

Institution: Cardiff University
Unit of Assessment: 19 – Business and Management Studies
Title of case study: Informing local government reorganisation in England and Wales
<p>1. Summary of the impact (indicative maximum 100 words)</p> <p>Policymakers worldwide have struggled to identify the optimum size for units of local government. The received wisdom has been that large councils are more efficient but less responsive to local needs. Researchers at the Centre for Local and Regional Government Research (CLRGR) in Cardiff Business School (CBS) undertook the first comprehensive empirical analysis of the impact of size on the performance of local authorities and studied whether partnerships between councils offer a better way of gaining the critical mass needed to achieve economies of scale than reorganising councils to produce larger organisations. The results directly influenced the policies of Welsh Ministers to encourage collaboration between councils and informed the decision by the Coalition Government to halt local government re-organisation in England.</p>
<p>2. Underpinning research (indicative maximum 500 words)</p> <p>In 2006, the CLRGR at CBS was commissioned by the Office of the Deputy Prime Minister (ODPM)¹ to analyse the relationship between size and performance in local government services. This ground breaking study was the first to use multivariate statistical analysis to test whether large local authorities are more efficient and effective. The researchers developed a unique statistical model which used four measures of performance over a five year period (2000-2005) - inspection scores, national performance indicators, public confidence and a value for money index – and controlled for the effects of factors other than size that are known to influence performance, such as deprivation and diversity of local service needs. The results demonstrated that size did affect councils' performance but in different ways in different functions. There is therefore no 'ideal size' for a local authority. Larger councils have lower central administrative overheads^{3.1}, but size effects vary between services. Some are delivered more efficiently by large councils, others by small authorities^{3.2}. Subsequent research commissioned from the CLRGR by the Department of Communities and Local Government (DCLG) in 2008, found that reorganisations to produce larger councils have significant disruptive effects on organisational performance^{3.3}. A third CLRGR study, funded by the ESRC, found that partnership working between public services delivers improved efficiency^{3.4}. Taken together, this body of work showed that local government reorganisations have disappointing results but collaboration between councils has potential to produce efficiency gains.</p> <p>Partly because of this research evidence, the Welsh Government encouraged councils to work in partnership with each other. In 2008, it commissioned CLRGR researchers to assess the impact of this policy. The research provided the first ever longitudinal evaluation of local government policy in Wales and gathered empirical evidence through surveys of local authority managers and councillors, in-depth case studies of partnerships between councils, and interviews with senior policymakers. The results showed that local partnerships needed steering and support from the Welsh Government in order to succeed^{3.5}. The researchers recommended that Ministers adopt a more pro-active stance and spell out how they expected councils to collaborate with each other.</p> <p>These studies were led by George Boyne (Prof 00-present) and Steve Martin (Prof 00-present), and involved five other CBS CLRGR researchers: Rhys Andrews (Research Associate 01-06, Research Fellow 06-08, Senior Research Associate 08-11, Reader 11-13, Prof 13-present), Alex Chen (Research Fellow 03-07), James Downe (Senior Research Associate 03-13, Reader 13-present), Tom Entwistle (Lecturer 05-08, Senior Lecturer 08-12, Reader 12-present) and Valeria Guarneros-Meza (Research Associate 08-present).</p>
<p>3. References to the research (indicative maximum of six references)</p> <ol style="list-style-type: none"> Andrews, R. and Boyne, G.A. (2009) Size, structure and administrative overheads: An empirical analysis of English Local Authorities, <i>Urban Studies</i>, 46 (4): 739-759. 10.1177/0042098009102127 Book chapter: Andrews, R. (2013) Local Government Size and Efficiency in Labour Intensive Public Services: Evidence from Local Education Authorities in England. In S. Lago-Penas and J. Martinez-Vazquez (eds), <i>The Challenge of Local Government Size: Theoretical Perspectives, International Experience and Policy Reform</i>. Edward Elgar Publishing: Cheltenham. ISBN: 978-1782544296. Copy available from HEI upon request.

¹ In 2006, the ODPM became the Department for Communities and Local Government (DCLG).

3. **Andrews, R. and Boyne, G.A.** (2012) Structural change and public service performance: The impact of the reorganization process in English Local Government, *Public Administration*, 90 (2): 297-312. [10.1111/j.1467-9299.2011.01956.x](https://doi.org/10.1111/j.1467-9299.2011.01956.x)
4. **Andrews, R. and Entwistle, T.** (2010) Does cross-sectoral partnership deliver? An empirical exploration of public service effectiveness, efficiency and equity, *Journal of Public Administration Research and Theory*, 20 (3): 679-701. [10.1093/jopart/mup045](https://doi.org/10.1093/jopart/mup045)
5. **Martin, S.J. and Guarneros-Meza, V.** (2013) Governing Local Partnerships: Does External Steering Help Local Agencies Address Wicked Problems?, *Policy and Politics*, 41 (4): 585-603. [10.1332/030557312X655819](https://doi.org/10.1332/030557312X655819)

Grant: **S.J. Martin, J. Downe, T. Entwistle and V. Guarneros-Meza** (2008 to 2012) Learning to Improve: Independent Evaluation of the Welsh Government's Policies for Local Government, commissioned by the Welsh Government and awarded through bidding process in competition with other universities and research organisations, £539,550.

4. Details of the impact (indicative maximum 750 words)

Historically, there has been little evidence on which policymakers could base decisions about the size of local councils. By providing the first in-depth analysis in this area, the research conducted by the CLRGR **directly influenced policy in Wales and informed the approach adopted by the Coalition Government in England**. The direct beneficiaries of the research include senior politicians, special advisers, civil servants, local government officers and councillors. Indirectly, the research has also benefitted the public by helping to dissuade policymakers from embarking on a programme of local government reorganisation that the research suggests would have incurred significant transactions costs and been unlikely to improve services. Much of this impact has been delivered through informal and formal briefings and meetings with policymakers.

Initiating change: Martin was appointed as academic adviser to an independent review set up by the Welsh Government under the chairmanship of Sir Jeremy Beecham to recommend ways of improving public services. Drawing directly on findings of CLRGR's 2006 study, the review concluded that the costs of local government reorganisation would outweigh any benefits. Following the recommendations of CLRGR researchers, it advocated instead that councils should work together in regional consortia, and with other agencies, such as the police. Whilst the publication of this review pre-dates the current REF period, it is "*the last significant independent review of public services in Wales*"^{5.1} and represents a pivotal moment which led to the launch of a series of initiatives between 2008 and 2012. It was therefore a crucial element in the pathway to longer term impact. In 2006, the Welsh Government "*accepted the report and set out its plan for the implementation in 'Delivering Beyond the Boundaries'*"^{5.1}. Included in this response was an acknowledgment by the Local Government Minister of Martin's contribution: "*The report has been widely accepted as a landmark study: we are grateful ... for the supporting research by Professor Steve Martin.*" He was also thanked by the First Minister in a letter which said: "*I want to put on record my appreciation of the immense skill and experience you put into the Beecham Review ... I think the whole of Wales will be in your debt for the efforts you put into the report's guidance.*" In response to the review, the Welsh Government ruled out local government reorganisation for the next five years, introduced a series of initiatives to encourage councils to work together, and created Local Service Boards (LSBs) to foster collaboration with other local agencies. In 2013, LSBs were described as yielding "*particular benefits for the public ... in respect of support for victims of domestic abuse*" by enabling "*earlier intervention and prevention*"^{5.1}.

Monitoring progress: The research which the Welsh Government then commissioned from CLRGR researchers (2008-2012) (known as the 'Learning to Improve' study) tracked the impacts of these policies. It found that councils had been slow to establish partnerships and suggested a more forceful approach was needed. This evidence benefitted policymakers by "*informing debate, influencing thinking and providing a solid evidence base from which to challenge commonly held assumptions about partnership working*"^{5.2}. Civil servants have "*drawn significantly on the study*" using it "*in critiquing the evidence base for the Department for Local Government and Communities Business Plans, and developing new 'Programme for Government' performance measures*" and "*shaping the specifications for other evaluations*"^{5.2}. It also suggested ways to improve LSBs. For example, the Boards included senior government officials and CLRGR's research "*provided valuable evidence on how this relationship was working and where it might be developed*"^{5.1}.

The researchers presented their findings to annual conferences of the Society of Local Authority

Chief Executives (Solace), Welsh Local Government Association (WLGA) and Wales Audit Office, and fifteen workshops for senior civil servants. In 2009, the CLRGR convened a symposium on Structural Change and Public Service Performance as part of the ESRC's Festival of Social Science. Participants included the Cabinet Office's Director of Strategy, the Head of Governance and Director of Public Services in the Welsh Government, and the Strategy Manager of the Local Government Improvement and Development Agency. Stakeholders in the research went even wider: local authority managers and LSB members were formally engaged in key aspects of the study which was overseen by a steering group which included representatives from the WLGA, Solace and One Voice Wales (representing Town and Community Councils) who therefore had *"the opportunity to influence the design of the study, how its findings were presented and what dissemination activity took place"*^{5.3}. This arrangement *"gave these organisations early insight into some of the key policy and delivery issues posed by the study's findings and the opportunity to participate in some informal debate with Welsh Government colleagues about their implications"*^{5.3}. The Director of Local Government and Public Services reports that the study's input was *"particularly beneficial where it helped to simplify and codify complex issues, such as central-local government relationships, providing a more orderly way of thinking about the nature of difficult relationships and how they develop and change over time"* and *"inevitably provided a different perspective for policymakers"*^{5.3}. There were also *"direct and significant"* benefits for the organisations involved in the evaluation's case studies which provided *"detailed structured investigations that gave a balanced assessment of achievements"*, which *"were welcomed by the case study subjects"*^{5.3}. Beneficiaries included *"Local Service Boards, Communities First Partnerships, Regional Transport Consortia and Local Education Authorities"*^{5.3}.

Shaping policy: CLRGR researchers were asked to provide private briefings to the Director of Local Government and Public Services in the Welsh Government (July 2009), the Permanent Secretary (Sept 2010), Chief Executive of the WLGA (Jan 2011), and Minister for Communities and Local Government (Mar 2011)^{5.3}. The study's findings on *"partnership working, central-local government relationships and citizen engagement"* were also presented in a note written for the Minister (Jan 2011)^{5.3}. This and an interim report published in July 2011^{5.4} were *"disseminated and discussed"* within the Welsh Government and helped *"to inform individuals' views on the merits of regional partnership working"*^{5.3}. The Director of Local Government and Public Services used the findings to *"triangulate other statements about local government; develop more general corporate intelligence within the Government itself, and as a means of trying to understand and shape the central-local relationship more effectively"*^{5.3}. Through these mechanisms and the dissemination and engagement activities described above, the analysis contributed to policy development discussions; proposals designed to force the pace of partnership were presented to the Cabinet in July 2011^{5.5}. This more prescriptive approach was incorporated into new guidance and announced in a keynote speech given by the Minister to the WLGA (July 2011).

More recently, the First Minister launched a Commission to consider how public services in Wales need to change in light of budget reductions ([Commission on Public Service Governance and Delivery](#), June 2013). At the Chair's request and following a recommendation from a Research Manager in Welsh Government^{5.5}, CLRGR researchers met with the Chair and senior civil servants (in June, July and September 2013). Building on their previous research in this field, they were commissioned to prepare four reports to guide the Commission. It will report at the end of 2013 and *"if accepted, [its] recommendations will form the basis of Welsh Government public service improvement policy for the next phase of ... implementation"*^{5.1}.

Wider influence: Through use by intermediaries, CLRGR's research has also achieved wider influence. In Wales, a report published by the National Assembly's Research Services in 2011 and distributed to all incoming Assembly Members, cited CLRGR research as evidence against reorganisation: *"Professor Steve Martin, for instance, has talked of the need to try and find a service-by-service solution, as the optimum size council for certain services would be very different to the optimum size for others"*^{5.6}. Andrews and Martin have prepared articles on local government reorganisation for the two leading think tanks in Wales – the Institute for Welsh Affairs^{5.7} and the Bevan Foundation. The researchers have also made frequent contributions to specialist media aimed at a policy audience^{5.8} and there is evidence that the research reached beyond a purely political audience, contributing to public debate more widely. For example, an online article by the BBC's political editor for Wales contained several direct quotes from the second interim report of

the 2008-2012 study, describing it as “*food for thought*” for Assembly Members ([Holiday reading? Look away now](#), 21 July 2011)^{5,9}. Martin has also been interviewed on the subject on TV and radio, for example, on the S4C current affairs programme CF99 (20th June 2013).

In England, the implications of the research ran counter to the Labour Government’s policy of local government reorganisation. However, senior civil servants (including Peter Housden, the (then) Permanent Secretary at DCLG) were mindful of the studies and advised the Secretary of State against further reorganisations (see ‘[Denham in clash with top civil servant](#)’, The Guardian, 12 February 2010, and House of Lords Merits of Statutory Instruments Committee (2010) ‘[Draft Exeter and Devon \(Structural Changes\) Order 2010/Draft Norwich \(Structural Changes\) Order](#)’, 12th Report of 2009-2010 Session, HL Paper 70: London). Subsequently, the incoming Coalition Government, elected in May 2010, called an immediate halt to what the new Secretary of State described as “*wasteful and unnecessary restructuring plans*” in a statement that clearly echoed the conclusions and language in the reports that CLRGR had produced ([Pickles stops unitary councils in Exeter, Norwich and Suffolk](#), 26 May 2010)^{5,10}. In explaining his decision, the Secretary of State quoted a figure for restructuring costs taken directly from 3.4 (p.308) - it would, he said, “*save the taxpayer £40m in restructuring costs*”. He referred to restructuring plans as an “*expensive distraction*”^{5,10}, using a quote taken directly from a confidential note previously prepared by Martin for ministers on the lessons of local government reorganisation in other countries (following the research for the ODPM in 2006).

5. Sources to corroborate the impact (indicative maximum of 10 references)

1. Statement: Former Head of Local Government, now Deputy Director, Democracy, Ethics and Partnerships, Welsh Government. Corroborating the impact of Martin’s contribution to the Beecham Review and of the ‘Learning to Improve’ interim report (June 2011).
2. Statement: Research Manager, Knowledge and Analytical Services, Welsh Government. Corroborating the impact of the ‘Learning to Improve’ project.
3. Statement: Director of Local Government and Public Services, Welsh Government. Corroborating the impact of the ‘Learning to Improve’ project.
4. Martin *et al.* (2011) Learning to Improve: An independent assessment of the Welsh Government’s policy for Local Government. This report contains the research results referred to by 5.1 - 5.3. Available at: http://business.cardiff.ac.uk/sites/default/files/LTI-Second-Interim%20Report_7%20June-bis.pdf
5. Sargeant, C. (2011) Public Service Reform: Promoting Regional Coherence, Welsh Government Cabinet Paper CAB11-12/33. Corroborates the introduction of proposals designed to force the pace of partnership, as recommended by CLRGR researchers. Available at: <http://wales.gov.uk/docs/dfm/minutes/cabinet/110712regionalcoherenceen.doc>
6. National Assembly for Wales (2010) Key Issues for the Fourth Term (p. 52), Members Research Service: Cardiff. Corroborates the use of CLRGR research findings in official government information. Available at: <http://www.assemblywales.org/11-026.pdf>
7. The Western Mail (2011) Assembly urged to resist local government reorganisation, 11 May (also featured on Wales Online). Corroborates the recognition of CLRGR’s work (an article written by Andrews in the Institute of Welsh Affairs journal Agenda) by the mainstream media. Available at: <http://www.walesonline.co.uk/news/wales-news/2011/05/11/assembly-urged-to-resist-local-government-reorganisation-91466-28672026/>
8. Local Government Chronicle (2012) All mapped out for reform, 22 March. Corroborates Martin’s reputation in the field, as recognised by his invitation to comment by specialist media outlets. Available at: <http://www.lexisnexis.com/uk/nexis/docview/getDocForCuiReq?Ini=557H-0TM1-JDSX-C0M6&csi=355088&oc=00240&perma=true> (22 March 2012)
9. Powys, B. (2011) Holiday reading? Look away now, 21 July 2011. Corroborates the recognition of CLRGR’s work (‘Learning to Improve’ interim report) by the mainstream media. Available at: <http://www.bbc.co.uk/news/uk-wales-politics-14239148> (21 July 2011)
10. DCLG (2010) Pickles stops unitary councils in Exeter, Norwich and Suffolk, 26 May. Corroborates use of research findings to back up political arguments (see main text). Available at: <https://www.gov.uk/government/news/pickles-stops-unitary-councils-in-exeter-norwich-and-suffolk>

All documents and web pages were saved as pdf on or before 09.10.13 and are available on request from the HEI.