracy.

But in reality things might be somewhat different, and the
impression gained from the interviews, despite the espoused theories, was also that top down control was still relatively strong in these local authorities, with an absence of “bottom up”, staff-led initiatives and of seeking improvement through increased co-production with service users. Rather than being based on local experience, many improvements were perhaps being based on the formal, technical knowledge of corporate or external experts. Future research might usefully investigate the roles that managers, staff and users play in improvement, and the factors that influence which groups adopt which roles, including consideration of what is recognised as relevant expertise and how it is brought into the improvement process.

The present study
The research described in this briefing paper attempted to build on the previous findings from the evaluation. The theories espoused by managers having been elucidated previously, the main focus of the research was to investigate how improvement appears to happen in practice, in order to assess the utility of the theories, develop them further, and consider how they might be implemented. This was done by following the progress of particular improvement initiatives over a period of 12 months, beginning in the summer of 2008.

Four initiatives were studied, drawn from four of the six authorities studied previously:

- Introducing systems thinking in an internal service department
- Introducing area based working for waste management and recycling
- ‘Roll out’ of neighbourhood management
- Introducing a new model of regulating business premises

A primary consideration was to cover a range of different initiatives, which would lend themselves to further exploration of issues arising from the analysis of the interviews with managers, including the apparent paucity of use of quality improvement approaches, the varying extent of staff and user involvement, the role of experts, and the different characteristics of trying to realise improvements when services are not being delivered solely and directly by the local authority itself, for example by arms length organisations or in partnership with other organisations. The informants included non-managerial staff as well as managers, so that any differences of perspective could be identified and explored. It was not feasible to gather data directly from service users other than for the neighbourhood management initiative, where there was a particular emphasis on user involvement, with a defined and ongoing role for individual residents as board members. The systems thinking case study aimed to introduce a quality improvement method. It also involved external technical experts, as did the regulation initiative through its use of project management consultants and IT suppliers. The neighbourhood management initiative focused on partnership working between different public sector organisations, and the regulation initiative was managed through a formal partnership between different local authorities.

A secondary consideration was to study initiatives that involved managers who had already been interviewed, so that direct comparisons could be made between their espoused views and their observed practice. Accordingly, a list of potentially relevant service areas was drawn up based on the interview transcripts. The key contacts for the research in each local authority then reviewed the list, discussed potential involvement with relevant project leaders, and produced a shortlist of initiatives from which the researchers chose four, as this was the limit of the
research capacity. Managers playing leading roles in two of these initiatives had been interviewed previously, while each of the other two initiatives involved at least one person who had been interviewed previously, although not in leading roles.

The characteristics of the four host authorities were not a consideration in the selection process. All were unitary authorities in Greater Manchester or Merseyside; three had been consistently rated as high performers over a number of years, while the other had been consistently “good” and its aspirations to improve further were regarded as realistic by knowledgeable observers; the authorities had a range of approaches to improvement; and party political contexts varied.

In most cases it was not feasible to study the whole of the initiative, on account of size, duration or both. Instead, a relatively self-contained part of each initiative was identified and studied either for the 12 months available to the researchers or until a suitable project milestone was reached. This meant that in some cases the research had to focus on processes to date, and so conclusions about the ultimate value of the initiatives studied should not be made on the basis of this report.

**Research Methods**

Data was gathered primarily through regular, confidential interviews with key informants active in the initiatives and non-participant observation of key meetings. Possible “Hawthorne effects”, whereby people change their behaviour because they are aware of being observed, were reduced by the researchers endeavouring to play a passive role and through being present over a relatively long period of time, so that those involved in the initiative would get used to our presence. Some participants did ask for feedback during interviews, in which case the researcher sought to be as brief and matter of fact as possible, rather than judgemental. A total of 98 interviews were conducted, involving 25 people, and 17 meetings were observed. This data was supplemented by an analysis of relevant documents such as plans and reviews provided by each initiative. A staff survey was also conducted with regard to one initiative, and raw data collected by another initiative was analysed statistically in order to assess the validity of some of the assumptions underlying that initiative.

The key informants were chosen so as to represent a range of stakeholder viewpoints, and most were interviewed face to face at the beginning of the research period and again at the end of the research period. In between, shorter telephone interviews were conducted at regular intervals, and there were some informal discussions when the researchers observed meetings at which an informant was present. The time interval between one interview and the next was negotiated taking account of the amount of useful information coming out of previous interviews, the interviewee’s availability and the dates of important upcoming meetings or other events relating to the initiative, so that the interview could shed light on these.

Interviews were semi-structured. The initial interview aimed to explore existing services, how they were provided, what they delivered and their performance, covering elements of the model derived from the earlier manager interviews (see below); the perceived objectives and rationale for the initiative – the “programme theory”\(^\text{12}\); and the project plan – methods, timescales and the resources needed. In subsequent interviews participants were asked to reflect on any events of note which had happened since the previous interview, and how they had gone about tackling any issues, with a view to revealing any questioning of or changes in assumptions.
Interviewees were also asked to identify any upcoming events, and to outline their thoughts and plans with regard to those events. Rather than adopting a consistent interview format, the interviews were designed to be more reflexive, depending on, and tailored to, the progress of the initiative and findings emerging from the fieldwork to date.

At the final interview, interviewees were firstly asked to look back over the whole of the research period and evaluate the initiative – What had it achieved? What were its strengths and weaknesses? What had been learned? What did the future hold? Memorable or important incidents suggested by the interviewee and the researcher were then discussed. Then the researcher presented his analysis of what the interviewee had said in previous interviews and of the initiative as a whole, and asked for the reactions of the interviewee. Finally, the interviewee was asked to comment on the initiative in the light of the five principles identified from the earlier interviews with managers, these were:

- understanding and managing customers;
- understanding and managing staff;
- understanding and managing relationships with the wider organisation and external organisations;
- engaging with external ideas;
- challenging existing assumptions.

The interviews were taped so that accurate quotations could be extracted and interview notes checked, but they were not transcribed. The notes were analysed to identify themes, which were then mapped against the model arising from the previous interviews with managers in order to highlight commonalities and differences.

**Initiative 1: Introducing Systems Thinking**

**Background**

Value for money of local government has increasingly been emphasised by national government. Local authorities have been required to identify 3% ‘cash releasing efficiency gains’ each year, and Regional Improvement and Efficiency Partnerships (RIEPs) have been established to promote and support innovative programmes and projects aimed at generating efficiencies.

There has been a high level of interest in parts of the public sector in using continuous improvement approaches such as systems thinking as a means of enabling change and improvement. While there is limited evidence to assess the effectiveness of these approaches, previous research does suggest factors that need to be in place if implementation is to be successful. These factors include long-term vision and sustained support and attention from senior managers; substantial investment in training and development; the availability of robust and timely data; adapting the approach to local circumstances; implementing the whole approach and underlying philosophy, not just particular tools and techniques, which is a difficult and lengthy process of culture change; increased emphasis on team-working and staff involvement and engagement; being part of a strategic approach to improvement across the organisation. Supervisors and middle managers often present the greatest resistance to continuous improvement, because they often undergo the greatest role change, from controller to facilitator, and their positions might effectively become redundant. Technical staff might create obstacles by failing to cooperate effectively with each other, and workers may be sceptical because of lack of confidence in management.
It has been suggested that appropriate changes to the culture and to learning and leadership styles should be implemented prior to an improvement initiative rather than as part of it\textsuperscript{19}.

**The initiative**

The local authority studied had instigated a strategic programme to achieve improvements and efficiencies. It was envisaged that transformative ‘step change’ to organisational processes and methods would be needed, and that a culture of transformational change would need to be developed over the next few years. The improvement programme was based on a form of systems thinking\textsuperscript{1}, that focuses on reducing waste and adding value, incorporating ideas from Lean\textsuperscript{2}, which has demonstrated some success in the public sector\textsuperscript{3}. The aim was to change the way staff think so that they recognised and were driven by the purpose of fulfilling customer demand; and to provide methods and tools that staff could use to redesign organisational systems to better fulfil that purpose. Of crucial importance would be to identify performance measures that actually measured how well customer demand was being satisfied, so that staff could assess how well they were doing and work together to design improvements. As a result, it was envisaged that service delivery should improve, customer satisfaction increase, and staff morale and motivation rise. Over time it was believed likely that costs could also be reduced, although care needed to be taken that this did not demotivate staff. Thus areas of the organisation implementing the transformation approach would not be subject to cost-saving schemes during that period.

The element of the initiative studied as part of the research was a project to introduce systems thinking in one of the authority’s internal service functions. This was the first part of the authority to use the approach, and it was hoped that it would demonstrate service improvements, interest managers and staff elsewhere in the organisation in trying out systems thinking, and build capacity within the organisation to support the introduction of systems thinking in other functions. This particular service was chosen because it was felt to be relatively low risk: it did not deal directly with members of the public, so any adverse impacts would be unlikely to be of concern outside of the organisation; the service was part of the responsibility of the manager sponsoring the use of systems thinking, so the project would not want for managerial support; and the service had well developed information systems and staff with good data collection and analysis skills, so it would be relatively easy to obtain the data that would be needed.

**Design**

The authority recognised that it lacked knowledge and expertise in systems thinking, and engaged a firm of consultants to support the project. Authority staff from within and outside the service who already had skills and experience relevant to facilitating organisational development would be trained to support future implementations of systems thinking in other parts of the organisations. These trainees would act as participant observers in the initial project, and also receive additional input from the consultants.

The project would use a standard methodology for systems thinking, which follows a 3 stage process: ‘Check’, ‘Plan’, ‘Do’\textsuperscript{4}. The Check stage concerns gathering relevant data about the current system, its operation and performance; the Plan stage concerns redesigning the system in the light of what ‘perfect’ would look like, and conducting small scale experiments to identify the impacts and develop the design further; and the Do stage concerns
fully implementing the design through a managed process. Between each stage there would be a formal review of the process and outcomes so far, to inform a decision by the sponsoring managers (the head of the service and his superior) about whether to proceed to the next stage. A team of volunteers drawn from different functions within the service, together with the trainees, freed from the responsibilities of their usual jobs, would conduct the project, with guidance and support from the consultants. The initial focus would be on the service desk, which was the initial point of contact with many customers and to which the systems approach should be straightforward to apply. Other parts of the service function would be investigated later, and as staff time was freed up through reducing inefficiencies. The sponsoring managers would manage the interface between the project and the wider organisation, trying to remove any barriers that might hinder it.

**Implementation**

The project was implemented largely as per the design, but there were variations with regard to the degree to which participation was voluntary, and the extent to which participants were actually freed up from everyday work pressures, with this being more of a problem for trainees and for sponsoring managers.

Efforts were made to keep service staff who were not directly involved up to date with the project, through occasional presentations, question and answer sessions and project team members situating themselves at their usual desks as much as possible, so that others could see what they were doing, and have an opportunity to ask questions.

Two additional interventions were set up to run in parallel with the service desk focused project: one looking at procurement processes which the service was involved in, and another looking at projects within the organisation which service staff were involved in. These interventions appeared to receive fewer support resources from the consultants and sponsoring managers than the main project, which may have contributed to their relatively slow progress, and, particularly in the case of the projects intervention, to staff finding it difficult to apply the methodology in a somewhat more complex situation. This proved demotivating for some staff.

The whole process took longer than initially expected, due to factors such as staff illness, leave and turnover. By September 2009 the Do stage had been completed with regard to the service desk function, but work still remained on the other two interventions.

**Data analysis**

Each project/intervention produced a presentation at the end of each stage, which was discussed with sponsoring managers. For the service desk and procurement projects, the emphasis on data definition and collection during the check stage enabled a detailed quantitative analysis of customer demand, of work to meet that demand, and of associated waste, including control charts to identify variation in the process. Relevant quantitative measures of performance, such as end-to-end time to satisfy customer demand were also calculated. A comparison of performance between the new and old systems was made for the service desk, but the procurement intervention did not produce such a comparison during the study period because new systems were not yet in place. The projects intervention had not collected sufficient amounts of quantitative data to enable such analyses, partly due to conceptual difficulties in defining such data, and partly because collecting data was resource intensive.
Results
The service desk function was redesigned so that staff would be able to resolve a wider range of queries directly, with fewer queries being passed on for other staff to resolve. Where a query was passed on, the original staff member who received it retained responsibility for resolving the query and communicating with the customer. This produced very large improvements in the quantitative performance measures that had been identified as relevant. For example, 88% of phone enquiries where resolved there and then, compared with only 17% previously, and enquiries were resolved within less than 24 hours on average, compared with an average of over 11 days previously. These were regarded as constituting substantial improvements by all participants. The other two projects did not reach the stage of being able to demonstrate results during the study period, although improvements and cost reductions with regard to procurement have been reported subsequently.

Staff views about the impact of the project varied widely. A majority felt it had been beneficial, particularly with regard to the service becoming more customer-focused. A significant minority, however, felt it had been harmful, because they were now less in control of the content and organisation of their work: some specialist staff incorporated into the new service desk regarded their skills as being diluted through having to answer queries from outside their specialist area; and some other staff outside the project team had seen an increase in their workload due first to other staff being seconded to the project team, and then later as some customers bypassed the new service desk because phone callers now had to wait longer for their call to be picked up. Some staff felt that they had had very little say in the project, and that this was at odds with the principle it had espoused, of empowering staff and moving away from “command and control” management.

Both managers and the consultants were generally positive about the project. They believed that staff would become more positive about the new way of working as more of them were inducted into systems thinking and had an opportunity to redesign systems that related more closely to their work. They did however acknowledge that participants varied with regard to the speed and extent to which they had understood systems thinking and were willing and able to put it into practice, and that they had not always provided as much support as they would have liked. Managers found it hard to have to try to put systems thinking on one side when they were working outside of the project with systems based on very different principles.

It proved a lengthy process for trainees to develop their skills to a level that would enable them to support future interventions, because this required a lot of practical experience, and none had reached this stage by the end of the study period. It also seemed that previous experience of facilitating organisational development might actually be a hindrance because systems thinking was a radically different approach, and so greater 'unlearning' was required. Some staff within the service had gained a very good understanding of systems thinking and the consultants were confident that these staff could take the project forward across the whole of their service area with little requirement for external support.

With hindsight, sponsoring managers might have chosen a different function as the first in which to try out systems thinking: an external facing service would have provided insight into what end users value, which would then have informed future projects serving internal customers.
**Future plans**

Systems thinking will continue to be implemented across the whole of the initial service area. Projects are underway in some other parts of the organisation and over time trainees will take on responsibility for supporting these projects, with less input from the consultants. A senior management development programme has been designed around systems thinking. It is hoped that this will generate greater understanding of systems thinking among senior managers, which will facilitate increased impact of existing projects and wider take up of systems thinking across the authority.

**Issues arising**

A small number of staff had some knowledge of systems thinking prior to the initiative, with varying views about its value, both positive and negative. Most staff new little or nothing about the approach but were prepared to give it the benefit of the doubt. Many found the concepts and the language used hard to understand however:

"Only now, after what 8 or 9 weeks, do I feel comfortable with the language... It's actually very simple, but at the time when you start off, boy is it not. You think its shrouded huge degrees of secrecy and high faluting language” (Improvement team member)

Furthermore, staff and managers were unused to the behaviours required. The service had been managed in a hierarchical way, with limited cross-functional working, but the initiative demanded team working and managers to act as facilitators rather than authority figures.

"People were probably in those first few days ... a bit like 'I’ve come into an alien world’” (Sponsoring manager)

The organisation outside of the improvement teams remained very hierarchical, and the sponsoring managers who were at the forefront of maintaining a “space” for the initiative within the organisation found this very difficult. One was unable to free up sufficient time from the demands of the rest of the organisation for full involvement in the initiative and consequently lacked understanding of systems thinking. Another felt “schizophrenic” as a result of continually “flip flopping” between two ways of thinking, because s/he believed that utilising systems thinking while working within other parts of the organisation could potentially have led to unproductive conflict.

The hierarchical nature of the organisation also slowed the progress of the initiative. Systems thinking is by its nature likely to highlight organisational constraints outside of the service itself that limit performance. But engaging with staff involved in such constraining systems, who are unfamiliar with systems thinking, in order to experiment with potential solutions may be problematic.

"You can’t do that unless you’ve spoken to so and so, who is [on holiday] for the next fortnight” (Improvement team member)

Indeed the initiative itself was introduced in a somewhat top-down way by the sponsoring managers. While the initiative was a pilot from the point of view of the organisation as a whole, for staff working in the service there was the prospect of a total reorganisation. Yet there appeared to have been little consultation with staff about whether to undertake the pilot – it was more a case that the sponsoring managers used their authority to state that the exercise would go ahead, and that the interests of the service would be safeguarded because the pilot and its benefits would be reviewed by them as part of the systems thinking approach, and by the authority more widely. Members of the improvement teams did not all perceive that they
had volunteered to participate; some felt that they had been ordered to get involved. Participants then became part of a bottom-up change programme, but other staff played little part in this programme, despite some efforts to keep them informed, and so it was perceived by some of them as a top-down imposition, which contradicted the very idea of systems thinking, and represented a continuation of hierarchical management.

"Other staff in other teams are being stood over by [the] lean team to get work done for them IMMEDIATELY so their work must stop” (Staff member)

Three projects were established within the initiative and run in parallel. While this provided opportunities for participants to practice systems thinking and to develop services, it made managing and supporting the initiative more difficult.

"There are a lot of spinning plates at the moment, ... are these being coordinated in the right fashion?” (Consultant)

One project was regarded as the main project and the others had less resources devoted to them, resulting in them progressing more slowly and potentially compromising their quality.

"[This project is] slow because ... it hasn't been resourced full time and it needs to be driven” (Improvement team member)

Indeed one of the projects had substantial difficulties, which only came to light at the first formal review meeting. The consultants' view was that the systems thinking approach had not been properly followed through, and that what was needed was to redo parts of the exercise with greater consultancy support.

"I don't feel we have the body of evidence to support [y]our intuitive ideas ... Maybe we haven't done it [the Check model] well enough with you along the way?” (Consultant)

The participants agreed that the method had not been followed to the letter, and that greater support should have been provided, but some of them felt that the approach was not well suited to the situation being explored and that alternative approaches would be more appropriate, pending the further development of the systems thinking approach. Issues that were raised included the difficulty of obtaining sufficient data to enable a meaningful quantitative analysis and the subjective nature of that data, derived as it was from semi-structured interviews; and the potential inappropriateness of focusing on value according to customers, when there were a number of examples of customers apparently wilfully acting contrary to organisational guidelines designed to facilitate good practice. After much discussion, it was decided to persevere with the existing systems thinking methods with the consultants providing greater support. One of the participants subsequently left the initiative, disenchanted with the experience.

"It’s almost like that moment in time in 1983 when Margaret Thatcher asked the question, ‘Are you one of us?’” And you get the feeling ... you’re in one of two camps” (Improvement team member)

Overall, the experiences of participants varied widely, with some taking to systems thinking enthusiastically, others picking up some elements of the approach and integrating these into their personal approaches, and others either not really understanding the approach or deciding that it wasn’t well suited to tackling the issues that faced the service. Some staff had seen their roles expand and had learned new skills, whereas others felt that they had been “downskilled”.

"[I do class myself as a systems thinker] to a degree. [long pause] The premise that you ... have to look at the systems conditions if you want to do change, yeah that does make a
lot of sense to me” (Improvement team member)

While everyone agreed that the initiative was providing substantial benefits to some customers, some staff also perceived that there were shortcomings in the new system which resulted in other customers not being well served by it.

"To the customer it will be deemed as successful in the long run as they just see that their problem is fixed faster. But it just piles more work and pressure on the real workers ... while other systems support team members take the glory through call stats/faults closed/service efficiency measures." (staff member, emphasis added)

Such negative views were most prominent among staff who had had less exposure to systems thinking, so it is plausible, but not certain, that their views would become more positive in due course as they became familiar with the approach and its benefits.

"There’s also been ... this realisation [among the wider staff] that 'Oooh! this might not go away’” (Consultant)

**Initiative 2: Introducing area based working for waste collection and recycling**

**Background**

The Council in question had attained status as an excellent 4 star authority in its Comprehensive Performance Assessment. It serves a population of 303,800 (ONS 2003) with 138,300 properties. These properties create 159,844 tonnes of waste. Within that figure the level of recycling was at a rate of 26.31% (2007-08).

The Council were in the process of progressing with the development of a holistic long-term waste strategy for the Council. In anticipation of the likely recycling targets to be set by government for the Council, consideration was given to the financial and service delivery implications of expanding the kerbside collection of glass bottles, cans and plastic borough wide, bearing in mind budgetary pressures, the need to deliver service efficiencies and to contain and wherever possible reduce expenditure as part of a wider approach to delivering Value for Money. To address these global, European, national, regional and local needs the Council’s 2006 Municipal Solid Waste Management Strategy (MSWMS) was revised and amended. This set out the objectives of municipal solid waste management, until 2030.

Residents were telling the Council that they wanted more kerbside recycling and the waste management strategy committed to implementing a kerbside collection of dry recyclables; glass; cans and plastic bottles to all properties in the borough by the end of 2009. There are also financial and legislative drivers to increase recycling. Therefore a trial kerbside collection of glass, cans and plastics to 13,000 properties was introduced,
with the first collections from residents on 18th February 2008.

In December 2006 the Council undertook a best value review of refuse collection. It found that the Council’s costs for waste collection were significantly higher than other councils, that customer satisfaction with the service had reduced and there were concerns about the service's performance, while transport costs with 43 vehicles were judged to be too high.

The Best Value Review identified a range of problems within the Waste Collection Service (WCS). It was found that there was an ‘overtime and bonus claiming culture’. The internal perception of the WCS was poor. "They won’t listen and they don’t pick up the phones” – call centre response times were also poor. Customer satisfaction had dropped to 76% and sickness absence was at 14%. One of the main problems identified was one of communication barriers between management and operational staff. Under these conditions there was a real threat of the service going out to tender. It was clear that there was need for a culture change within the service.

**The initiative**

The main initiative was centred on Area Based Working (ABW). With ABW, the crews remain in their designated areas from Monday to Friday. In previous arrangements teams would work their way in to the centre from the Borough boundaries at the beginning of the week, which in terms of the time taken was seen as inefficient. Over several years new properties have been added to each round, and in some cases these new properties were not on route with the existing rounds. This had led to inefficiencies with the collection rounds resulting in excess travel and lost time. The rounds originally tended to meander around the borough in an inefficient pattern with a long distance travelled between rounds and the depot.

With ABW, crews will be familiar or familiarised with their areas and in addition to the advantage of local knowledge, will act as the ‘eyes and ears’ for that area on wider issues such as tipping or graffiti, with them able to alert other Environmental Services of problems. Instead, crews would be responsible for their own designated area. The Borough was divided into 19 areas; hence the number of rounds was to decrease from 21 to 19 per week. Since the vehicles were loaned from a private supplier it was important to use them as efficiently as possible. As a result of the changes, spare vehicles have been reduced from 5 to 3, leading to significant transport savings. The weekly collection target was to increase from 6,800 to 7,250 bins per crew per week. The advantages included each team taking ownership of their “own patch”. This would not only aid in gaining familiarity with their particular area but would enable crews to act as the ‘eyes and ears’ to other problems such as fly tipping or graffiti. There was a plan later on for the use of on-board computers to log non presentation of containers and other faults and problems. It was envisaged that in the following year the crews would be supplied with onboard (palmtop) computers, linked into a central system of information CRM and performance management system. It would make information on customer issues available to crews so they can deal with them in the relevant location immediately. These changes could not succeed in isolation. Fundamental issues needed to be addressed and broader cultural and structural changes made in order for the scheme to realise its potential.

**Restructuring**

Previously there were supervisors and there were operatives with no accountability between them. Now they will have 3 supervisors each
allocated to the teams which operate in each of the three areas. Thus have a greater connect with a recognised supervisor with responsibility for their own area and the teams working within that area. The teams made up of HGV driver, non-HGV drivers and loaders. The job evaluation suggested that drivers also become team leaders and the loaders become the eyes and ears of the team. The service would now have a dedicated Customer Relations Officer and Technical Officer. Three supervisors would operate from highly visible service vehicles or vans (mobile offices) rather than being paid car allowances.

Morale
It was clear that morale had been a major contributing factor to the underperformance of the service. Hence a number of new initiatives were put in place. These included multi-skilling wherein collectors could train to become drivers with the offer of HGV training. In April 2008, 40% of workers were agency staff. In total 42 operational posts were created, leading to the reduction of the need for agency staff. All operatives could work towards an NVQ II in Waste Management as well as acquire the necessary IT training to support the use of mobile technology. In order to facilitate flexibility in manpower allocation, annualised hours were introduced to enable the service to cope with seasonal flows in waste bulk – Higher levels of garden waste in summer months for example. This was with the proviso that leave was concentrated in the winter months. One area in which they thought there may be opposition was in the removal of bonuses. Bonuses were costing the Council £600,000. However, consultation at an early stage with the unions smoothed over any difficulties. The manager invested in staff development and offered crews the chance to go for NVQ2 in waste management, recognising loaders have only had a rudimentary education and lacked confidence. He also suggested multi-skilling with the possibility to transfer to Highways so that they could say ‘I’m not just a bin man. Most importantly, the manager emphasised the importance of approachability for operatives and the importance of listening.

Communication
The manager started going out with the crews, to instil the view that ‘management were now listening’ “I was never one for ivory towers”. The manager instituted a range of staff consultation approaches. There are monthly communication meetings as part of this process leading to better communication. The manager was very keen to listen to staff, for example, operatives have been active and vocal in suggesting improvements such as being able to communicate with other crews involved using a mobile phone. He adopts an open door policy, with monthly focus groups and more informal one-to-ones with staff. In addition they have instigated an employee newsletter to keep people up to date with events.

Issues encountered
Unforeseen events
The original ABW plan was in danger of being overturned by wider external events not directly under their control. The closure of the main landfill site in the borough, and the potential for the new landfill site to be situated only a mile from the depot meant that new route planning was required.

“We were going to send a letter out to each resident to say your collection day is going to change … – they get used to a new collection day – it will just about bed in and get used to it then the tip shuts and we have to look at it again and do another collection rota - which would have gone down like a lead balloon – especially with the members.” (Manager)
Appropriate technology

There was the potential within the initiative to apply technological solutions to some of the challenges faced by the move to ABW. However, making effective judgements, given the requirements of the initiative, about the appropriate use of the right supporting technology was another consideration. Originally, as part of the principle of crews acting as the ‘eyes and ears’ of the neighbourhood in which they were working, it was proposed that crews would be issued with on-board computers to log issues within the neighbourhood and these would be captured by the CRM system to be actioned by the appropriate service, however when an assessment of the potential incidence of such issues was made, the idea of mobile

“If they see a light out is it any better to log it on a computer rather than phone it in on mobile phones we could supply at a fraction of the cost. Weighing the benefits, the IT person said you can have it singing and dancing but without the person to input that information, it’s useless. If we are only getting 2 reports per area per round is it worth spending £120,000 on new kit? And investing in training of staff as well?” (Manager)

Similarly assessment of the transaction costs and the real ‘additionality’ associated with the adoption of technological solutions is an example of the interplay between intelligence and application. In this case the use of technology was eschewed in favour of local knowledge of the crews:

“We talked about a route efficiency package but a route efficiency package wouldn’t pick up your day to day road works, a funeral or double parking where common sense says bypass that street and come back. Best to give it to the lads to sort out – with the local knowledge and getting it onto paper – getting it documented. We’ve come out with a really good system. If they can see a better way of doing it they will.” (Manager)

Results

The outcomes of the ABW initiative have included a saving on labour costs of £811,874 due to the withdrawal of bonuses and productivity gains. Savings on transport costs through reorganisation and route efficiency have been in the region of £200,000 and the saving as a result for the management restructure has been approximately £75,000. There has been a reduction in sickness from 12% to 4.3% with saving on sickness absence £98,469. Other tangible benefits have included increased customer satisfaction (from 76% to 85%) with improved customer relations. The service has created 40 new posts and now only relies on 1% agency staff. They have also introduced roles for supported employment staff with handicaps. The manager also believes that the morale and the internal image of the service is improving.

“The profile of waste management is a lot better, whereas it was down there before (gestures to the floor). The performance will be judged on the efficiency savings and the customer service.” (Manager)

Future plans

There is a vision for greater integration of Environmental Services operations, for example WCS and Street Cleansing. Although only at the ideas stage, greater integration could be created. For example, in the present system, if street cleansing report a fly tipping incident, that report goes back to their centre. Then a crew of two in a caged vehicle receive the report and are called out to collect those two bags on just one isolated occasion. Conceivably, with improved communications, that report could be intercepted by the WCS work planning system and if there is a waste collection vehicle in the area they could avert the need for an
isolated collection trip, thus saving time and fuel.

At the point of the final interview with the waste collection manager, the plan was to introduce annualised hours for the waste collection crews to address the problem of seasonal peaks and troughs in the demand for green waste collection. In the summer months demand is greater and to address that demand the service would operate with eight vehicles, whereas in the winter months when the demand for green collection decreases they planned to operate six vehicles. Thus, during the ‘growing season’ the crews would work a 47 hour week in the growing season then suspend the service in December because the tonnage reduces to 200 tons as opposed to 1600 tons right through to mid February with the exception of 2 weeks in January to collect Christmas trees. Thus effectively a 10 week shutdown in recycling collection. The hours the crews build up through the 47 hour weeks will allow them 10 weeks holiday over this period. The positive thing outcome will be full utilisation of staff rather than ‘hiring and firing’, the saving of two vehicles in the growing season and the ability to stand 6 vehicles down outside the growing season with the potential cost savings of £110,000 to £200,000 per year.

**Initiative 3: ‘Roll out’ of neighbourhood management**

**Background**

Neighbourhood management has been a regular feature of central government’s thinking about local government and neighbourhood renewal since 2000 and the number of initiatives has grown. A government ‘pathfinder’ programme was set up to test the approach, using a model that embodied five key principles:

- Someone with overall responsibility at the neighbourhood level
- Community involvement and leadership
- The tools to get things done
- A systematic planned approach to tackling local problems
- Effective delivery mechanisms

An evaluation of the pathfinder programme found that neighbourhood management had facilitated greater community engagement, improved relationships between service providers and residents, and secured engagement with a range of services, although some were difficult to engage and resistant to influence. Changes had been made to mainstream services in pathfinder areas, and the ability to fund projects had been useful, particularly with regard to short-term visible impacts. There were positive measurable impacts on resident perceptions, on the local environment and on crime. There were also positive influences on housing, education, health and employment, although these were not measurable. The pathfinder model proved robust, flexible and appropriate.

An investigation of UK evidence from outside of the pathfinder programme suggests that neighbourhood level solutions may be more effective if they are linked to wider strategies.
through mechanisms such as the Local Strategic Partnership (LSP). Street cleaning, wardens and partnership action planning are best handled at neighbourhood level, but there are limits on what should be organised at neighbourhood level. This is particularly the case for small neighbourhoods where it is easier for a few local people to dominate decision making to the exclusion of other community members. Arrangements should also be sensitive to local factors such as housing tenure and conditions, capacity of the local community and agencies, political structures and demography. It may be hard for residents to influence service providers, who tend to be driven by organisational priorities, but community influence may be aided by support from officers and elected members, dedicated resources for community representatives, employing local people to work in the community, and working groups having detailed information about the locality. Finding long-term, sustainable funding for neighbourhood management is a challenge. Neighbourhood management can make a difference in deprived areas, but is more effective in combination with complementary approaches to help tackle issues such as poverty, worklessness and concentrations of social housing.

Between 2006 and 2008, the local authority piloted neighbourhood management in a deprived locality comprising about 12,000 people. The aim was to make services more responsive to local needs and desires, and to improve service performance with regard to crime, housing, education, the environment, health and worklessness. The success of the programme was to be evaluated based on whether the ‘gap’ between the locality and the rest of the country narrowed, and whether it did so faster than deprived areas without neighbourhood management.

**The initiative**

The LSP decided to continue neighbourhood management in the pilot area and to roll out the model used to 3 further localities. There was a common consensus that the pilot had been a success, neighbourhood management was congruent with council and national government priorities to achieve sustainable improvements in deprived areas through community involvement, and related government funding was available. While the initial funding period was 12 months, it was hoped that further funding could be secured to extend this time period, and that if sufficient benefits could be demonstrated, then the model might be rolled out more widely to other localities across the borough.

The 3 localities were chosen on the basis of their levels of deprivation. Neighbourhood management would be delivered in partnership with a single housing association which was a major housing provider in each of the localities, in order to deliver greater efficiencies and ensure the effective co-ordination of resources. This housing association had been enthusiastic about developing neighbourhood management, and some staff for the original pilot had been seconded from the housing association to a separate organisation (which had lessened their ability to call on the resources of the housing association).

All of the additional localities had populations less than half of the population in the pilot locality, and this case study research focused on the smallest, which had a population of about 3,000 people and some of the highest levels of deprivation. Service improvements with regard to crime, housing, education, the environment, health and worklessness remained the aims, with the requirement to focus on delivering related priorities set out in the Local
Area Agreement for the authority as a whole.

**Design**

As befits a “roll out”, the design was based on that of the pilot, with only a few additional changes on account of the smaller sizes of the new localities and the need for effective and efficient coordination of activity across the 4 localities. The initiative would establish a clear identity, distinct from that of existing agencies such as the council, who residents associated with service shortcomings and previous failed initiatives. This identity would instead be associated with listening to residents’ concerns, through establishing a visible, accessible base within the locality; and a commitment to getting things done, through taking up concerns of individual residents and ensuring action from the relevant services by means of experienced and knowledgeable troubleshooters with good contacts within those services. The community level work would start by trying to tackle concrete issues that were both of high concern to residents and relatively easy to make visible progress on quickly, such as environmental blackspots and crime hotspots. Such “quick wins” would help win the confidence of residents and increase their pride in the area, laying the foundation for increased community involvement and moving on to try to tackle tougher, longer term issues such as worklessness and health inequalities.

Supported by a community outreach worker, there would be a variety of mechanisms through which residents from a locality could express their views, inform service providers about issues, set priorities for action, and hold service providers to account:

- an annual survey of residents, which would provide a baseline of perceptions about the quality of life in the locality, and about service performance, and an indication of progress;
- community events and activities which would both deliver useful services and gather residents views;
- themed residents’ partnership meetings to discuss topics such as crime, the environment etc., where residents could express their views, provide useful information to service providers and receive feedback about actions that had been taken and their results;
- a formal board with half the places reserved for community members and half for staff from service providers, which would communicate priorities to service providers and monitor plans to deliver those priorities. The boards would also be in two-way communication with a communities and neighbourhoods subgroup of the LSP in order to align local priorities with LAA objectives.

“Community Chest” and “Leverage” funds would be set up to support community projects and encourage promote service innovation. Service provider action to reshape mainstream services would also be facilitated through engaging senior managers in the initiative through membership of the locality boards and making a public commitment on behalf of their organisations to support neighbourhood management.

Themed action groups composed of relevant service staff, set up as part of the pilot to develop action plans to address community issues, would have their remit extended to develop plans covering all 4 localities. It was felt that having a set of action groups for each locality would result in a lot of duplication.

A neighbourhood coordinator and support staff would be employed in each locality to facilitate the neighbourhood management process, and the four coordinators would form a team, sharing ideas and supporting each other, under the guidance of a
team manager. These coordinator roles would however differ between the localities: in two localities, including the case study locality, the coordinator would work with an existing neighbourhood manager employed by the housing association who had responsibility for the association’s housing stock and services in that locality; in the other two localities the coordinator would take on both of these roles.

**Implementation**

The project was implemented largely as per the design, but some elements much more slowly than the project plan envisaged. There were delays in finding a suitable local building and conducting the necessary work to adapt it, which led to the coordinator having to work for many months from a series of temporary locations both outside and inside the locality. Forming the board and approving its constitution also took longer than planned, mainly due to the chair’s concerns about some of the governance arrangements, which required legal advice before they could be resolved. Partly as a consequence of this, and partly due to the smaller pool of existing community activists in this comparatively small locality, recruitment of resident board members was relatively slow compared to the pilot.

This, together with constraining financial procedures, led to decisions on the first year’s Community Chest and Leverage funding being taken before full resident input had been obtained. The action groups tasked with developing action plans and facilitating bids for Leverage funding, but the time taken to develop new organisational arrangements for them, to identify performance indicators, and to obtain information about residents’ priorities meant that they were operating in an uncertain environment, and their contributions varied.

Useful coordination between the processes in the different localities was achieved, but there were some tensions. The neighbourhood coordinators had a mixture of skills and experience, and did provide each other with useful support. With regard to community events for example, they came up with a common design, which enabled some efficiencies, and helped out at each other’s events. There did however appear to be a closer relationship between the coordinators without neighbourhood management responsibilities, who also shared similar working styles and were the same gender (female). The person appointed as team manager had previously been the coordinator of the initial pilot, and the project was largely his design, based both on personal experience, national reports and guidance, and contact with other neighbourhood management schemes. He was appreciated by the coordinators for being very supportive, but also sometimes found it hard to “let go”.

The chair of the locality was resistant to the idea of putting into practice the lessons from the pilot, feeling that this neglected the positive things that had been achieved in the locality during the same period. Eventually the idea of mutual learning from both perspectives was adopted as a frame of reference which both the chair and the team manager could operate within. Similarly, there was some initial tension between the new coordinator and the existing neighbourhood manager, who had done a lot of community-related work in the locality and felt that this work, and the recognition of it, might be jeopardized. This situation appeared to be resolved when the coordinator was seen to provide additional resources and demonstrated a wish to work in partnership with the neighbourhood manager towards a common goal. There were also tensions between keeping processes
the same in each locality in order to make efficient use of time and facilitate transferrable learning and be seen to be fair to each locality; and between enabling local ownership by other stakeholders and being flexible to respond to differing local circumstances.

Data analysis
Presentations and reports of the residents’ perception survey were provided to board members and discussed at an awayday. Short reports were also provided of community events and residents partnership meetings. A monitoring framework was being developed for the projects that had been funded, and for the action plans, with each item to be assessed as green (OK) or red (requiring action). Measures related to the achievement of LAA priorities had been identified, but relevant data was not always readily available and it had not yet been resolved how the additional data would be collected.

Results
There was no data available with regard to substantive outcomes by the end of the research period. Indeed, the team manager and others were keen to stress that neighbourhood management represented a “process not a project”, which would take place over many years rather than having a defined endpoint. Funding was secured for a further 2 years, but there were pressures to demonstrate achievement quantitatively with regard to LAA priorities.

Local activists involved in the board appeared happy that there were genuine opportunities to influence and gain funding. Furthermore there had been a good attendance at the initial residents’ partnership meeting and community consultation events, representing a much greater proportion of the local population than the pilot had achieved at a similar stage in the process.

The coordinator appeared to have established good links with operational staff providing local services, but engagement with middle managers at action groups was recognised as being more patchy and requiring attention if there was to be an impact on mainstream services.

Future plans
Neighbourhood management will continue to be implemented in a similar fashion over the next two years. Immediate priorities are engaging with the action groups and starting to collect data related to LAA priorities.

Issues arising
A key element of the strategy of the neighbourhood management initiative was to emphasise how it would be different from previous initiatives, particularly in terms of commitment to the locality, to taking action, and to listening to community members.

“The community said ‘Oh look, we’ve heard it from you before. You come in, you promise us the world, and then you don’t listen to us and you walk away.’ And the message we’ve been trying to get out … is that neighbourhood management is a process and not a project. ... It isn’t ‘we’re only here for two years and then the job’s done’. We have got to embed this approach long term for sustainability.” (Council officer)

This was symbolised by giving the initiative a new identity “Fresh”, which was clearly separate from the partner agencies supporting the initiative, and in particular separate from the council, which held many negative associations for residents.

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The framework has now been finalised and information is being collected and reported.

d This name has been changed
Thus, all of the events and communications produced by the initiative were badged as “Fresh”.

“It’s got to be right at the end of the day, and we could send out a very quick flyer now, which could look quite cheap and nasty, ... and is that really going to give the right impression of who we are as ‘Fresh’ and that we’re professional and ... we’re gonna do a good job?” (Neighbourhood coordinator)

It was also also felt to be important to make efforts to distinguish “Fresh” from the housing association. The “Fresh” team were formally housing association employees, with the advantage of having good access to the organisation’s communications team, office accommodation and other support infrastructure – something which had been lacking in the pilot locality, when “Fresh” had been constituted as a separate organisation with staff on secondment from the housing association. But “Fresh” also needed to be able to act as an independent coordinator of action across a variety of service provider organisations, including the housing association, and there was some wariness within the council about the housing association wanting to “take over”.

“We’ve got to be careful ... that we’re seen to be independent ... and it’s not a [housing association name] project, ... it’s a ‘Fresh’ project. And keep that branding. ... So we’re pretty switched on that whatever we do in terms of ‘Fresh’ that it’s not got a [housing association name] badge on it.” (Neighbourhood management team leader)

The emphasis on having a separate identity for the initiative did however also contribute to distancing it from some existing staff who would be key partners in making neighbourhood management work in the locality. Thus local housing association staff feared that the credit for their previous (and future) good work, which they regarded as being informed by the same principles as neighbourhood management but without the resources, would be claimed by the new initiative, without their efforts being recognised.

“I think there are some tensions internally around neighbourhood management and around the existing neighbourhood teams within [the housing association]. ... [The neighbourhood management coordinator] had a little bit of a do with one of the neighbourhood officers ... ‘You’re coming in ... you’re standing on my patch, you’re taking over a bit, you’re taking the credit for the work that I’ve been doing ... how is this all going to fit together?’... Neighbourhood management is different ... There does need to be a bit of melding and a little bit of merging of the two and how they are going to work together.” (Neighbourhood management team leader)

The tension between the new “Fresh” neighbourhood coordinator and the existing housing association neighbourhood manager were resolved through greater contact between the two when they moved into shared office accommodation in the locality, which enabled them to appreciate that they genuinely shared similar goals, and by the coordinator making some of her administrative resources available to the manager.

A similar dynamic may also have been in play with regard to the local councillor who was chair of the neighbourhood board, with this being further reinforced by the initiative having been presented as the implementation of what had been learned from another locality by the neighbourhood management team leader, rather than as building what was already being done by local activists, of whom the chair was one. This led to some personal antipathy between the chair and the
neighbourhood management team leader.

These differences appeared to have been resolved through the initiative proponents acknowledging the previous work, emphasising common goals, and acknowledging that they did not know all the answers but were open to learning.

"[I am] pleased [to hear] 'we’re all learning’ rather than 'it worked in [pilot neighbourhood management area]'“ (Local neighbourhood management board member)

"I know he [the chair] had concerns that we were always trying to reference things back to [the pilot neighbourhood management area]. But for us that was about ... what we can learn rather than ... saying we wanted to replicate exactly what was happening” (Council officer)

Another example of differences being recognised and accommodated was observed in what was in danger of being a very heated meeting between the ‘Fresh’ management team and environmental wardens who had been “informally seconded” across from the council, while remaining council employees. The neighbourhood management team were asking the wardens to consider carrying out duties outside their formal job description, mainly tidying duties or cleaning and to ‘work as a team’, but the wardens saw this as the ‘thin end of the wedge’ to expanding the role without any recognition or remuneration. The neighbourhood coordinator initially appealed to the higher purpose of serving the community:

"We’re all busting a gut ... but the environmental wardens are just not getting this ... spirit of working together ... you think ... 'we’re supposed to be working as a big team here' and we don't want to alienate them, but they've got to come on board with what we're doing here. ... I had to remind them 'We're not here for each other, we're here for the residents out there, and we've got to pull together here”“ (Neighbourhood coordinator)

It was clear however that the wardens had not been truly integrated into the ‘team’, felt separate, and were even uncertain as to whether they were allowed to use the main office facilities. Eventually the negotiation became one based on give and take. The housing association manager realised that going head on and demanding changes in working practices was not going to work; the wardens needed to feel part of the team first and then they could act as team members. The wardens were recognised as part of the team rather than council staff through being invited to team meetings and discussions and being given free access to the ‘Fresh’ offices and facilities:

"We had a team meeting ... and it was so positive – the ideas coming out – even the two wardens came out with smiles on their faces and said, "we understand your role more now as part of [Name of housing association] and we feel part of a team because you invited us to the joint team meeting” .... Little gestures mean a lot. I mentioned that I’d got them a case of wine – well they got it on Monday. It’s about saying thank-you.” (Neighbourhood Manager)

Another potential issue related to evaluation. The manager of the neighbourhood management initiative acknowledged that the evaluation of the previous pilot of neighbourhood management had not been rigorous, and that much greater evidence of impact would be required for the rest of the initiative if ongoing funding was to be secured.

"[Demonstrating] the outputs are easy ... but the ... challenge for us is the evaluation of what difference it’s made. ... That’s still something we’re gonna have to work through ... [The council] will give us a number of
indicators we need to hit, and they’ll measure us against that.” (Neighbourhood management team leader)

The proposed monitoring framework appeared to focus largely on output and outcome indicators. By comparing trends in these outcomes with trends in other localities in the borough and with trends in other boroughs and their neighbourhood management areas, account would be taken of environmental factors that affected the whole borough or the whole country (E.g., the effect of the recession on unemployment levels). Basic data on some inputs would also be collected (E.g., numbers of residents attending activities organised by the neighbourhood management team), but there did not appear to be any data collection planned that would enable the assessment of how processes contributed to outcomes, and hence an evaluation of which elements of neighbourhood management worked, and why, and how the initiative could be improved. Thus, for example, it is plausible that the initiative might be deemed a success if the improvement mechanism was diverting resources away from non-neighbourhood management localities, or if wider initiatives to tackle joblessness differentially benefitted the neighbourhood management areas on account of their high concentrations of unemployed people.

There was some recognition of the need to engage in more sophisticated evaluation, but no indication of how capacity to deliver such evaluation would be built.⁶

"In the past … we have tasked the [action] groups to deliver certain actions, and they have done that, but there has been no … proper evaluation of ‘what does this actually mean?’ … [if an initiative has worked] how can … the principles be made applicable across the wider areas? … It’s not just about tasks … it’s about the wider application … we want to see … what your evaluation is.” (Council officer)

⁶ The neighbourhood management team has now begun to explore Social Return on Investment as an evaluation methodology, and is considering external evaluation.
Initiative 4: Introducing a new model of regulating business premises

Background
Recent trends in the development of regulation in the UK across a variety of sectors, in line with the Hampton Principles, include increasing use of self-assessment by regulated organisations; the introduction of responsive approaches to regulation which make the regulatory regime more contingent on the performance of regulated organisations and how well they respond to regulatory interventions; less reliance on inspections as a mechanism for regulation; and efforts to reduce regulatory duplication and fragmentation.

The government’s Local Better Regulation Office (LBRO) manages a Retail Enforcement Pilot (REP) which is investigating ways of coordinating inspection and enforcement activities across environmental health, fire safety, licensing and trading standards services in order to increase efficiency, better protect consumers and reduce burdens on law-abiding businesses. Nine clusters, consisting of a total of 31 local authorities and associated Fire and Rescue authorities, have piloted the REP approach to regulation whereby non-high risk premises classified as ‘broadly compliant’ (said to be about 75% of all premises) receive a full inspection with regard to one regulatory discipline, at which an additional checklist is completed to act as the ‘eyes and ears’ of the other disciplines: any failures of compliance indicated by the checklist are referred to the relevant regulatory services, who decide on what action to take. The piloting was found to be challenging, with regard to sharing information, partnership working, tools, resources and culture. A commissioned evaluation of REP is due to report in October 2009.

The initiative
Another cluster of local authorities one of which was studied in depth as a case study, felt that the REP checklist approach was unwieldy and that there was scope for more integration of service activities, which would improve effectiveness and efficiency. The alternative approach was still based on the ‘broadly compliant’ principle, but challenged the idea of needing a checklist or full inspections, believing that inspectors could come to a reliable judgement based on a small number of key indicators and their common experience of dealing with businesses. Rather than undergoing a full uni-disciplinary inspection plus checklist, eligible premises would instead be given a briefer, non advice-giving, multi-disciplinary audit, incorporating Health and Safety, Fire Safety and Environmental Health regimes, with advice being provided through a separate mechanism. It was hoped that this would be more efficient for both businesses and authorities, freeing up inspectors to focus on higher risk or difficult cases more commensurate with their skill levels. Longer-term, these ‘auditors’ might form a separate category of staff, reducing the resources spent on training and salaries. It was also planned to make use of new electronic ‘hand-held’ technology to facilitate efficient collection and sharing of data between agencies.

The element of the initiative studied as part of the research was the pilot testing of a prototype system based on the preferred model which had been developed earlier in the initiative. If evaluation showed that the prototype worked in practice and had realised the hoped for benefits, then there was an expectation that a business case would be constructed to enable the system to be rolled out widely.
**Design**

The design of the pilot was for 100 multi-disciplinary audits to be conducted in each of 10 participating local authorities. Each audit would incorporate 3 different disciplines (fire safety, environmental health and health and safety), and would be unannounced rather than a mutually convenient appointment arranged. Auditors would be drawn from a range of disciplines, but would not be given any additional training other than in how to use the hand-held IT equipment. Businesses eligible to be covered by the pilot would be identified based on data already held (e.g. from previous inspections), according to the two key dimensions – risk and track record of compliance. Businesses would be scored on a 5 point scale for each of 3 disciplines, and for “confidence in management”, based on enquiring about a small number of key indicators which had been identified earlier by a working group of experienced managers. A business failing on any dimension of the audit would be referred for a full inspection with regard to that dimension. Audited businesses would still be subject to the usual programme of inspections, and the results of these inspections would also be compared with audit outcomes. 20% of the audits would be repeated by a different officer, and the outcomes compared.

**Implementation**

Over 1300 visits to businesses were made, resulting in over 900 audits being completed; a large number but not quite the 1000 planned. This was due to factors such as greater than expected rates of business closure, which meant that planned audits could not be conducted. The actual implementation of the pilot design varied substantially between the different authorities involved. Differences of practice included: whether or not restaurants were included; whether or not the compliance track record criteria were applied; whether or not some initial training was given to auditors; and the extent to which communication between auditors during the pilot informed audit practices and the basis on which judgements were arrived at. It was anticipated by managers that the IT equipment might prove unreliable, and indeed many auditors found the technology difficult to use in the field, (e.g. when trying to maintain a signal in premises with basements or cellars, or when the software was very slow to respond) and switched to doing paper-based audits, as per the contingency plans.

Some aspects of the design were changed during the pilot following input from the auditors. Thus, instead of 20% of audits being repeated, ‘double audits’ were conducted for a proportion of businesses: a second auditor was present while a business was audited; both auditors scored the business independently; and their scores were subsequently compared.

**Data Analysis**

An initial statistical analysis of the available quantitative data was conducted by an external consultant who had supported the project, and then a number of workshops were held with auditors from participating authorities in order to check data quality, comment on apparent patterns in the data and identify issues. Some data was not analysed because it was regarded as unreliable or incomplete (e.g. start and finish times of audits, so participants were asked to estimate average figures. Audit and inspection scores were compared when businesses had failed an audit and were referred for an inspection, but audit scores were not generally compared with scores from routine inspection, although one authority did conduct follow up inspections of some of the participating businesses and analyse this data.

Data, charting auditors’ thoughts and experiences was collected through two
feedback sessions for all auditors, part way through and at the end of the pilot, making use of a spreadsheet available to auditors throughout the pilot in which they could record issues they had identified. A report was produced and discussed briefly at a meeting of key managers from each of the participating authorities.

Results
The pilot was generally perceived by these managers to have been a success: it had been very ambitious, and conducting nearly 1000 audits within the planned timescale was a considerable achievement; a large number of staff had been engaged in the audit process, potentially smoothing future implementation through familiarity with and confidence in the process; 95% of businesses referred for fire inspection on the basis of audits were found to be non-compliant by those inspections, though the corresponding figure for food and health and safety referrals was lower, at about 50%; there was very high agreement between auditor scores in double audits; and approximately 75% of audits indicated that businesses were compliant on all dimensions – similar to the proportion of all businesses that are presumed to be ‘broadly compliant’. The data from one authority comparing audits and inspections suggested lower levels of compliance and that the audits might miss problems, but managers regarded these findings as unreliable because inspections have their shortcomings and do not provide a ‘gold standard’, and because of the relatively small sample size. There also appeared to be substantial differences in scoring between auditors from different disciplines, with different levels of experience, and from different authorities, and the reasons for these differences were to be explored in order to inform future training needs.

The auditors were also fairly positive. Although they believed they had not been involved sufficiently in the planning of the pilot and had some remaining concerns about practical details of the model (E.g., the restriction on giving advice, and audit visits not being prearranged with businesses), they felt that some of their concerns had been listened to, and that there would be further opportunities to refine the model as the initiative continued.

Future plans
A second pilot is planned, with a very similar design: the 10 participating authorities will again conduct a total of 1000 audits, for example. Training will be provided for auditors, based on needs identified through the first pilot; and the confidence in management audit measure has been reconceptualised in the light of confusion among auditors about how to make a judgement on this dimension.

Issues arising
There were some shortcomings in the design of the pilot. The idea had been to produce an efficient design which would provide strong evidence that approximately 75% of businesses are broadly compliant and that audits can assess compliance with sufficient accuracy. This would confirm early small scale paper-based field trials which suggested that audits might produce similar assessments of compliance to full inspections. Subsequently however it was decided to extend the pilot as a means of engaging with a large number of staff across and including all of the local authorities as active participants. Assuming that the audits worked, in that they were regarded as a success by the participating staff, this would create a critical mass of people who would back the idea of introducing audits and help to convince their colleagues, easing future implementation.
A comprehensive set of success factors were identified, but the measures setting out what constituted success, partial success and failure were incomplete, particularly with regard to establishing the effectiveness of the audits in accurately determining compliance and non-compliance. Planning documents identified a need for learning about both effectiveness and process issues, but were somewhat contradictory regarding the relative importance of these:

"The success of the pilot will hinge on whether audit methodology successfully identifies non compliant and/or high risk businesses across all disciplines." (Critical Success Factors document v2.2)

"The pilot is about learning and using that learning to make judgments about whether the business compliance audit model can support regulators to increase levels of business compliance while delivering services more efficiently and effectively. Much of what can be learned will not be about degrees of success or failure but about lessons that need to be learned to deliver the model successfully." (Critical Success Factors document v2.2)

Following discussions about the possible need for expert input to help make the pilot design appropriate from a statistical point of view, a decision was made that this was not required:

"We will go ahead as planned for this first pilot. This pilot is not going to give us a definitive answer by which to judge whether an audit approach successfully assesses non compliance across all disciplines. What it will do is enable us to learn a whole range of lessons both qualitative and quantitative. From there we can go around the loop again and refine the evaluation on the way. At this stage we probably don’t know what we don’t know and are feel we need to learn organically.” (Project manager)

Going ahead as planned meant a large scale pilot exercise. The leaders of the initiative were very keen to demonstrate competence to potential future funders, with this being seen predominantly in terms of maintaining the momentum of the initiative and finishing a large, complex project on time, rather than in terms of the validity of the research findings. Accordingly, a project manager was employed to organise the pilot using a project management methodology (Prince II), and there was much emphasis on meeting pre-specified deadlines and on achieving the target of 100 audits being conducted by each authority. This was felt as undue pressure by the auditors themselves:

"I came out of that meeting yesterday quite disillusioned I thought this had been thought out – set up with all best intentions but it seems to have been rushed. Instead of putting it back a month and getting it spot on it was ‘just get out there and do your audits” (Pilot auditor)

"You go to them [the meetings] - 'How many have you done?'. And if you don't come out with the right number: 'I'm not interested ... , how many have you done?' ... We don’t want to be number crunching." (Participant)

Much of the data that was collected was simple quantitative data, such as judgements of compliance on a scale from 1 to 5 based on the scripts, and audit start and end times, because this was what the handheld IT equipment was capable of dealing with. Qualitative information was to be gathered through a “lessons learned” spreadsheet and a feedback meeting with all auditors at the end of the data collection period. As it turned out, the auditors encountered many difficulties in trying to use the IT equipment, including lack of reception and problems uploading data to the central database. Many fell back on using paper data collection sheets and entering data by hand.
"If I ever see that [IT company name] website again I think I’ll scream!"
(Pilot auditor)

There was little involvement of frontline staff in the design of the audits, which was done through working groups of managers, so staff only really became involved during the actual pilot data collection period. Managers decided that staff participating in the pilot should not be given training in how to conduct audits, as there was a hope that no training would be needed. If any training was needed, the pilot would highlight what was required. As a consequence of this, an absence of detailed protocols for the pilot, and a lack of rapid feedback mechanisms, many decisions about the conduct of the audits and of the pilot were effectively devolved to individual authorities and auditors. Individual members of staff carried out the audits in ways that worked for them in response to practical issues that arose, and guided by their own views and discussions with local colleagues.

"I'm flagging up more [businesses as non-compliant with regard to fire safety], but I'm only doing it because I've asked him [the local auditor from the Fire Service] ... We’re basing things on talking to each other, and not on those scripts.”
(Pilot auditor)

This resulted in wide variations in the ways in which audits were carried out and judgements of compliance made, for example with regard to what constituted compliance with regard to storing food safely:

"If they are not doing temperature control, if there is no equipment to do it, then it’s a fail"

"Louise felt this was 'having a fridge is adequate’"
(Conversation between pilot auditors)

Data about these variations in the way audits were being conducted were not collected systematically during the pilot period itself, but were highlighted in later feedback sessions, as were variations between authorities regarding the characteristics of the businesses that were included in the sample. Some authorities identified businesses that existing records suggested were broadly compliant, for example, while others did not restrict their sample in this way. Some audited a range of premises where food was sold, while others focused purely on restaurants. No attempts were made to take account of such variations in the statistical analysis of the data, which was largely descriptive rather than analytical. The verification of the broadly compliant principle, for example, appeared to rely purely on the fact that the proportion of businesses judged to be broadly compliant by the audits matched previous estimates of the proportion of broadly compliant businesses.

"I don’t know what to make of it"
"But it’s fascinating isn’t it?"
(Conversation between project managers, during a session looking at the pilot data from one authority)

"Nobody really knew at the start how we were going to analyse the data”
(Project manager)

Despite occasional references by the project managers to the need to compare the results of audits with those of inspections, in only one authority were the results of audits on individual businesses compared with the results of prior or subsequent inspections of those premises. Part way through the pilot it had been decided to conduct a proportion of audits with two auditors present, one as an observer. Both recorded their judgements without consulting each other, and subsequent analysis showed that there was very high agreement between the scores. This demonstration of apparent reliability, despite its methodological limitations, such as potential lack of independence of the judgements, and despite it not being capable of assessing validity,
bolstered confidence in the audits. This, together with a recognition of methodological limitations of comparing audits with subsequent inspections, such as the possibility that the situation might have changed in the interim period, produced a feeling among some managers that comparison with inspection results was not necessary.

"There was a lack of clarity ... about ... the validation process. We had various ideas but we never really crystallized them and communicated them as well as we should have done. We'd acknowledged the need for this independent validation ... It became the joint visits. That worked" (Manager)

The comparison of audits and inspections in the one authority showed that a large proportion of businesses judged compliant by an audit were subsequently judged to be non-compliant by an inspection, however. One possible explanation was inappropriate judgements by one of the inspectors; another was that audits missed problems, both of which potentially threatened the validity of the approach. Managers did not want to engage with these possibilities however, citing their knowledge that inspections were far from perfect, the untested implication being that audits may be no less accurate.

When these issues were discussed with one of the auditors, she responded that the purpose was not scientific, but to develop their work, implying that a lower standard of rigour was appropriate. Staff still believed that the principle behind the initiative was right, and some had a sense of satisfaction that some of their concerns, such as the need for training, had been acknowledged, and that they had overcome difficulties caused by the looseness of the implementation of the pilot and made things better. Others were still concerned about the conduct of future pilots:

"As a pilot study I think we’re there ... It's been this emphasis on the time element ... 'It must start on such a date' and ... rushing it through. ... It certainly needs rectifying ... to carry it on ... to the further stages" (Participant)

And other staff were rather more cynical:

"I think LBRO want it; I think the managers want it. .... You can completely see the logic in it. But I do tend to think, well, without going through all this process, I think they've already probably come to the conclusion therefore where it's going to end up" (Staff member)

The managers and project managers felt that the pilot had been a success, in terms of convincing staff about the idea, and of convincing themselves and potential funders that they were competent to conduct future pilots:

"[It has been a] maturation and growing of the less parochial... Now everyone feels 'it can actually work’” (Participant, managers meeting)

"You now know how to do it – you didn’t before. Your are uniquely well placed to plan a pilot” (Project Manager speaking to the management group)

Plans for the next pilot did contain actions to address the lack of training, the lack of clarity in the pilot protocols, and shortcomings in a particular script, but there still did not appear to be an adequate assessment of effectiveness and the emphasis on size and speed remained.
The extent of “intelligent application” and learning

The overall conclusion from the analysis of the previous interviews was that managers’ beliefs about how improvement happens can usefully be thought of as two factors: intelligence and application. “Intelligence” concerns obtaining data and understanding this evidence through analysis, turning it into useful information. Basing what you do on a grounded, coherent model of “reality”, rather than a false or superficial view; understanding the underlying mechanisms that produce the observed results; understanding results from gathering relevant local data and making sense of this by applying relevant models or theories of the way the world works (drawn from personal experience, the experiences of others, and from academic research). This should be an ongoing, reflective learning process of double loop learning that seeks to challenge the assumptions embedded in those models or theories, as this opens up the possibility of step change improvements. If underlying assumptions are taken for granted, then only single loop learning can take place, which will produce only incremental improvement, i.e., more of the same, but hopefully better.

“Application” is related to the idea of implementation, but it would be an over-simplification to regard intelligence generation and application purely as separate activities, carried out sequentially. Application is also about discipline: making improvement a focus of attention, channelling efforts into productive activities, and managing change. Application means expending effort and resources to develop those understandings and apply them in the cause of genuine improvement.

Another way of expressing this is that for improvement to happen it is necessary both to “do the right things” (based on intelligence) and to “do things right” (application, or implementation). The two activities can support each other – intelligence gathering is a task that will benefit from application, and implementation will benefit from being done intelligently!

In the following sub-sections the learning processes of the case study initiatives are analysed in terms of their potential for learning:

- Challenge posed to current improvement processes
- Challenge posed to current service models
- Strength of the underlying evidence base
- Plans for learning

The extent to which this corresponded with what appeared to be learned is then considered.

**Challenge posed to current improvement processes**

Two initiatives (systems thinking and neighbourhood management) had as their main focus trying to bring about changes to existing improvement processes. It was hoped that the new improvement processes would then produce substantive and ongoing improvements to services. Some parts of the waste management initiative also aimed to develop improvement processes: with area based working, staff would increase their knowledge of the locality and take more action to alert other services of problems; staff development and training would provide motivation and skills; and better communication between staff and managers would facilitate useful suggestions for service improvements.

One of the aims of the regulation initiative was to provide increased access to reliable data that the partner agencies could use for planning, and it also sensitized staff to recognise and refer on issues relevant to other services.
The systems thinking initiative represented a challenge to fundamental assumptions regarding service improvement, including changes to manager and staff roles and relationships, and to performance measures. The waste management initiative represented quite a fundamental change to improvement processes as far as staff were concerned, though less so for the service manager, who had derived the principles mainly from practices in his previous job. The neighbourhood management initiative perhaps represented more incremental development of community involvement and multi-agency partnership working in line with existing principles, although for some organisations this would represent a more fundamental change than for others. Similarly, the regulation initiative was in keeping with fairly longstanding national and local policies to improve coordination between agencies.

**Challenge posed to current service models**

The regulation initiative proposed wide-reaching changes to services that would potentially mean substantial changes to staff work activities, with some staff focusing in-depth on more challenging cases and others engaging in much broader, light touch work. The audit represented a fundamental challenge to staffs' existing notions of expertise, of how to judge compliance, and of the role of inspections, particularly with regard to giving advice. The waste management initiative proposed changes to hours and bonuses that constituted significant challenges to working practices, although the new routes largely represented incremental change. Neighbourhood management involved the introduction of neighbourhood wardens and more staff from other agencies such as the Police being based locally with the potential for increased interaction and information sharing facilitating the improved coordination of operational activities. This did not appear to constitute a fundamental challenge to existing assumptions for most staff, although it was apparent that it was for some. Other service changes were not specified in advance, but would emerge through the new planning structures and processes that neighbourhood management provided, and there was no indication about whether radical service changes were expected to result. The systems thinking initiative was similar in that the specific service changes that would be proposed were not specified in advance, but would emerge as the new approach was used. The external consultants did however expect a particular service model to emerge for the service desk, based on their past experience of similar services. There was also a general expectation that the fundamental changes to improvement processes would result in significant changes to services.

**Strength of the underlying evidence base**

The existing evidence base appeared strongest with regard to neighbourhood management. Similar initiatives elsewhere in the UK had been subject to a substantial external evaluation which had provided strong evidence for some positive impacts, and the initiative also appeared to be congruent with some of the suggestions arising from wider research, such as having links to the strategic aims of the LSP, and support from officers and elected members. Furthermore, the previous pilot project conducted in another locality within the authority area, had suggested that the "quick wins" model of implementation worked in local communities and which was to be used, and enabled the initiative manager to build up considerable practical experience.

The evidence base for systems thinking was less strong, both in
terms of past evidence of effectiveness and in terms of participants’ previous experiences. The initiative had addressed some of the known implementation barriers through, for example, emphasising the underlying approach rather than piecemeal use of tools and techniques, but preparatory action to address the existing culture, learning and leadership styles had been limited. The consultants had good knowledge and experience of the approach, including some experience of working in other local authorities, but the host authority’s managers and staff were novices.

The regulation initiative was an ingenious attempt to address weaknesses that had been identified in the previous REP pilots, through taking a step back and rethinking some of the underlying assumptions. On account of this innovation, the evidence base was therefore relatively weak, consisting mainly of what was known not to work and a combination of the experiences and logic of the participating managers.

**Plans for learning**

The greater the costs of change (E.g. the scale of the intervention), the harder implementation is, and the greater the risk of harm from proceeding, then the stronger the prior evidence (from theory, experiences of others and research) needs to be\(^5\). If the prior evidence is insufficiently strong, then experimentation to produce learning is more appropriate than implementation.

All of the initiatives, to varying degrees depending on the innovativeness of the underlying idea and the strength of the existing evidence base, provided opportunities for learning about improvement processes or about services. If following a learning paradigm such as evidence based management\(^6\), each initiative should have been designed not only with regard to the existing evidence, but also so as to produce learning with regard to aspects of that initiative where the evidence base was lacking. On the face of it, this was indeed the case: the weaker the evidence base, the more plans and initial designs emphasised testing areas of uncertainty and fundamental underlying assumptions through experiments; the stronger the evidence base the greater the emphasis on incremental or tactical learning, and on action rather than on reflection. Thus plans for the neighbourhood management initiative, and to some extent the area based working initiative, where the evidence base was relatively strong and the innovation level relatively small, focused on implementation, while the regulation and systems thinking initiatives placed more emphasis on learning.

Leaders of the regulation initiative, where the evidence was perhaps thinnest, recognised the need for testing through a pilot.

"[it is] a project ... that is different in nature to the other REP2 projects. It is conceived as a Research and Development (R&D) project" (Project Initiation Document, Regulation Initiative)

Indeed, a small scale pre-pilot exercise had already been conducted, through which it was felt that practical details of conducting the pilot audits had been resolved. This meant that the pilot could be regarded as a research experiment, which would provide a rigorous, statistical test of some of the key assumptions underlying the initiative, such as, for example, that about 75% of businesses were 'broadly compliant', and that the audits could reliably distinguish such businesses from non-compliant businesses.

The prior evidence about a systems thinking approach suggests that it can bring about substantial improvements,
but relies on a full or deep implementation, and this will be difficult to achieve if the organisational culture does not already value bottom up learning. It would therefore have been risky (and perhaps logistically infeasible) for the authority to go for a “big bang” implementation across the whole of the organisation simultaneously - trying out the approach in one service to see whether and how it worked in practice would seem to be more appropriate. The systematic data specification, collection and analysis procedures of the systems thinking approach would provide strong, quantitative evidence of the extent to which performance had improved during the project. If this data showed a marked improvement, as was expected, then it would enable a stronger case to be put to managers in other parts of the organisation that they too should try systems thinking. The review meetings scheduled for the end of each stage would also provide an opportunity to learn from the process of implementation and to document that learning. Furthermore, the trainee aspect of the project would increase internal knowledge and expertise with regard to systems thinking.

The evidence base for the neighbourhood management initiative having positive impacts was relatively strong, and the emphasis of the initiative was on implementation of the initial plan rather than on potentially redesigning parts of the neighbourhood management model. There was less evidence to indicate the extent to which the initiative would be able to narrow the performance gap with other localities, which was a key desired outcome, or over what time scale this would be achieved. Concerted efforts were being made to measure these outcomes, and it was also planned to closely monitor the outputs of service developments funded by the initiative.

"[Demonstrating] the outputs are easy ... but the ... challenge for us is the evaluation of what difference its made. ... That’s still something we’re gonna have to work through ... [The council] will give us a number of indicators we need to hit, and they’ll measure us against that.” (Neighbourhood management team leader)

Learning in practice

What was actually learned did not always match what had been planned. The regulation initiative produced very little reliable learning about the prevalence of broadly compliant businesses or about the ability of audits to identify such businesses. It did produce much learning about practical issues regarding the conduct of audits and some learning about the pilot process. There were however shortcomings in the design, conduct and analysis of the pilot which limited the learning and made the process very inefficient. There were also indications of a lack of openness to questioning of assumptions – both those underlying the audit idea, and those underlying the pilot process. Outcomes not concerned with learning were more positive, with funding to continue the initiative being secured, and commitment from participants being maintained.

Generally, there was much emphasis on learning throughout the systems thinking project, with the word “learning” itself often being used in connection with it. Participants learned about the principles of systems thinking and about the methodology, and through implementing the methodology they gained insights into how the service operates and why. This enabled substantial improvements to be made to the performance parts of the service, although there were some negative side effects. The whole process took longer than expected, and before it was completed, systems
thinking projects were started in other service areas. There appeared to be substantial variation in the extent to which different staff members were willing and able to understand systems thinking and put it into practice. Some staff expressed doubts about the appropriateness of the methodology, but the sponsoring managers and the consultants retained their faith in systems thinking. The amount of time which was freed up for staff to spend on systems thinking and the amount of support they were given by the consultants, were contributory factors to some of the difficulties that arose.

Although the plan for the neighbourhood management initiative emphasised implementation rather than learning, and monitoring rather than evaluation, learning did still occur, both in response to problems (resistance) that arose and through keeping in touch with developments in neighbourhood management initiatives elsewhere. While there were some changes to the design of the initiative locally as a result of taking on board others' views, these were relatively small, and the main structures and processes envisaged by the original plan remained intact, so the learning was mainly single loop learning. Some elements of the initiative were well behind schedule and it was too early to assess whether it was facilitating service improvement or better community engagement. These initiatives demonstrate that organisational learning may be difficult to achieve, even when, as in the systems thinking initiative, learning was explicitly one of the main aims.

Key barriers to learning encountered in the initiatives are identified and analysed in the following section.

### Barriers to learning

**Conflictual "Us and Them" dynamics**

In all of the initiatives one set of stakeholders promoted an idea for service improvement to other stakeholders as a way of addressing some of the issues that they perceived to be present (Table 1).

<table>
<thead>
<tr>
<th>Idea</th>
<th>Local Promoter</th>
<th>Local Adopters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systems thinking</td>
<td>Sponsoring managers and external consultants</td>
<td>Staff</td>
</tr>
<tr>
<td>Area based working</td>
<td>Service manager</td>
<td>Staff</td>
</tr>
<tr>
<td>Neighbourhood</td>
<td>Neighbourhood management team</td>
<td>Local people and staff</td>
</tr>
<tr>
<td>management</td>
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<tr>
<td>Regulatory audits</td>
<td>Service managers</td>
<td>Staff</td>
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*Table 1: Patterns of idea promotion in the case study initiatives*
Such a process is more akin to the diffusion of an innovation than mutual learning. Research on the diffusion of service innovations\textsuperscript{25} highlights the importance of antecedents for change and of system readiness if innovations are to be adopted. In all of the initiatives there was some tension for change in the form of strong external drivers for efficiency or improvement. The fit between the innovations and the system they were trying to improve appeared to be good for the neighbourhood management and area based working initiatives, but was more problematic with regard to the systems thinking and regulation initiatives, where the radical, transformational nature of the ideas meant that the ‘user system’, i.e. staff, was less likely to be ready to receive them.

The research on diffusion of innovations also stresses the importance of linkages at the design stage between the originator of the innovation and the potential adopters. Such linkages appeared to be relatively weak in these initiatives, with little staff involvement in the specification, although some of the initiatives, and in particular the systems thinking initiative, were intended to support staff-led innovation. With the exception of the area based working initiative where collection crews were directly consulted through a variety of methods including one-to-one’s and focus groups, there was no consideration of staff-led innovation. Furthermore, in none of the initiatives did the idea originate from local frontline staff, rather it was intended that staff adopt an idea originating elsewhere, with the management hierarchy playing an important role in the promotion of the idea. Other research has also found leadership to be prominent in change efforts in local authorities, both to “sell” ideas to different constituencies within the organisation, and to force through change in the face of opposition\textsuperscript{26}.

Management of change in the public sector has often followed a pre-designed top-down implementation process, but success also requires some degree of staff participation\textsuperscript{27}. A quick change achieved through top-down strategic management may be embedded if followed by a bottom-up change programme, but reversing this order leads to distrust and lack of commitment. And it is hard to introduce bottom-up change simultaneously with top-down management – care needs to be taken that managers enable staff to participate in the bottom-up change throughout the whole project, affecting the course and outcome.

One of the most striking observations from the case study initiatives was of the presence of competing perspectives regarding what constituted improvement and how to bring it about. These sometimes led to “us and them” dynamics being created and conflict between stakeholders, particularly between promoters and adopters of ideas, typically managers and staff. How differences are dealt with characterises two models of learning that researchers have proposed\textsuperscript{28}. A person following learning model 1 assumes that they understand the situation and that others who see it differently are wrong. The person advocates for their position and doesn’t try to find out the reasoning of others. A person following learning model 2 sees differences as an opportunity for learning – other people may have additional information or insights, for example – and seeks to test their assumptions and inferences, and engages with others. Model 1 restricts learning to single loop learning, whereas model 2 enables double loop learning.

In the case study initiatives, differences between groups were often tackled by trying to create a new shared identity so that all were working cooperatively and
enthusiastically towards the same goal rather than different, antagonistic factions forming. The new shared identity was however defined in terms of the new service model and associated staff roles that were being proposed, rather than this being open to negotiation. Staff and managers did largely agree that they should be working together to serve customers better, but did not always agree however that the proposed service changes were the best way forward, or even that the changes were a good idea.

Issues of identity and relationships between different stakeholders may be explained by Social Identity Theory. The theory postulates that individuals categorise themselves and others as being members of various social groups, with different social group memberships being brought to prominence depending on the context. These memberships become internalised to some extent, being regarded as an intrinsic, and unquestioned, part of the self, in the process acquiring emotional and value significance. If individuals perceive themselves as members of the same social group then they actively strive to reach agreement and to develop and maintain shared values, beliefs and behaviours. Thus if an overarching, work-related, social identity has developed then this can energize teams and direct them towards collaborative outcomes. The theory also explains the difficulty of learning from other groups and the existence of “groupthink” effects (i.e. uncritical and conformist decision-making), because external challenges are hard to accept, and the group tends to follow through on decisions, whether they are good or bad ones, in order to help maintain the group.

The case study initiatives were therefore right to emphasise the creation of a new shared identity, but Social Identity Theory suggests going about it differently. There are three factors involved:

- the extent to which any new social identity/group (e.g., a new role) implied by an initiative has a positive value in terms of the group norms of the social groups to which individuals already belong;
- the extent to which individuals perceive that membership of the new social group is open to them;
- the extent to which individuals perceive that the new social group threatens the legitimacy and stability of the social groups to which they currently belong.

If the new identity is judged to have a higher status, then the likely strategies that will be adopted are as in Figure 1 (see next page). Where there are multiple groups, there is some evidence to suggest that neither trying to assimilate all of the groups into a single overarching identity nor trying to maintain clear separation between the groups is the best way forward. Rather, it may work best if the new overarching identity is defined in terms of incorporating group difference, whereby old identities are not suppressed but acknowledged and valued for what they can contribute to the new work group. Staff can then identify with both the new and the old. This also makes sense from a perspective of learning from difference. Rather than trying first to get staff to subscribe to a new overarching identity and then developing appropriate group identities within that, research suggests developing such an organisational identity by first developing the identities of existing groups, and then bringing those groups together to build an overarching understanding.
Lack of expertise

Lack of expertise can be a problem both with regard to the process of learning/improvement, and with regard to the content of a proposed improvement. As might be expected, content expertise was generally present, but there was perceived to be a problem in the regulation initiative, partly due to not involving frontline staff in the design of the scripts that were to be followed by auditors, and partly due to not involving other experts.

"In terms of the scripts ... more involvement of .. officers on the frontline. ... Team leaders ... are not used to going out on a daily basis and carrying out inspections. So ... were just having to surmise a lot of things." (Participant, regulation initiative)

"Experts in how people make judgements ... weren’t involved in the working groups [that devised the scripts]" (Project manager, regulation initiative)

The potential problems of a lack of process expertise were illustrated most clearly in the regulation initiative, where ignorance about some aspects of research methods led to inefficiencies and possibly to unwarranted conclusions. The neighbourhood management initiative may have had a stronger evidence base, but a continued lack of sufficiently sophisticated evaluation might result in it not clearly demonstrating its role in producing benefits for the locality. The systems thinking and regulation initiatives recognised gaps in their expertise and brought in external consultants to help with the improvement process. This did produce benefits, but also highlighted other potential difficulties. The project managers in the regulation initiative delivered the project on schedule, and their role
appeared to be an important factor in ensuring the completion of the pilot on time and to scale, but this was to some extent at the expense of learning. The systems thinking initiative could not have proceeded without the consultants, who were also helping to build up capacity within the local authority to conduct future systems thinking interventions, but this process was very lengthy. In the meantime, the participants were totally reliant on the consultants, and were not in a good position to hold them to account.

Some elements of expertise can be codified in methods, and the relative absence of improvement methods was noticeable during the interview phase of the research. Proponents of systems thinking have argued that without appropriate methods for collecting and analysing data, managers, influenced by targets and ‘obvious’ (but wrong) logic (E.g., economies of scale), fail to identify the real issues and their causes, are constrained in their thinking about possible service changes, and cannot assess whether the changes that are instituted actually constitute improvements. The notion of intelligent application does not supply a practical method, but highlights similar concerns in that it has understanding at its core: about what customers want and need; about how the service works through staff and systems; and about how the environment impacts on the service. Intelligent application also emphasises learning, and echoes realistic evaluation which highlights the need to understand how a mechanism (service model) and its environment interact to produce outcomes.

Methods relevant to intelligent application would include ones concerning knowledge production or learning, and implementation or change management. Different research methods are suited to producing different types of knowledge: qualitative methods are better suited to understanding how the process of service delivery works and its acceptability to different stakeholders, while quantitative trials are better suited to assessing the relative effectiveness and cost effectiveness of different service models. Small scale experimentation is one way of testing assumptions and developing valid ideas, but this is not always feasible, E.g., because once changes are made they are hard to reverse, or because too many changes would confuse customers. Quantitative and qualitative modelling approaches such as simulation and system dynamics may then be useful. Conceptual modelling such as cognitive mapping may also help develop and clarifying the putative service model and the assumptions that are inherent in it, and identify what data it would be useful to collect for testing purposes. The systems thinking initiative used the “5 why’s” technique, which can be regarded as one of a number of root cause analysis techniques which are often used in quality improvement methodologies.

**Time and other resource pressures**

The learning processes in the case study initiatives took up time and other resources, and did not always withstand pressures, both self and externally generated, to be seen to be producing results within relatively short time scales. Externally generated pressures related to continuing to secure resources from the wider organisation or from external funders to enable the initiative to continue. In the neighbourhood management initiative it proved possible to renegotiate time scales for the production of actions, which seemed to benefit learning. Indeed there was an apparent re-conceptualisation of the initiative to take a process-based view rather than the project-based view which the time
limited funding and structured project plan had seemed to imply.

In other instances, where renegotiation of time scales was either not possible, or was not attempted, then learning was constrained. Meeting the deadline became the goal, and achievement seemed to be evaluated in terms of that target (failing to meet it might after all mean the end of the initiative), with other objectives being put aside until after the deadline had been met. This was particularly evident in the regulation initiative

Such pressures may have been less, or easier to manage, where the initiative was perceived to involve a number of different projects or parts. There could then be scope for progress to be demonstrated by one of the parts to offset slower progress in another part. The neighbourhood management initiative did set out some “quick wins” that were expected to be relatively easy to achieve, and had funds to make sure that at least some small, highly visible improvements were made. The systems thinking initiative also identified some activities which did not add value and could simply be stopped without adversely affecting the service. In addition, 3 projects were established within the service, and so progress with the service desk project may have taken pressure off the other 2 projects. One danger of such an approach is that resources might become overstretched, resulting in some projects progressing less slowly and potentially compromising their quality. It might also inhibit the learning that can be gained from a more sequential approach where future projects learn from pilots.

The neighbourhood management, regulation and systems thinking initiatives made resources available by employing dedicated staff or consultants for whom the improvement initiative was their “day job”. The systems thinking initiative also effectively seconded staff into the improvement team, and there was evidence that staff who were not freed up to this extent found it harder to devote time and energy to the initiative. In addition, managers were tasked with protecting participants from the demands of the wider organisation. There was however resentment among some staff not directly participating in the initiative, who saw their workload increasing as a result of other staff being seconded to the improvement team.

Another way of withstanding these pressures was to focus on learning or on improvement rather than on particular actions or targets that had been specified in advance. Thus, for the systems thinking initiative, the consultants continually stressed that what was important was that people were learning – without such learning how can it be known whether actions undertaken or targets achieved actually represent improvement? Even though the consultants knew broadly what form the new service model was likely to take (see1, page 41), what was more important than the service outcomes was that staff learned how to learn, or learned how to improve services.

“It’s not for me to tell, but for them to learn” (Consultant, systems thinking initiative)

The neighbourhood management initiative was recast explicitly in terms of learning, and this, together with the emphasis on doing things right rather than rushing them, may have helped in persuading stakeholders to give the initiative more time.
Over-attachment to particular ideas for improvement

If improvement is to be realised, it is important to act to put learning into practice. In general, the more that has been learned, then the more emphasis there can be on action through implementation of that learning, but this needs to be done with the awareness that there will always be some risk in taking action, either due to uncertainty about the validity of what has been learned or to complexity and change in the environment of the intervention. So some degree of ongoing reflection and evaluation will be appropriate, with a balance between focusing on implementing a plan/design and reviewing that plan and its implementation in the light of the experience so far.

Action is promoted by enthusiasm for an idea, so this is an important element of improvement, but it is problematical if there is an over-attachment to a plausible but poorly evidenced idea or underlying assumption. Factors tending to lead to over-attachment might include: having generated the idea yourself; only discussing the idea within an already established group of people with a strong group identity (groupthink); the idea being associated with and promoted by important others (E.g., senior managers); or large amounts of resources having been invested in developing and implementing the idea. Such dynamics may have been present in the regulation initiative, where managers had themselves developed a plausible new service model and appeared wedded to the logic of the underlying the model, despite the lack of prior evidence. It may also have been present to a lesser extent, in the systems thinking initiative, which was initially justified in terms of a “compelling” abstract logical argument rather than by referring to empirical evidence of its effectiveness in practice – which exists, but is not conclusive. The sponsoring managers had not developed the idea of systems thinking themselves, this had been done by the consultants, but it resonated with their preference for a coaching style of management, they were commonly regarded within the organisation as the driving force behind the initiative, and it did form the basis for the authority’s transformation strategy.

It has been suggested that having high emotional awareness (sometimes referred to as emotional intelligence) will make it easier for an individual to assess their emotional attachment to underlying assumptions, and hence to learn. There are a variety of techniques to enable critical reflection on one’s assumptions, reviewing them in relation to the current context and purpose, and then reworking concepts and practice accordingly. But this is unlikely to be effective unless the personal, group or organisational culture has supportive values, such as dialogue, access to accurate information, freedom from coercion, an ability to weigh evidence and assess arguments objectively, openness to other perspectives and new ideas.
Conclusions and suggestions

The analysis of the data from the case study initiatives and the previous interviews indicates that approaches to improvement which are based on a commitment to organisational learning may have potential. Such approaches can be thought of as “intelligent application”. Following a learning paradigm is however difficult in practice, as the systems thinking initiative illustrates.

“If it’s tough enough in Toyota … how hard it is for local government!” (Improvement team member, systems thinking initiative)

The key issues highlighted in these improvement initiatives were:

• the need to recognise the potential impact of proposed new images on existing identities held by different stakeholder groups, and hence on their emotions and on inter-group relationships;

• the need to understand and manage stakeholder differences appropriately;

• the value of recognising the expertise and knowledge that stakeholders may be able to bring to the initiative;

• the potential usefulness of staff involvement in the design of initiatives

• the danger of overzealous unquestioning commitment to an idea;

• the need for substantial resources of expertise and time, and to protect and manage those resources;

• the additional challenges related to achieving transformational change;

• the need to ensure that project management, deadlines and the requirements of funders do not dominate learning and adaptation;

The amount of time, expertise and ongoing effort it takes to understand customers, staff, systems and the environment should not be underestimated. Furthermore, if what is attempted is truly transformative (i.e., it involves challenging existing assumptions), then the barriers to success may also be of a higher order. Indeed, if values supportive to double loop learning are not emphasised in the existing organisational culture, then it is unlikely that transformative improvement can be achieved. Despite taking place in high performing local authorities, the initiatives that were studied were not sufficiently orientated towards learning about learning, or learning about how to improve services – too much was taken for granted. Learning was too readily curtailed in favour of action, as exemplified by the view that “we … can’t know what we don’t know”. This suggests that in most organisations it will be productive to have a preparatory stage of developing a culture that is supportive to learning. Sense of identity is an important factor in the dynamics of improvement, and social identity theory supports the idea of developing an organisational identity focused on learning, which values existing social groups for the different perspectives and skills they can bring. This might best be done in a “bottom up” way. A complementary constituent of a learning culture might also be an ethics based on caring for others:

“An ethics of the other can be formulated on the basis of a dialogical picture, in the form of an ethical attitude of openness or respect towards the other which promotes resistance to closure, and facilitates the movement of dialogue”.

To the extent that such a learning culture and identity is not present, maintaining an appropriate level of openness to challenge throughout an improvement process may be difficult, especially in view of the hierarchical
management structures and prevalence of project management in local authorities. Despite the espousals of distributed leadership among the previous interviewees, all of the initiatives that were studied originated with, or came via, top-down, strategic planning, through senior management to managers rather than frontline staff, and challenge to the basic underlying ideas was not encouraged. And while elements of project management such as risk analysis can help highlight assumptions, once the project plan is being implemented, there is a danger that action is promoted over reflection. There needs to be an honest and informed appraisal of the evidence, and if there are large uncertainties regarding the proposed solution, then further research, experimentation or modelling needs to be undertaken rather than implementing that “solution”. Knowledge and expertise with regard to methods of research and learning will then be necessary. The likely need for support to enable ongoing critique and for research expertise suggests the potential for local authority staff to engage in collaborative improvement through organisational development programmes based on co-researcher models such as cooperative inquiry, participatory action research and critically reflexive action research\(^5\), which emphasise critical reflection and learning. Generally, engaging an independent, external advisory group to observe and comment on the improvement process is likely to be helpful, provided that the role is legitimised and respected. Methods such as critical systems heuristics (CSH) and strategic assumption surfacing and testing (SAST)\(^10\) may also be helpful in enabling critique. CSH can be used to reveal the value assumptions that underlie a proposed new system, including what knowledge and expertise is relevant, and also the consequences and side-effects for those who would be affected by the proposal. SAST is particularly relevant when there are differences of opinion over which strategy to pursue, as it is designed to facilitate mutual understanding, or learning about our and others’ positions by identifying and analysing the assumptions made by each.

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Further information about this evaluation, and copies of this report, are available at [http://www.mbs.ac.uk/research/hsi/research/NWIN.aspx](http://www.mbs.ac.uk/research/hsi/research/NWIN.aspx)
References


