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ACCOUNTABILITY OF PUBLIC
ORGANISATIONS: AN EVALUATION
OF THE IMPACT OF INFORMATION,
ORGANISATIONAL STRUCTURES
AND MARKETS

JENNIFER LAW

Ph.D 2004

**ACCOUNTABILITY OF PUBLIC ORGANISATIONS: AN
EVALUATION OF THE IMPACT OF INFORMATION,
ORGANISATIONAL STRUCTURES AND MARKETS**

JENNIFER LAW

**A submission presented in partial fulfilment of the requirements of the University of
Glamorgan/Prifysgol Morgannwg for the degree of Doctor of Philosophy**

March 2004

Certificate of Research

This is to certify that, except where specific reference is made, the work described in this thesis is the result of the candidate. Neither this thesis, nor any part of it, has been presented, or is currently submitted, in candidature for any degree at any other University.

Signed

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26/04/04
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Abstract

A number of reforms described as the New Public Management (NPM) have been introduced in the UK. Key elements of this are the introduction of markets, an increase in the production of performance information and changes to organisational structures. This research evaluates the impact of these reforms on accountability. In order to do this a model of effective accountability is developed from the existing literature. The criteria of effective accountability are the provision of information by the steward, clarity of assignment of responsibilities, the ability of the principal to control the steward and the ability of the principal to apply rewards or impose sanctions.

An overview of the NPM and accountability is provided in the first paper. Three papers examine the impact of increased performance information on accountability, through an analysis of documents and plans. The conclusion is that the information provided does not meet the needs of the relevant stakeholders. Three further papers assess the impact of changes in organisational structure and find that clarity and democratic accountability are marginally enhanced. The final paper analyses the impact of a consumer approach to accountability in education. It concludes that resistance to this, from officials and politicians, diluted the possible benefits of increased clarity and sanctions for parents.

The eight pieces of research show that although accountability overall has not been significantly enhanced, the impact of reforms has varied between the

different elements of effective accountability. The giving of an account and clarity of account have been strengthened by the reforms, but there is more limited evidence on the other two criteria. These latter two areas in particular are important issues for further research on accountability.

This research has contributed significantly to our understanding of the impact of reforms on accountability. This has been achieved through original empirical research as well as theoretical developments concerning the importance of information and the quality of data required by different stakeholders.

Acknowledgements

This PhD has taken thirteen years to come to fruition. The publications that form a part of it were produced between 1990 and 2002, and the overview was finalised in late 2003. During those years I received support for my research, both at home and at work, and I would like to use this opportunity to express my gratitude to a number of people.

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Catherine, George, Ivan, Julian, Michael, and Richard have been my co-authors in a number of the publications submitted for this PhD, as well as others which are not included here. I am grateful for their permission to include the publications.

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1. Introduction

The concept of accountability is a long-standing subject for debate within the public administration and public management literature and one over which there is still confusion (Mulgan, 2000, Thomas 1998). However, there is general consensus that accountability involves a relationship between the 'principal' who has delegated responsibility and the 'steward' who is entrusted with performing those functions. The steward must then give an account of their actions to the principal who will judge their performance and may impose either sanctions or rewards (Gray and Jenkins, 1985). Accountability involves the requirement for the steward to provide information on performance, clarity over the assignment of responsibilities, the ability of the principal to control the steward and to impose sanctions or rewards.

Accountability is an essential characteristic of a democratic society. Lively (1975) suggests that a system that does not include direct participatory democracy, or allow for the accountability of the rulers to the ruled, cannot be called democratic. There has been significant disquiet over the accountability of public organisations in the UK for some time. This concern has encompassed the growth of quangos (Skelcher, 1998) as well as the operation of local and central government and has been so great that at one time it was suggested that there was an impending crisis in accountability (Stewart, 1992). A number of reforms which reflect the New Public Management (NPM) paradigm have been introduced in the UK to try to overcome this problem. These include attempts to increase the amount of performance data produced, introduce markets and change organisational structures. However, little is known about the extent to which these have been successful. The aim of this research is to evaluate the impact of these reforms on accountability.

A number of different models have been developed which attempt to identify and distinguish between processes of accountability. These include, for example, models of political, internal, consumer, professional and legal accountability (Law, 1999). In a system of representative democracy the accountability of politicians is paramount. In this model political accountability operates when politicians give an account to citizens, who may either apply rewards or sanctions through the ballot box. Political accountability also encompasses the accountability of government to Parliament. Managerial or internal accountability concerns the accountability of staff within the organisation. This operates when a subordinate within the organisational hierarchy is accountable to a superior. The link between internal and political accountability is important as to account to the people effectively (political accountability), representatives must be able to exercise internal accountability.

An increased focus on the user of services is characteristic of consumer accountability. This is typically ensured through the introduction of market mechanisms which encourage service providers to account to the consumers for the outputs of the process. In contrast, professional accountability reflects a sideways relationship of staff to their peers and the professional association. They concentrate on accounting for processes undertaken rather than outputs produced. This type of work has traditionally been perceived as so complex that a heavy reliance is placed on professional judgement, which has the result that only professionals can hold other professionals to account. Legal forms of accountability highlight the importance of the judicial process in securing the actions of the steward. In this model, public organisations may be held to account for the legality, propriety and 'rationality' of their decisions.

Although the classifications above identify the most common models within the politics/public management literature, others are occasionally used, particularly within different disciplines. For example, Ranson (1986) describes public accountability as involving parental and community participation in determining the purpose and process of education. Similarly Kogan (1986) identifies a hierarchical model of accountability. This is essentially a combination of the internal and political models highlighted earlier, and focuses on giving an account or being held to account by a superior. Clearly, the models are not mutually exclusive and all of the types of accountability may operate simultaneously. However, it is possible that one model may be dominant at a particular time and that individuals will perceive that form of accountability to be the most important (Thomas, 1998).

A variety of reforms, often described as the New Public Management have been introduced across a range of OECD countries (Lane, 1997). The NPM can be interpreted in a number of ways (see for example, Hood, 1991, Gray and Jenkins, 1995), but key elements are the introduction of markets, the increased use of performance information and changes to organisational structures. The advent of the Labour government in 1997 brought both continuity and change of approach to reforming public services. In addition to continuing reforms within the NPM paradigm they also began a process of democratic change. Lowndes and Wilson (2003), for example, argue that reform has focused on two main elements: democratic renewal and service improvement. There are opposing views as to the relative importance of these two factors. Rouse and Smith (2002) indicate that managerialism has been absorbed within democratic renewal. In contrast, Ferlie suggests that, in relation to the health

service at least, the shift towards democratic renewal will not “be able to challenge the hegemony of a NPM template which has successfully reproduced itself” (2002, p. 352). Despite this disagreement, it is clear that some reforms have a NPM approach and others focus on renewing democracy. Both may enhance accountability, but this research concentrates on reforms within the NPM paradigm.

Many of the NPM reforms have altered organisational structures and it has been suggested that a focus on some form of decentralisation unites new theories of public management (Gray and Jenkins, 1995). Some reforms have created new organisations to take over functions previously provided by central or local government (for example, careers services are now delivered through careers service companies rather than local government). Others have involved the devolution of responsibilities from large to smaller units, the separation of policy and administration and the introduction of quasi-contractual relationships between organisations (e.g. Next Steps Agencies). Since 1997 attention has shifted from a narrow focus on individual organisations and their structures towards providing services through networks and partnerships (Newman, 2002).

An important aspect of NPM (especially between 1980-1997) is the introduction of market forces into the public sector. In the UK this has been done through reforms such as the introduction of compulsory competitive tendering (CCT), and the development of quasi-markets into services such as health, social services and education. Under the Labour government, although CCT was abolished and replaced with Best Value, there has been a continued focus on the market as a route for reform (Newman, 2002). This emphasis varies between and within service areas, with a

growth in private involvement in services such as nursery provision but little change in primary and secondary education (Brundson and May, 2002).

In addition, the NPM brought an increased emphasis on performance measurement, performance indicators (PIs) and targets. Hence reforms such as the Citizen's Charter, the Financial Management Initiative and the publication of examination and truancy rates for schools were introduced to improve the quality and amount of performance information available. This focus on performance measurement, performance indicators and targets has continued and intensified since 1997 (Andrews et al, 2003). This is evident in a range of policies such as Best Value, the Comprehensive Performance Assessment for English Local Authorities, Local Public Service Agreements and league tables for hospitals and social service departments.

The type of reforms identified above led to significant changes to processes of accountability. Emphasis shifted towards market mechanisms of accountability using contracts and enabling consumer choice. Organisational structures were reformed, often devolving accountability down the hierarchy. The focus of accountability has also moved away from political to managerial mechanisms which highlight the role of performance indicators and agency self-evaluation and reporting (Stone, 1995). The research in this submission focuses on these three inter-related reform themes. In particular, the research attempts to identify the impact of the reforms highlighted above on accountability. Have the changes enhanced accountability?

Researching Accountability: Concepts and Methods

In order to identify the impact of the reforms on accountability it is necessary to establish criteria for evaluation. For this research, the criteria were developed from the literature on accountability. Although this literature is well-established (e.g. Stanyer, 1974) comparatively little attention has been paid to identifying criteria for 'effective' accountability or to evaluating reforms on this basis. A model of 'perfect accountability' was therefore developed. This indicates that the provision of an account is central to accountability as the steward must demonstrate what they have achieved with the responsibility delegated to them. Stewart (1984) describes this as the element of 'giving an account'. Hence information must be provided for the principal to make judgements about the performance of the steward.

One of the pre-requisites of effective accountability is that those given responsibility know to whom they are responsible, and for what aspect of performance. Similarly, those who delegate authority know whom to hold to account. Stewart (1984, p. 16) argues that "the relationship of accountability, involving both the account and the holding to account can be analysed as a bond linking the one who accounts and is held to account, to the one who holds to account. For accountability to be enforceable the bond must be clear". Thus the clarity of the accountability arrangements is critical. It has been suggested that the effectiveness, as well as the clarity of the links, is important. Politicians cannot be held to account by the public unless they can, in turn, control those providing the service. Political accountability will not work unless there is effective managerial accountability. However, this can be difficult in practice, as historically professionals have been able to resist attempts to measure service outputs and outcomes (Day and Klein, 1987). More recently, this power has been challenged

through the introduction of NPM reforms for groups such as doctors and teachers (Broadbent and Laughlin, 1998). In addition, the principal must have the power to apply rewards or impose sanctions. This is described by Stewart (1984) as the element of holding to account. Dunsire (1978, p. 41) argues that “ It is the coupling of information with its evaluation and application of sanctions that gives ‘accountability’ or ‘answerability’ or ‘responsibility’ their full sense in ordinary organisational usage”.

A model of effective accountability therefore includes

- the provision of information by the steward
- clarity of assignment of responsibilities
- the ability of the principal to control the steward, and
- the ability of the principal to apply rewards or impose sanctions.

This model of accountability is used in the research as a basis for evaluating the reforms. However, it was necessary to develop more detailed and specific conceptual frameworks to evaluate the three different elements of the reform programme: information, structures and markets. The sophistication of these frameworks varies across the three elements, due in part to the extent of relevant previous research.

Ideally, an evaluation of the impact of reforms on accountability would assess not just the policy, but also the policy in practice, as studies of policy implementation have illustrated that there may be significant differences between formal policies and their operation (e.g. Marsh and Rhodes, 1992). This involves an examination of the ways in which the reforms have changed behaviour. In relation to reforms of accountability this should include for example, a consideration of the perceptions of those involved (Thomas, 1998, Sinclair, 1995). There may be a distinction between accountability

relationships stated in policy documents and those that public servants feel are important. Another aspect to examine is the extent to which new accountability mechanisms introduced by the reforms are used. Thomas (1998) illustrates for example that even when quite sophisticated performance information was produced in New Zealand and Australia, little use was made of it by parliamentarians.

The research includes eight separate publications produced between 1991 and 2003. One of the papers provides a detailed analysis of different models of accountability and outlines some of the changes brought by NPM (Law, 1999), whereas the others have focused in detail on specific examples of reforms. A central principle when undertaking research is that it is essential to choose appropriate methods for the questions to be answered (Robson, 2002). Hence a number of methods have been employed in this research. These include the analysis of documents such as white papers, annual reports and performance plans as well as semi-structured interviews with politicians and managers. An analysis of the contents of documents was the main approach for five of the papers. Semi-structured interviews were used in three papers to assess perceptions and views of accountability (Patton, 2002). Details of the methods used in each paper are provided in sections 2, 3 and 4.

Collectively the papers in this submission have covered all the criteria of effective accountability outlined above. However, different papers focus on different criteria and methods. For example, two of the publications examine the perceptions of those involved towards accountability (Farrell and Law 1998, Farrell and Law, 1999). Two of the reforms were examined before they were implemented; hence those pieces of

research do not assess the extent to which they were put into practice and the impact that this might have had on accountability (Connolly et al, 1996, Boyne and Law, 1993). This overview draws together the findings from the separate publications to examine the overall impact on accountability.

Accountability is a complex, multi-faceted phenomenon and, hence, as Thomas (1998, p. 349) argues, “no single study can hope to provide a comprehensive and systematic treatment of the topic”. However, the publications included here begin to build a picture of the impact of changes in structure, information and markets on accountability. Section two examines the role of information in accountability and assesses three examples of performance reports. Section three focuses on three examples of reforms to organisational structure and examines the impact on accountability. Section four considers the role of markets in accountability and provides evidence on the impact of reforms in Welsh LEAs. Finally, section five summarises the main conclusions and offers suggestions for further research on accountability reforms.

2. Information: Theory and Evidence

A number of the reforms to improve accountability have focused on the need to provide additional information so that individuals and groups can hold the organisation to account. Whilst many such reforms were introduced under the Conservative governments 1979-1997, they have continued and developed under New Labour. Examples include the requirement for schools to publish performance data, the introduction of hospital 'league tables' and the Best Value regime. As section 1

indicated, information is a pre-requisite of effective accountability. The principal must be able to assess the performance of the steward in order to make a judgement of whether to apply sanctions or rewards. There is general acceptance of the need for information in accountability in the literature. Day and Klein (1987, p. 243) for example argue that it is the "lifeblood of accountability". Stewart (1984, p. 26) states similarly that information is the "raw material for the account". However, there has been little consideration in the literature of the type of information required. Stewart (1984) is a rare exception, stating that data should be provided on efficiency and effectiveness.

Three papers in this submission address these themes. In these studies a model of the information required for accountability has been developed. This has changed and become more sophisticated over the time frame of the three papers (1989-2002).

The first paper assesses the data provided by Welsh district council Annual Reports (AR), which had been required by the 1980 Local Government Planning and Land Act. At this time many of the NPM reforms were just being introduced and only Chief Constables and local authorities were required to produce annual reports. Since then there has been a vast increase in the numbers of organisations that publish ARs as a mechanism of accountability. The code of practice indicates that the aims of the reports are:

- to give ratepayers clear information about local government's activities;
- to make it easy for electors, ratepayers and other interested parties to make comparisons and form judgements on the performance of their authorities; and
- to help councillors form judgements about the performance of their own authorities

(Code of Practice 1981).

The aim of the paper is to evaluate the information provided to the public in the ARs of Welsh district councils. The Code of Practice specifies some of the information that should be included. It requires authorities to produce 34 PIs in total, the majority of which measure economy. In the paper a list of evaluative criteria is identified, drawn from the literature on performance measurement, as well as publications from agencies such as the Audit Commission and the National Consumer Council. The literature on performance indicators tends to focus on the three Es of economy, efficiency and effectiveness, although some for example Pollitt (1986) argue for the importance of the consumer perspectives on performance and equity. However, there is no 'list' of the possible dimensions of performance that could or should be measured. This paper develops such as list with criteria encompassing 19 dimensions of performance, instead of the traditional focus on the three Es. As the paper focuses on reporting to the general public the model includes dimensions such as consumer satisfaction, reliability and equity. The list incorporates measures of economy, staffing, resources, throughputs, quantity of output, efficiency, the ratio of input to throughput, reliability, utilisation, information, speed, redress, effectiveness, participation, access, ease and pleasantness of use, impact and equity.

The research involves an analysis of 165 annual reports of Welsh District Councils from 1981/82 to 1988/89. Each report was examined to assess whether it contained any information to match the criteria in the checklist. The analysis indicates that in general the ARs are very poor. The indicators most often reported are measures of economy and staffing, which may reflect the fact that they are routinely collected for

other publications. A few measures of outputs and efficiency are reported, mainly in 'physical' services which have readily observable and directly measurable outputs. The reporting of indicators of quality is generally poor and includes indicators such as the number of planning appeals upheld. The issue of effectiveness receives scant attention in the ARs: Planning and Environmental Health are the only service areas to include this measure. In addition, some measures are not provided by any authority surveyed - consumer satisfaction, equity and access. When compared to our checklist of indicators the ARs fared badly. Nor did they do much better when compared to the limited conception of performance put forward by central government in the code of practice. On average, only 50% of those indicators were produced in the ARs. Finally, the ARs did not show any improvement over the period studied.

The research concludes that the reports do not enhance the accountability of local authorities to the electorate, largely as a result of the paucity of information they contain. These findings lead to a recommendation that a wider code of practice should be brought in which gives authorities discretion to set their own locally relevant PIs but to require them to publish targets, against which their performance could be judged.

The second paper on this theme examines annual reports in the police service. The aim is to assess whether the information contained in the Chief Constable (CC) annual reports and the Police Authority (PA) annual reports will enable police authority members to hold the chief constable to account.

The paper focuses on a specific group of stakeholders – the members of the police authority. The importance of authority members has been identified by Day and Klein

(1987), when they indicated that accountability could not operate unless those who were accountable to the public were also able to control the service providers. The issue of the accountability of the police force had been raised in the 1980s with the Scarman Inquiry and was further questioned during the miners strikes of 1984/5. Some research has been published on police accountability (see for example Marshall 1978, Simey, 1984). Day and Klein (1987) indicate that police authority members felt the statistical information available was fairly limited and irrelevant to service evaluation. However, they did not identify the information that the members needed for accountability, or assess the information that they actually received.

Some limited analysis of CC annual reports has been undertaken, and the reports were criticised for the poor quality of the information they contained and the extent to which the content could be controlled by the CC (Lambert 1986, Spencer 1985). However, neither established criteria against which the content of the reports could be evaluated. In this paper user needs models, traditionally applied to business financial statements, are used to develop a model of information requirements for accountability. User needs models attempt to define the users of general purpose financial statements and their information needs (see for example Rutherford 1992, Lapsley 1992). This paper represents the first research to apply these concepts more broadly to annual reports. Two approaches to user needs models have been developed: normative and positive. Whilst the normative approach builds up a theoretical model of users and their needs, the positive approach empirically analyses the extent to which different categories of information are actually used by potential user groups. This study applies a normative approach to the annual reports of the Chief Constable and the police authority. A positive approach is not used as it involves identifying users and asking them what

their information needs are. Many police authorities have adopted a largely passive role (Spencer, 1985). It is likely that this role would influence responses to questions on their information needs.

The research indicates that police authority members have a range of responsibilities and decisions that they need to make, for example, they are statutorily responsible for the provision of an adequate, efficient and effective police force. The criterion of effectiveness was added in 1994 (Police and Magistrates Courts Act). They also have responsibility for producing the local policing plan (LPP) and reporting on the extent to which these targets are met in the police authority annual report. An analysis of the literature on policing (e.g. Loveday 1996a) illustrates the strong power of the Chief Constable relative to police authority members. Hence they are classified as intermediate users, who in principle have access to any information they choose but in practice may be constrained. It is argued that this category of user needs a wide range of information which "could be viewed as intelligence to build up a picture of the entity's activities" (Rutherford, 1992, p.273). The criteria for evaluation reflect the needs of police authority members for information. In addition to a wide range of intelligence data, members also require information on aspects of performance that they are statutorily responsible for such as efficiency and effectiveness. The annual reports of the police authority should also include indicators of performance as specified in the local policing plan so that performance can be assessed against targets. Hence, these criteria are used to evaluate the reports of the CC and the PA.

The research covers CC ARs from one police force from 1969 to 1997/98. It also examines the PA ARs for 1995/96 to 97/98. The police authority also reports on

performance in a free supplement (The Indicator Special) and this is assessed for the years 95/96, 96/97, and 97/98. Although the PA members are responsible for efficiency there are no indicators of this in either the CC or PA ARs. Effectiveness measures make up between 10-63% of all indicators in the CC ARs and between 20-48% in the PA ARs. However, there are significant concerns with the use of the number of crimes detected and number of crimes reported as a measure of police effectiveness (Loveday, 1996b). The reports provide a range of indicators for police authority members to make use of including input, input (quality), input (equality), economy, throughput, output, input:throughput, effectiveness, equity, speed, reliability, access, consumer satisfaction, and cost effectiveness. However, for many categories the percentage is very small. For example, access makes up 0.2 and 0.8% of indicators in the CC ARs and 5% in the Indicator Special. Similarly, consumer satisfaction ranges between 0.1 and 2% in the CC ARs and 2 and 8% in the PA AR and Indicator Special. Other criteria such as equality and equity are measured more frequently, but these data are largely based on geography rather than race or gender and simply reflect the geographical division of the force. The PA AR and Indicator Special do not report on all the targets specified in the local policing plan. The AR of the PA measures progress against between 57% and 71% of the targets in the LPP. The Indicator Special reports on between 60% and 85%. Overall, the reporting of performance in the CC ARs has improved over time, largely because there has been an increased range of quality indicators required by national policies such as the citizen's charter. However, they do not provide appropriate information for police authority members to hold the chief constable to account. Similarly, the PA AR and Indicator Special need to be improved if they are to be useful mechanisms of accountability.

The third paper on this theme examines the role of Best Value Performance Plans (BVPPs) in enabling accountability. Best Value (BV) was introduced in 2000 for local authorities, police and fire authorities, but was piloted in England and Wales between 1998 and 2000. It builds clearly on the reforms that preceded it and has been described as “the highwater mark of the NPM” (Martin, 2002). A key element of the BV process is the production of an annual plan available to all stakeholders. These are to be “the principal means by which an authority is held to account for the efficiency and effectiveness of its services and its plans for the future” (DETR, 1999, p.16). The aim of the paper is to assess the impact of the BVPPs on accountability.

In theory documents such as BVPPs may provide a number of improvements to accountability mechanisms. Authorities may give an additional account to internal and external stakeholders, and use it to improve dialogue between stakeholders. Elected members may use the data to debate and scrutinise performance. Managers may use it to hold their staff to account and be themselves held to account by politicians. However, all these benefits depend on the quality and range of the data provided in the plans.

In order to evaluate the data in the plans a model of the information needs of internal and external stakeholders was established. Internal stakeholders include councillors and managers. Relevant external groups are the public as consumers and citizens, local businesses and voluntary organisations as well as central government. This study develops the previous model (Law, 1999) by utilising both user needs and stakeholder theories to identify the groups that organisations may be required to account to as well as those that it may wish to account to on a voluntary basis. The model is also

improved by widening it from a focus on one group (police authority members) to all those outlined above. Both user needs and stakeholder theories recognise the importance of a range of groups to organisations, and the fact that they may have different information needs. However, neither theory provides much detail, either conceptually or empirically, on their information requirements. This study is the first to use both stakeholder and user needs theories and provides the only detailed model of the information needed by different groups for accountability. The model includes inputs, efficiency, effectiveness, customer satisfaction, costs, outputs, quality speed and equity. Targets and comparative data are also required for each of the criteria, as all groups have an interest in whether the organisation has achieved what it intended to and the extent to which it is performing relative to others.

There were 127 pilot services in Wales and these produced a PP in March 1998 and May 1999. Each of the 127 services produced plans in 1998, and 124 were produced in 1999, all of which were analysed. In addition interviews were undertaken with managers and politicians in all of the pilot authorities between February 1998 and December 1999.

The findings demonstrate that the percentage of plans including any single aspect of relevant data rarely exceeds 50% and is often substantially below this. The most frequently reported indicators are inputs (71% in 1998 and 46% in 1999) and outputs (43% in 1998 and 33% in 1999). Indicators of quality, speed, efficiency and consumer satisfaction are each reported in approximately one fifth of the plans. Effectiveness and equity are the criteria reported least often. The percentage of plans including

comparisons is extremely low, ranging from 0 to 10%. The provision of targets is better with between 0 and 31% of the plans including these data.

Interviews show that authorities experienced difficulties in producing the full range of performance data as they lacked both expertise and the data itself. Although most officers collected performance information for agencies such as the Audit Commission, they rarely had their own set of local PIs. They experienced particular problems in obtaining reliable comparative performance data and in developing measures of aspects of performance such as quality. As performance management was new to most officers they also lacked the skills to develop appropriate measures.

The conclusions are that the BVPPS do not provide useful information to either internal or external stakeholders. For example, of all the aspects that are identified as of interest to the public, only efficiency is reported in more than a quarter of the BVPPs. Hence the quality of the data provided in the BVPPS is not sufficient to significantly enhance accountability.

Information is a central part of accountability and many of the NPM reforms have introduced a requirement for organisations to produce an increased amount of performance data. A conceptual framework is developed in these papers, focusing firstly on one group and then widening it to include other stakeholders. Initially the model drew upon literature on performance measurement but later theories on user needs and stakeholders were incorporated. The findings from the three separate reforms analysed here indicate that the information in Welsh District Council ARs Chief Constable ARs and the BVPPs is not sufficient to enhance accountability. The

various reports do not provide data that cover the dimensions of performance that groups such as councillors and the public are interested in. There are a number of areas for further research. In relation to the increase in performance information and reporting for example, what has been the reaction of stakeholders? Have they used the data available to them? Each of the papers in section one used a normative approach to identify the relevant information. The measurement and definition of 'what counts' in terms of performance can be contested and political and it would be useful if further empirical research on the information needs of stakeholders was undertaken to test these findings.

3. Structure: Theory and Evidence

Organisation structure can be defined as "a social creation of rules, roles and relationships, which at best facilitates effective co-ordination and control, as far as the corporate governors are concerned" (Dawson, 1996, p.111). It is subject to frequent re-organisation, perhaps especially so in the public sector (Boyne et al, 2003). Sometimes the impetus for change comes from within the organisation, but at other times reform is imposed by higher levels of government. This research focuses on three examples of the latter type of structural change. Clearly, the objectives of structural reform may be varied and include criteria such as greater efficiency or responsiveness as well as increased accountability. Whilst there is a substantial literature on organisational structure, there is very little that explicitly examines the link between structure and accountability. It is therefore necessary to draw on both the previous literature on

accountability and the objectives of the reforms themselves in order to establish criteria for evaluation.

This analysis suggests that the objective of creating more accountable structures encompasses two elements. Firstly, the democratic nature of the organisation, the extent to which it gives an account and can be held to account by citizens and their representatives. Thus an evaluation may include for example, the effectiveness of the accountability mechanisms (proposed or existing). Secondly, the clarity of the structures and procedures for accountability is crucial. If the structure allows for confusion over who is responsible for certain functions or to whom they are accountable then accountability will not be effective (Stewart, 1984).

In this section three examples of structural reform are examined: the reform of the Police Authority Northern Ireland (PANI), local government re-organisation in Wales, and the devolution of powers from local education authorities (LEAs) to school governing bodies. In two cases the research was conducted as the reforms were taking place and therefore examined the proposed changes. The research on school governing bodies occurred after the structural changes and examined the impact that these had had on the accountability of governing bodies.

In 1994 proposals were put forward to reform the structure of PANI, partly at least to improve its accountability. The research (Connolly et al, 1996) aims to examine the effectiveness of the existing arrangements for police governance and accountability in Northern Ireland, and assess the proposals for reform. The analysis of this reform relies on documentary sources such as the white paper, as well as previously published

work on police accountability. Further reform has taken place since the research was conducted, resulting from the Good Friday agreement and the report of the Independent Commission on Policing for Northern Ireland (the Patten Report).

Police accountability is complex, particularly so in Northern Ireland. This is a result of a number of factors including structures of governance, custom and practice and the environment. The system in NI was reformed in 1970 by the introduction of the Police Act (Northern Ireland), which was largely based on the UK system (introduced in 1964). As a result, some of the problems of accountability are similar, but others reflect the particular circumstances of Northern Ireland. One common structural problem is that there is a tripartite system of accountability involving the chief constable, central government and the police authority, all of whom have a role to play. The unique difficulties of policing in Northern Ireland necessitated a number of important variations to the reforms. In the UK the members of the police authority were local politicians and local magistrates, in contrast, members of PANI were appointed by central government and were (mainly) anonymous because they were perceived to be 'legitimate targets'. PANI is wholly funded by the Secretary of State for Northern Ireland, whereas UK police forces are funded partly by central government and partly by the police authority. In both cases however, the chief constable has complete autonomy over operational matters and they determine what these are.

The post 1970 system of governance has led to a number of problems in relation to clarity of accountability. In particular, there were tensions between the role of the Chief Constable of the RUC and PANI. For example, PANI used legal powers to

compel the Chief Constable to provide detailed information about the religious and gender make-up of the RUC, a tactic which was declared as quite unnecessary by senior police sources. To some extent this reflected particular personalities but also structural problems which may include confusion over the roles and responsibilities of the Chief Constable and the police authority. Weatheritt identifies the issues which apply to both the British and Northern Ireland system, "the relationships between the three parties who have a role in policing are ambiguous, largely because the Police Act failed to define key terms and relationships, and was similarly vague on the nature of the distinction between the responsibilities of the three parties to it, and on the rights and duties of each" (1986, p. 101). In addition to structural concerns there are also behavioural problems. The traditional model of accountability in the police service has been described as 'explanatory accountability' (Marshall, 1978). The independence of the Chief Constable and their autonomy over operational matters led to a system where the focus has been on giving an account of performance (explaining) rather than being held to account. Typically, the majority of police authority members accepted and rarely challenged the Chief Constable (Loveday, 1983), but in cases where there is a challenge conflict can quickly arise.

In addition, the post 1970 system was problematic in the extent to which the citizens of Northern Ireland could hold the Chief Constable to account through the police authority. PANI was to be as far as practicable 'representative of Northern Ireland', but in practice this has been difficult as some groups have been unwilling to be involved. As nominated members PANI are not held to account formally by the community, and generally meetings are held in secret for reasons of security. These factors mean that PANI can not fully represent the community or hold the Chief

Constable to account. Similar concerns were expressed over the democratic accountability of policing in the UK system (Spencer, 1985). Although the majority of police authority members were elected members, in many cases the authorities were joint boards, which impeded direct accountability to the public.

The lack of clarity was an element that the new reform was designed to resolve. The consultation paper indicated that “substantial improvements can be achieved in the effectiveness and responsiveness of the arrangements for policing in Northern Ireland by strengthening and clarifying the tripartite structure and defining the responsibilities and the basis of accountability in statute” (NIO, 1994 para 1.5, 1.6). The new police authority would have responsibility for establishing objectives, in consultation with the Chief Constable, for the provision of police services to the community. It would also monitor the performance of the RUC in relation to these objectives and hold it to account, and produce an annual report. The Chief Constable will produce an annual costed plan to the authority for endorsement. It would be responsible for not just the provision of an adequate and efficient force, but also importantly, its effectiveness. PANI would be responsible for community policing, whilst the Secretary of State is concerned with province wide policing including security. Although the structure appears clearer, in practice confusion and possibly conflict may well continue. To a large extent this is because the concerns of the community are likely to include aspects which fall under the remit of ‘security’, hence responsibility in practice will still be unclear. In addition, the annual costed police plan and the annual report on its implementation, will in theory improve accountability, but there may be conflict if PANI do not agree or wish to endorse the plan of the Chief Constable.

The reforms do little to improve the democratic accountability of policing in Northern Ireland. They indicate that PANI is to represent the community to the Royal Ulster Constabulary (RUC), identify the community's priorities and hold the RUC to account. It is to consult in the community and build on the work of police liaison committees. The production of a local policing plan and annual report may contribute to accountability by providing information to hold the police authority to account, and through the authority, the Chief Constable. However, there is no sanction for the public if they are dissatisfied with the performance of the police authority. The links in the chain of accountability break down, according to Day and Klein (1987), if politicians are unable to control the service provider. Their research suggests that this problem occurs for both elected and nominated members. The provision of objectives and performance indicators that reflect the interests of the community may go some way to overcoming this problem. The reforms introduced as a result of the Patten Report have changed policing in Northern Ireland in a number of ways (including the name, from the RUC to the Police Service for Northern Ireland). However, the creation of a Policing Board, instead of PANI, that is made up of independents and party representatives will not make it significantly easier for the citizens to hold it to account.

The governance of policing in Northern Ireland and England and Wales share a number of features and have often learnt from each other. Similar reforms to those outlined above were introduced into the English and Welsh system in the Police and Magistrates Act 1994. Loveday (1993, p.147) suggested that PANI was "identified as a model which could have some general applicability on the mainland". However, the proposal to have a majority of members of police authorities as nominees of central government

was resisted, and the majority are now held by local authority members. In other ways the reforms are very similar and for both much of the evaluation will rest on not just the new mechanisms introduced, but whether they have been used by the public and members of the police authorities. Additional learning has taken place more recently as the Patten reforms enhanced accountability through the creation of an independent police ombudsman in Northern Ireland. This innovation has also been adopted in England and Wales (Savage, 2003).

The second paper on this theme focuses on the proposals for a re-organisation of the structure of local government in Wales. In 1991 the Welsh Office put forward proposals for 21 unitary authorities to replace the existing 8 counties and 37 districts. It stated however that it was to be persuaded both of the merits of unitary authorities and the number of authorities in the system. This paper aims to evaluate the arguments and evidence that county and district councils used in their attempts to persuade the Welsh Office of their case.

Structural reform may happen for a number of reasons, including improving accountability. It has been suggested for example that structural reforms of local government took place in most western democracies between 1950 – 70 as a result of the expansion of welfare services (Dente and Kjellberg, 1988). In addition there were concerns to improve the rationality and efficiency of local government not just in the UK but also in Scandinavia, and this it has been argued, led to the creation of larger units of government (see for example, Dearlove, 1979). However, by the late 1980s the functions of local government were not expanding, but declining: thus it does not adequately explain the rationale for re-organisation.

The Welsh Office itself did not explain the rationale for re-organisation, but included a list of desirable features/criteria that any local government system should have. These were:

local authorities should be democratically accountable to the electorate;

the roles of local authorities and their responsibilities for service delivery should be clearly understood by local people;

local public services should be responsive to the wishes, needs and circumstances of local communities;

local authority boundaries should, as far as possible, reflect and strengthen existing community loyalties;

local public services should be of high quality, and delivered economically, efficiently and effectively;

the removal of friction between county and district authorities;

better co-ordination in the provision of services; and

greater administrative efficiency which should lead in due course to a reduced burden on taxpayers.

Only the first two of these criteria for local government re-organisation relate directly to accountability. They are concerned with democratic accountability and clarity of accountability. The Welsh Office was to be persuaded by individual authorities of the approach to be adopted. In effect authorities were to 'bid' for the franchise for local services. The research involves an analysis of the content of bids that county and district authorities in Wales put forward to the Welsh Office. Each authority put in a 'bid', but not all argued for unitary status. Six of the eight counties sought a 'take

over' of district functions, whilst two argued for a two-tier structure. Twenty six of the districts bid for separate unitary status, five agreed to voluntary mergers and six sought mergers but did not gain agreement from others. Each bid was analysed in relation to the criteria identified above.

The Welsh Office hinted at the importance of democratic accountability for structure when it indicated in the consultation paper that if unitary authorities were based on the districts "accountable local government would be hampered by the excessively complex joint and co-operative arrangements that would be necessary". Hence it was important that there were structures where individual citizens could hold the representatives to account for the services that were provided. Most of the arguments are concerned with the size of the authority. Districts argue that accountability is stronger in smaller authorities as they are 'closer to the community'. In contrast the counties argue that if unitary authorities were based on districts then they would be too small to be accountable. They illustrate a range of services such as planning, transport, and aspects of education and social services where districts would have to enter into joint arrangements. For example, West Glamorgan argues that joint arrangements should be avoided 'because they run counter to fundamental principles of democracy – members of joint boards are appointed not elected'.

The issue of the clarity of the then existing system of local government is considered by counties and districts. The consultation paper indicates that the public do not understand the division of responsibilities between county and district and that re-organisation would bring 'clearer accountability to the local electorate' (Welsh Office). An additional problem is that 'under the present local taxation system, district councils

are sending out bills and collecting revenue, yet county councils are responsible for most revenue expenditure on local government services' (Welsh Office). Both counties and districts identify clarity as important for an accountable local government system, but suggest different answers to the current problem. Districts argue that they are already held to account for services that the county provided and many include surveys of the public to illustrate their point. Cardiff City Council, for example, show that 90% of respondents correctly identified housing as a district service, but 39% and 37% wrongly associated social services and education as district responsibilities. Some counties, for example Dyfed, suggest that unitary authorities based on the existing districts would make clarity of accountability worse as the public would be even more confused as joint boards would be required. The public would find it even harder to identify whom to hold to account.

The evidence presented in the bids does not provide convincing new evidence or arguments on the appropriate structure for democratic accountability or clarity. There is a similar lack of evidence in relation to the other criteria identified: responsiveness, a sense of community, services of high quality delivered economically, efficiently and effectively, the removal of friction between tiers, better co-ordination and greater administrative efficiency. Overall, the decision to proceed with unitary authorities, largely as outlined in the consultation document indicates that factors other than those specified (including accountability), were influential. These may include a desire to increase central control of local authorities in Wales and reduce the power of the Labour Party.

The third piece of research on this theme examines the accountability of school governing bodies. The powers and responsibilities of these bodies were significantly enhanced by Education Acts in 1980, 1986 and 1988. The 1980 Act made it compulsory to have a governing body with elected teacher and parent representatives. Other governors include co-opted business representatives and LEA representatives. The Annual report and meeting were introduced in 1986 and the powers of governing bodies significantly enhanced in 1988. The aim of these changes was “to put governing bodies and headteachers under the pressure of public accountability, for better standards and to increase their freedom” (DES, 1992, p.18). Powers were devolved from LEAs to school governing bodies both to improve clarity and democratic accountability. The expectation was that this (with the other education reforms such as the introduction of formula funding) would put pressure on schools to improve performance. The aim of the paper is to identify governor perceptions of the effectiveness and clarity of accountability mechanisms.

Semi-structured interviews were conducted to explore perceptions of accountability held by a total of 27 governors in one LEA in South Wales. The interviewees were drawn from the governing bodies of 7 randomly selected primary and secondary schools. An attempt was made to interview at least one governor from each category: headteacher, chair, teacher representative, parents, LEA representatives and co-optees. Whilst this was not always possible, a range of governors from each school was interviewed.

The reforms require governing bodies to give an account to parents through an annual report and meeting. They also have to give an account to the LEA for a range of

activities and policies such as special educational needs. There is limited evidence on the accountability of school governing bodies, but there is a suggestion that “governing bodies are not particularly accountable” (Deem et al, 1995, p.38) and that “governors are not performing effectively their overt functions of democratic representation and the direction of managerial effectiveness and efficiency” (Thody, 1994, p.210). Research by the Audit Commission and Ofsted (1995), for example, suggests that annual reports and meetings do not operate well as mechanisms of accountability. Similarly, it has been suggested that different categories of governors find the process of being accountable to their ‘constituencies’ problematic (Curtis, 1994, Sallis, 1995). In theory, in order to be fully accountable, the governing body must in turn hold the headteacher to account. However, evidence indicates that governing bodies have found this difficult and have tended to operate in an advisory and supportive way, rather than an accountable manner (Levacic, 1995). Overall, there are a number of concerns that relate to the extent to which the governing body gives an account and is held to account

The research findings suggest that the democratic element of accountability is not strong. The evidence indicates that although governors feel accountable, sometimes to a range of groups, they are not aware of being formally held to account by any group. The formal mechanism of annual report and meeting is not perceived to be effective as very few parents attend, although some feel that the low turnout is an indication that parents are content. The annual report is in all cases, except one, prepared by school staff, rather than the governing body and most make little effort to make it more interesting or user friendly. Hence it is an account driven by the school, rather than the governing body. In addition, individual governors may give an account to and be held to account by those ‘constituencies’ that they represent. In theory, parents and teachers

may apply rewards or impose sanctions on their governor representatives. Similarly, LEA representatives may be called to explain and justify their actions to the LEA. In practice, none of the governors could remember any situation where a governor was not re-elected or any co-opted governor was removed from office. In contrast to their comments of the effectiveness of formal mechanisms of accountability, most governors feel that informal mechanisms operate well. Examples given include newsletters, reports in the local media, and informal meetings. These informal processes are sometimes used to give an account to groups such as the 'community', that some governors feel accountable to, but whom they are not formally required to account to. Few governors feel that their role is to hold the headteacher to account. Most supported notions of what Levacic (1994) described as supportive or advisory roles. In part, this reflects the power of the headteacher in comparison to individual governors.

In order for accountability to be effective, there must be clarity over for example, to whom you give an account. Our findings show that governors are clear that their primary accountability is to parents. They are less clear about accountability to the LEA (although Heads are aware of this, possibly reflecting their greater involvement in these activities). Some governors feel accountable to their 'constituents' who have either elected or appointed them. Teachers generally feel that they should seek the views of other teachers and feed back their views. In contrast, parents do not seek to have a similar relationship with other parents, possibly because they are such a diverse body and rarely meet as a group. None of the LEA representatives feel individually accountable to the LEA. Some of the co-opted governors feel accountable to the governing body that has co-opted them but many are unsure about who they are accountable to.

Our evidence indicates that although governors *feel* accountable to parents, the formal mechanisms for this to take place are ineffective. Democratic accountability has been slightly enhanced through the introduction of the Annual Report and the Annual Meeting of the governing body. However these do not operate well. Governors are clear that they are accountable to parents, but otherwise confused over their accountability focus. In addition, governors are not able to (or perhaps willing) to hold the headteacher to account. These findings echo those of Day and Klein in 1987, when they indicated many of their interviewees felt accountable, although they could not formally be held to account or necessarily control those providing the service.

Structural change is a central part of the NPM and the three papers in this section examine this type of reform and the impact on accountability. The accountability literature is largely silent on the appropriate structure for effective accountability and little previous work has been undertaken on the implications of this type of reform. However, by synthesising the available literature it is possible to identify two key elements. Firstly, organisational structures should be democratically accountable: structures should incorporate mechanisms of giving and holding to account. Secondly, for this to be effective, the arrangements for accountability should be clear. The research suggests that democratic accountability may be slightly improved by the reforms to school governing bodies and PANI. There are more representatives on the boards, and additional mechanisms of accountability, although these do not generally operate well. In contrast, there was little evidence to judge whether reforms to local authorities would be likely to change democratic accountability. Clarity of accountability is marginally enhanced overall. School governors are clear at least, that

they feel accountable to parents although they are less certain of other groups. Changes to local authority structures from one to two tiers may improve clarity, although there is an associated problem with the increased use of joint boards. The reforms to PANI may, by producing targets and performance indicators provide some clarity over what they plan to do. However, in practice, there is still likely to be confusion over the location of responsibilities between PANI, the chief constable and the Secretary of State.

Additional research is needed to further uncover the impact of changing structures on accountability. This research should include both evaluation of new structures (in particular the recent increase in partnerships - Skelcher, 2000), as well as the development of new theories of structure and accountability. Although there is no explicit theory which considers the impact of structure on accountability it may be possible to develop one from literature such as public choice theory. For example, this suggests that the size of organisation is important. The smaller the organisation the more likely it is that groups will have knowledge of other similar organisations, which may make it easier to hold it to account. A model is needed which examines not just the size of the organisation, but also other aspects of structure such as autonomy, functions and relationships.

4. Markets: Theory and Evidence

The Conservative governments of 1979-97 placed a strong emphasis on market mechanisms of accountability. This was achieved through reforms such as CCT, market testing and the creation of quasi-markets in health, education and social

services. Although a number of these reforms have been altered by subsequent Labour governments, the role of competition in public services has not significantly reduced. In a market-oriented model accountability is to the consumer, rather than to line managers, professionals or politicians. In such a system producer organisations are forced to be accountable to the consumer, as they have the power to choose to consume their product or an alternative in the marketplace. In education the reforms introduced open enrolment, grant maintained schools, formula funding and the publication of examination results. Feintuck states that the “ultimate objective expressed by the proponents of the ERA (Education Reform Act) and subsequent reforms was the enhancement of educational standards in schools, as a result of the introduction of mechanisms of accountability deriving from the exercise of market forces” (1994, p.88). In doing this, other mechanisms of accountability were often marginalised. Although there is a range of research which evaluates the impact of the market in education (see for example, Levacic, 1994, Farrell and Law, 2003), very little considers the impact on accountability. In this section the research examines the impact of the market based reforms on the perception and practice of accountability in Welsh local education authorities.

Initially, the content of the reforms is assessed in relation to different models of accountability. Four models of accountability are generally used in the education literature: professional, hierarchical, market and public (Kogan, 1986, Ranson, 1986, Elliot et al, 1981). Although it is unlikely that any of the ideal models will exist in its pure form, it is necessary to distinguish between them to assess the extent to which the impact of the educational reforms in Wales matches the form of accountability promoted in the legislation. The analysis indicates that the reforms have in theory

undermined professional autonomy and shifted the emphasis away from self-evaluation and accounting to other professionals. The hierarchical model involves accountability upwards through the managerial hierarchy from teachers, headteachers, governors, LEA officers and ultimately to the public through their elected representatives. This model has been partially undermined by the reforms, as many LEA functions have been devolved to other organisations and hence LEAs have less power within the hierarchy of accountability. In theory, the reforms have moved accountability significantly closer to the market model, ensuring that parents are consumers in the education market place. Finally, public accountability stresses parental and community participation in determining the purpose and process of education (Ranson, 1986). It implies a role for the LEA in stimulating parental and community involvement and reconciling the diverse, sometimes conflicting needs and demands. The reforms have discouraged this form of accountability and focused on enhancing parental involvement as individual consumers, rather than as a collective. In theory then, the reforms have had a significant impact on the operation of accountability, enhancing market accountability at the expense of professional, hierarchical and public models.

However, it is important to look beyond the legislative changes to the outcome of the reforms in practice. The implementation literature (e.g. Jenkins, 1978, Hill and Hupe, 2003) indicates that those implementing policies can play a significant role in interpreting, rather than simply executing, policy.

Empirical research was therefore undertaken to explore the perceptions and practice of accountability in LEAs in Wales. This focus allows a 'nation-wide' perspective as it is possible to conduct interviews in each LEA. The views and perceptions of key

individuals within the LEA are crucial: Sinclair (1995, p.233) argues “accountability is not independent of the person occupying a position of responsibility, nor of the context. Defining accountability, the way it is internalised and experienced should be our focus”. The Director of Education and the Chair of the Education Committee in each of the eight Welsh County Councils (prior to the re-organisation of Welsh local government in 1996) were interviewed, apart from one where only the Director was available. These individuals are the key actors in the system of LEA accountability although it is recognised that others may have different views and interpretations. The focus on Wales means that it is important to consider the extent to which the Welsh context is different. Historically, there have been close policy communities in Wales (Farrell and Law, 1995). There are also a number of differences in policy content such as the orientation of the curriculum. In addition, the take up of some policies such as GM schools and City technology colleges varies significantly between England and Wales (Farrell and Law, 1998). Finally, there are differences in the physical and social environment which have influenced the extent to which reforms have had an impact on the majority of parents in Wales.

The evidence from the interviews indicates a consensus on accountability between officers and politicians both within and between LEAs in Wales. This reflects their shared values on both the purpose of education and the methods that should be used to improve it. These values contrast sharply with those of the reforms. Welsh LEAs encourage a professional model of accountability which includes a clear role for themselves in partnership with schools. These findings are consistent across Wales, which may be a feature of the close professional networks that exist. Politicians and officers, although operating within the legislative framework of market accountability,

attempt to prevent its successful implementation. This reaction by politicians and officers is largely because the values behind the reforms do not fit their own. The LEAs focus on partnership rather than competition between schools and stress inspection and self-evaluation rather than examination results as a measure of performance. All interviewees are hostile to market principles in education and encouraged schools to act in partnership, for example, by respecting each other's catchment area instead of competing for students. As recognised by Poulson (1996, p.591) "discursive practices relating to accountability are constrained by the historical and social contexts within which specific utterances occur", and this is certainly the case in Wales. Although legislative changes promoted market forms of accountability, in Wales the response is to reject this model and to continue to operate on the basis of the professional model.

This study demonstrates that although in theory the reforms have shifted the focus of accountability towards a market model, the reality is somewhat different. In Wales, the reforms were not fully implemented and as a result professional and political forms of accountability remain, although perhaps not as strongly as they once did. However, it is important to recognise that the research examines the perceptions of those in the LEA, and others, for example parents or headteachers may hold alternative views. A number of issues still remain to be addressed concerning the impact of market forces. For example, does the increased power of the consumer to apply sanctions lead to changes in the way that the organisation gives an account to them?

5. Conclusions and areas for Further Research

Concerns over the accountability of public organisations have led to a number of reforms. Between 1980 and 1997 these generally fitted the NPM paradigm. This has continued under the Labour government, but they have supplemented this approach with additional reforms to 'renew democracy'. The NPM reforms include the introduction of markets, changes to organisational structures and an increase in the emphasis on performance measurement and reporting. However, very little is known about the impact of these reforms on accountability (rare exceptions include Barberis, 1998 and Thomas, 1998). The papers in this submission aimed to close this gap. The research suggests that although the reforms have not significantly enhanced accountability, their impact has varied between the four criteria of effective accountability identified in section one.

The provision of information by the steward has been enhanced by to some extent by the information reforms examined in section two and the structural changes to PANI and school governing bodies. There is currently no evidence on the impact of markets on the process and content of giving of an account and this is an aspect that should be explored further in future research.

The power to impose rewards or sanctions is an important element of accountability but one that the reforms have had a fairly limited impact on. The increase in information available should make stakeholders better aware of performance, but we do not know whether it increases the likelihood of them using it to hold organisations accountable. Further research is therefore needed to examine the impact that information has on the ways in which the steward is held to account. Structural

reforms to governing bodies have introduced a new mechanism for parents at least, to apply sanctions or rewards, but evidence suggests that it is little used. Changes to PANI have not led to improvements to this element of accountability. The subsequent creation of a Policing Board has not significantly enhanced the power of citizens to hold the police service to account as members are either appointed or indirectly elected. Reform to local government structures may lead to increased use of rewards and sanctions. For example, the public may feel that they have more of a stake in a smaller, more local, institutions and be more inclined to exercise their right to vote. Further research is therefore needed to explore the effects of size on the use of rewards and sanctions in public organisations. In theory, market reforms make it easier for stakeholders to apply rewards and sanctions by taking their custom elsewhere, but the evidence from Welsh LEAs suggests that this is not always the case in practise.

The research suggests that the reforms have made some improvements to the clarity of accountability. For example, clarity may be enhanced when organisations produce data on their performance objectives and targets. However, the evidence in section two indicates that this data are not frequently reported in practice. In theory, a market approach may encourage the organisation to focus more clearly on the consumer, but the research undertaken suggests that the shift away from professional accountability in Welsh LEAs has been limited. Clarity of accountability was a stated rationale for the structural reforms, and the evidence indicates that there may be small improvements in clarity in relation to school governing bodies and PANI. Despite the fact that individual authorities stated that local government re-organisation would improve clarity of accountability, there is no evidence to assess their claim. Additional

research is therefore needed to examine if clarity has been enhanced by this structural re-organisation.

The final element of accountability is the extent to which the principal can control the steward. However, there is little evidence on this issue. Although the increased availability of data may be used to control service providers further research is needed to assess if this is the case in practice. Evidence from research on PANI and school governing bodies indicates that board members have only a limited ability to control and monitor the performance of head teachers and Chief Constables. This reactive approach by board members mirrors findings on the behaviour of other boards such as quangos (Skelcher, 1998). Further research is necessary to examine any possible link between structural change and the ability to exercise control. For example, research may investigate whether local government re-organisation and the associated reduction in size of local authorities in Wales has made it easier for politicians to exercise effective control over service providers. Again, little is known on the impact of markets on control, although in theory the introduction of market forces may reduce the power of the service providers and increase that of the principal.

This research indicates that the impact of the reforms has varied between the four criteria for effective accountability. The giving of an account has been enhanced to a limited extent by the changes in information, structures and markets. Small improvements have also been made to clarity of accountability. Evidence on the two other criteria for accountability is more limited. There is currently little evidence on the impact of the reforms on the ability of the principal to control the steward or the

extent to which rewards and sanctions are used. Both are important areas for further research.

These findings have important implications for the theory and practice of accountability. They indicate that it is important to distinguish between the different elements of accountability when evaluating the impact of reforms. This adds greater understanding and precision to the complex task of evaluating the impact of reforms on accountability. They also suggest that the search for solutions to the 'crisis in accountability' ought to focus on the elements where organisations are performing the worst. This research indicates that these areas are the ability of the principal to control the service providers and to use rewards and sanctions. To a large extent success in these elements requires organisations to focus on changing behaviour and are therefore much more difficult to achieve than elements such as the giving of an account. For example, it might involve encouraging politicians to actually use the data provided to them to effectively monitor and direct the work of service providers.

This research shows that the reforms have led to only a limited enhancement of accountability. In a number of cases, this results from the flawed nature of the policy itself. For example, although Welsh local authorities were asked to produce performance data in their BVPPs, the NAW did not specify an appropriate range of information for accountability. Sometimes the impact of 'perfect' reforms may be mediated by their implementation and we therefore need to examine not just the content of the policy but also the extent to which it is put into practice. This 'implementation gap' may be particularly significant where policies have been imposed by central government with little consultation with local authorities (Wilson, 2001).

Using the example above, we need to assess whether the BVPPS produced by Welsh LAs actually included the data required by the NAW. A further, significant issue to examine is a behavioral one. Even if 'perfect plans' are available are they used? In theory, we might expect them to be helpful to politicians, managers, the public, interest groups and bodies such as the NAW. In order to fully assess the impact of this mechanism of accountability all three stages of analysis are necessary. This three staged approach can apply to all accountability reforms.

To date, no research (including my own) has considered all three stages in their examination of accountability reforms. Most consider one, or at most two, aspects of a reform. For example, Day and Klein (1987) assess board member perceptions of the quality of the data and the extent to which they trusted it, without first analysing the data that was required or indeed the data available to the members. Future research on accountability should incorporate an evaluation of reforms in relation to theories of accountability, the extent to which the outputs specified by the reforms were produced, and finally, the ways in which the outputs were actually used.

My research, like others, has examined the impact of a number of separate reforms on accountability. In fact, as hinted in the introduction, many of these reforms have been introduced into organisations simultaneously. In the education service for example, the reforms in the late 1980s and early 1990s introduced a market through formula funding and open enrolment of pupils. Responsibility was devolved down the hierarchy from LEAs to individual school governing bodies. In addition, governing bodies were required to produce an annual report, and national league tables of examination results were produced. Clearly, all of these may separately have an impact on accountability,

but the combined effect may be different. Hence further research is needed to examine a number of inter-connected reforms and their impact on accountability. Finally, my research has focused on reforms within the NPM paradigm. A number of other reforms, such as new political structures, and strategies to enhance representative and participative democracy have also been introduced which may have an impact on accountability. Evidence on the effects of these reforms is emerging (see for example, Leach and Wilson, 2002, Ashworth 2003), but further research is required which draws on both approaches and builds a clear picture of the impact on accountability.

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ACCOUNTABILITY AND LOCAL AUTHORITY ANNUAL REPORTS: THE CASE OF WELSH DISTRICT COUNCILS

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INTRODUCTION

As democratic institutions, it is essential that local authorities are accountable to local citizens for their performance. If service consumers or taxpayers are unhappy with their council's performance then, in principle, it is possible to seek improvements through the ballot box. Between elections, the public can press their claims in person, through pressure groups or through direct participation in the delivery of services. However, effective accountability in practice is impossible without accurate information on local authority performance. Such information has been described as 'the life blood of accountability' (Day and Klein, 1987, p.243).

The public cannot make valid judgements on council policies unless information is provided on the quantity, quality and cost of local services. The provision of such information is not, by itself, a sufficient condition for effective accountability which also requires the application of sanctions if performance is poor (Stewart, 1984). However, it is a necessary condition. In the absence of performance data, the concept of accountability and indeed the whole local democratic process is simply a sham. Annual reports are not the only source of performance information. The public may also make judgements on the basis of media coverage of local authorities and their own direct experience of council services. However, an annual report is the only comprehensive statement of stewardship available to the public.

The aim of this paper is to evaluate the information provided to the public in the annual reports published by Welsh District Councils. Our analysis is in four parts. The first part outlines the origins of annual reports and summarises the pressures towards performance measurement in local government. The second part considers the concept of 'performance' in more detail and analyses the definitions used by political parties, professional organisations, consumer groups and academics. The third part provides a checklist of indicators which correspond to the definitions of performance contained in these various sources, and uses this checklist to evaluate district council annual reports. The survey covers the years 1981/2 to 1988/9 and examines 13 aspects of local service provision. The final part summarises the main findings of the

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analysis and makes recommendations on the future role of annual reports in the process of local political accountability.

PRESSURES TOWARDS THE REPORTING OF LOCAL AUTHORITY PERFORMANCE

Some local authorities produced performance reports prior to the 1980 Local Government Planning and Land Act (Long, 1981), but this legislation was the main source of the more widespread publication of annual reports in the last decade. Under part II of the Act the government is empowered to issue 'a code of recommended practice as to the publication of information by (local) authorities about the discharge of their functions'. Central Government may, by means of a statutory instrument, *require* councils to publish information specified in the code of practice. Thus, while the publication of an annual report on performance is not mandatory, there is a strong signal in the legislation that failure to publish voluntarily may result in legal compulsion. Since the 1980 Act, there have been numerous additional pressures on local authorities to measure and report their performance.

First, the Conservative government has exhorted all public sector organisations to monitor and evaluate their activities as an integral part of the quest for 'economy, efficiency and effectiveness'. Performance measurement can be seen as the most recent of a long sequence of efforts to increase the use of 'rational' techniques in government (Downs and Larkey, 1986; and Elcock et al., 1989, Ch. 7). The most distinctive characteristic of the current wave of performance evaluation is the sustained commitment to it by central government for over a decade.

Second, since the late 1970s many local authorities have suffered from 'fiscal stress', which results from the twin pressures of rising service needs and falling revenues (Boyne, 1988). Central government has sharpened one side of this pincer movement by reducing the value of grants. It has been argued that fiscal stress has forced councils to seek ways of 'doing more with less' (Greenwood, 1983). Performance measurement offers one method for securing better value for money in the allocation of resources and the provision of services.

Third, councils have been encouraged to adopt a 'public service orientation' (PSO) in the management of their activities. This approach was put forward by the Local Government Training Board (1987a), partly as an attempt to regain the initiative for local authorities after the onslaught of criticism by central government. The PSO closely reflects the 'lessons' from Peters and Waterman's (1982) fashionable collection of anecdotes on the characteristics of successful private companies in the USA. Key components of the PSO are that it must 'open up the authority to the public' and provide citizens with 'standard of service statements and encourage them to evaluate the service by that standard' (Stewart and Clarke, 1987).

Fourth, central government pressure towards performance evaluation has been maintained by legislation on 'competitive tendering' and the 'contracting out' of local services (Minogue and O'Grady, 1985). The process of competitive tendering necessarily involves setting explicit targets for service provision. Attention is thereby focused on the objectives of services, and on the quantity and quality of provision that is required at a given price (Local Government Training Board, 1987b). Thus competitive tendering and performance evaluation are inextricably linked.

Fifth, further emphasis on the reporting of performance has resulted from new opportunities for local citizens to 'opt out' of service provision by the council. Most importantly, schools may opt to be funded directly by central government and council tenants may opt for a new landlord (Stewart and Stoker, 1989, Chs. 4 & 5). Such policies pose a substantial threat to local authorities' 'market share' in education and housing. This places pressure on councils not only to provide high quality services, but also to ensure that their customers are fully *aware* of their efforts. A failure to report performance effectively in this context may leave a council with little performance to report.

Finally, the introduction of the poll tax has reinforced the importance of communicating with the public on performance issues. The formal aim of the replacement of the rates was to enhance the accountability of councils to local taxpayers (Boyne, 1986). It is arguable whether this aim has been achieved; but the poll tax has certainly increased the *visibility* of the cost of local services and raised more sharply the issue of value for money. In Wales in particular, public dissatisfaction over poll tax levels has led to referenda decisions to abolish two community councils¹ and several more face an uncertain future. While District and County Councils are immune from the threat of abolition by their own citizens, the recent backlash against the poll tax provides a clear signal of the dangers of failing to communicate with the public.

In sum, local authorities not only have a political obligation to keep the public informed, but have also faced substantial practical pressures towards the measurement and reporting of performance. The response of Welsh District Councils to these pressures is analysed below in the section headed Evaluating Local Authority Annual Reports. Next we examine the concept of 'performance' in more detail.

DEFINITIONS OF PERFORMANCE

Most discussions of performance measurement are based on an implicit 'model' of the production process in the public sector. This production process is generally viewed as consisting of three main stages: inputs, outputs and outcomes.

The 'input' stage refers to items such as spending, staffing and equipment. Such inputs are used to create 'outputs', which are the units of service actually

produced. The nature of the outputs varies considerably across district council services. The output may be money (e.g. housing benefits); a 'physical' service (e.g. refuse collection); a 'personal' service (e.g. advice on homelessness); the provision of a facility (e.g. a leisure centre); or the making of regulations (e.g. decisions on land use or modifications to buildings). These outputs result in 'outcomes', which are the consequences or effects of service provision.

The definitions of performance discussed below place varying emphases on inputs, outputs and outcomes. Some definitions focus on only one stage of the production process: for example, on the economical use of inputs. Other definitions emphasise a particular characteristic of one of the three stages: for example, the quantity of outputs or the quality of outputs (see Bovaird, 1981; and Hatry, 1974). Finally, some definitions of performance refer to the relationship between the stages of the production process. For example, efficiency may be measured as the ratio of inputs to outputs, or as the cost per unit of output (Whynes, 1987). Similarly, 'cost-effectiveness' refers to the relationship between expenditure inputs and service outcomes.

Preoccupied with Inputs: The Government's Code of Practice

Following the 1980 Local Government Planning and Land Act, the government published a 'code of practice' on local authority annual reports (Department of the Environment and Welsh Office, 1981). According to this code, the aims of annual reports are:

- (i) to give ratepayers clear information about local government's activities
- (ii) to make it easier for electors, ratepayers and other interested parties to make comparisons of and judgements on the performance of their authorities
- (iii) to help councillors form judgements about the performance of their own authorities'.

The code of practice is important because it prescribes the 'minimum content' of annual reports and sets the tone for the type of performance indicator that is appropriate. The government stated plainly that 'it is intended that every local authority in England and Wales should publish an annual report as specified in the code' (Department of The Environment and Welsh Office 1981, p.4). The code places a heavy emphasis on the measurement of inputs. A total of 34 performance indicators are specified for inclusion in the annual reports of County and District councils. Of this total, 26 indicators refer to inputs such as spending and staffing. The focus on inputs is even greater if attention is restricted to the 10 indicators that apply to all Welsh District Councils.² Of these 10 indicators, 9 refer to spending, revenue, or staffing; only one indicator on the list might be construed as a measure of efficiency,³ and there are no measures of outputs or outcomes. The concentration on inputs reflects a major aim of the Conservative government in 1981: to cut local authority spending. Thus the code of practice is concerned with economy rather than efficiency or effectiveness: low spending is equated with high performance. It may be

argued that central government's perception of local authority performance has broadened since 1981. However, the code of practice has never been revised and remains the only official statement on the performance measures to be used in annual reports.

Inputs, Outputs and Efficiency: The Audit Commission

According to the Audit Commission (1986, p.3) performance measurement in the public sector is a substitute for the disciplines of the market in the private sector. Given the limited role of the price mechanism in local government, performance indicators offer a 'second best' method of holding councils to account.

The Commission has produced various publications which specify performance indicators for local services. Despite its apparent concern with the 'accountability gap' in local government, these indicators focus on internal management processes rather than the external reporting of performance. However, the Commission's work on performance measurement does broaden the perspective of the government's 'code of practice' in two ways. First, more detailed indicators are provided for specific services and sub-services. Second, the indicators emphasise outputs and efficiency rather than economy *per se*. The third 'E', effectiveness, has received less attention in the Commission's publications. However it is recognised that 'efficiency alone is not enough; it is essential to be committing resources to the right things. Local authorities need to be defining policy objectives and effectiveness, and checking that these are being achieved' (Audit Commission, 1986, p.4). The Commission's more recent publications show a slightly greater emphasis on outcomes, particularly as indicated by customer complaints (Audit Commission, 1988). Nevertheless, the general thrust of the lists of indicators is still towards internal management and efficiency issues.

Taking Outcomes Seriously: The Consumer Perspective

In the second half of the 1980s, several publications shifted the balance of performance measurement towards service effectiveness in general and 'consumer satisfaction' in particular. The National Consumer Council (NCC) has stressed the importance of a 'consumer-orientated' form of local government. This involves 'finding out what people want or need, how satisfied they are with the services provided, and how these services affect individuals and the community. It also involves setting explicit objectives and targets for services, and systematically assessing achievements' (National Consumer Council, 1986, p.3).

The NCC argues that performance measures should focus on the aspects of services that are most important to consumers. These aspects are the *quality of the outputs* of services, for example their appropriateness and reliability; and

the *quality of the processes* of service delivery as indicated, for example, by the 'ease and pleasantness of use', the provision of information, waiting times, and mechanisms for redress (Potter, 1988). The consumer perspective has also been embraced by the Labour party in its recent policy statements, partly in an attempt to shed its image as the protector of staff and trade union interests. Labour (1989, p.41) argues that in public services 'quality and responsiveness to the user must become the top priority'. Labour defines service quality in terms of 'user-friendliness', accessibility, choice and variety, 'environmental-friendliness', and equality. In order to encourage local authorities to focus on quality and consumer satisfaction, Labour proposes to replace the Audit Commission with a 'Quality Commission'. This body would oversee 'quality audits' which would evaluate the standard of local services, including local authority compliance with 'customer contracts' that would form the basis for the reporting of performance.

According to the consumer perspective then, outcomes are the key indicator of local authority performance. More particularly, consumer perceptions of service quality are the most important measure of the success of a local authority's activities. It follows that the reporting of performance should not be restricted to specific indicators common to all councils. Every authority should report on consumer satisfaction; but the specific measures of performance that are appropriate in each area will depend on the public's priorities in that area.

Beyond Consumerism: Citizenship

It may be argued that a 'consumer-orientation' runs the risk of over-emphasising the similarities between the private sector and the public sector. Some models of consumerism treat public services as if they are 'supermarkets', where the only performance criteria are the cost, quantity and quality of the basket of goods received by individual 'shoppers' (Winkler, 1987).

Many of the policies pursued by the Conservative government since 1979 have sought to transfer private sector management practices to the public sector. However, much of the reform programme to render public managers more 'business-like' rests on an idealised model of private management. First, some private sector organisations survive despite chronic inefficiency (Meyer and Zucker, 1989). Second, there is in practice 'no coherent, systematic, agreed view of what managers do, or what they should be doing in private sector organisations' (Harrow and Willcocks, 1990). In addition, it has been argued that 'the relationships between public sector workers and their clients . . . are quite different from the relationships involved in the provision of services in a market' (Ackroyd et al., 1989). This difference arises because the public are not simply consumers of governmental services, they are also *citizens* (Ranson and Stewart, 1989). The implication is that local authority performance should be judged by criteria in addition to individual consumer satisfaction. Criteria

which reflect 'citizenship' include the extent of public participation in service provision, and the equity of service allocations.

Participation not only promises direct benefits by increasing the responsiveness of local authorities to public preferences, it is also believed to 'develop civic consciousness and enhance individual and group autonomy' (Pollitt, 1988, p.83). More broadly, it has been claimed that public participation in service design and delivery is beneficial to the general wellbeing of a democratic society: 'Local government is meant to be *the* representative institution of British government outside Parliament. The broader concept of citizen gets closer to this political, representative function than an emphasis on service delivery, however humane and responsive. The officer is not the embodiment of a service but of an institution central to the health of British democracy. His (sic) duty, therefore, is to foster that institution by ensuring that citizens, not clients or consumers, can play an active role in its decision-making and adjudicative process' (Rhodes, 1987, p.67). Thus participation may be deemed to be valuable for its own sake. From this perspective, if two local authorities produce identical services at identical costs, then the authority with greater citizen participation is the better performer.

A final criterion for evaluating local performance is 'equity', or the fairness of the distribution of service outputs and outcomes. Performance may be assessed by the allocation of services between income groups, age groups, sexes, ethnic groups or local neighbourhoods. The criterion of equity reflects one of the fundamental purposes of providing public services: to produce a distribution of resources which is believed to be fairer than would be produced by a free market. The definition of equity which underlies the distribution of many local services is 'need' (Boyne and Powell, 1991). The concept of citizenship implies that individuals should judge local authority performance not just by the standard of service they receive personally, but also by the responsiveness of services to the needs of other people. Thus, even individuals who do not themselves consume a service have, as citizens, a direct interest in the equity of service provision. Accordingly, if a council is to give a full account of its performance, then it must tailor its report to citizens rather than merely to consumers.

Summary: Multiple Measures For Multiple Publics

The prescription 'get close to the customer' currently commands wide consensus (Fenwick and Harrop, 1990). Yet this slogan by itself offers little guidance on the reporting of performance because the local public 'as a whole' is an abstraction. In addition to their diverse customers, local authorities must report their performance to the people and organisations who fund service provision: principally community charge payers and central government as the representative of national taxpayers. To which of their various publics should local

authorities 'get closest'? In general, all councils should report on inputs, outputs and outcomes; and on efficiency and effectiveness. The existence of multiple publics imposes a responsibility to report multiple measures of performance. However, the balance between these measures, and the specific indicators to be used, is for each council to decide in the light of local preferences.

EVALUATING LOCAL AUTHORITY ANNUAL REPORTS

In this section we evaluate Welsh District Council reports using a checklist of indicators based on the stages of the local authority production process. Previous surveys of annual reports have used 'compliance with the code of practice' as their only evaluative criterion, and have concentrated on the comparative financial statistics specified in the code. (Chandler and Cook, 1983; and Smith and Ashley-Smith, 1987.) Our evaluative criteria are much more comprehensive and reflect the various definitions of performance discussed above. The criteria focus on the substantive content of annual reports rather than their presentation or 'readability'. The reports of some councils are presented in attractive glossy covers. Other reports are published in a 'newspaper' format; these tend to contain items that market council policies and to show politicians posing in 'photo-opportunities'. This is a poor substitute for hard information on the results of council activities. The criterion of 'readability' was not applied because most reports contain little or no commentary on the performance indicators (see below),

The Evaluative Criteria

Table 1 provides a summary and examples of the general categories of performance information that might be presented in local authority annual reports. Most of the categories follow straightforwardly from the dimensions of performance discussed above. However, there are three points which require clarification.

First, we have included 'throughputs' in the list of performance criteria because it is difficult to measure the outputs of some district council services, for example in the areas of Environmental Health or Cemeteries and Crematoria. In such cases it may be necessary to use measures of throughputs as a proxy for outputs. Throughput is an indicator of the level of service 'activity', for example the number of Environmental Health visits or the numbers of burials and cremations in the case of Cemeteries and Crematoria. We have also included input/throughput as a proxy measure of efficiency.

Second, we have divided the broad concept of 'outcomes' into three specific categories. The term 'effectiveness' refers to whether targets for the results of service provision have been met. The term 'impact' covers not only the intended results of service provision but also the unintended results. A third measure of outcomes is 'consumer satisfaction'. Although the effectiveness and impact

Table 1**Criteria for Evaluating the Content of Local Authority Annual Reports**

| Categories of Performance Information | Examples of Indicators |
|---------------------------------------|--|
| <i>Inputs</i> | |
| — Economy | Expenditure per capita |
| — Staffing | No. of staff |
| — Physical Inputs | No. of Waste Collection vehicles |
| <i>Throughputs</i> | |
| <i>Output Quantity</i> | No. of housing benefit claims processed. |
| <i>Efficiency</i> | No. of houses built; Tonnes of waste collected |
| — Input/Output | Cost per tonne of waste collected |
| — Input/Throughput | Cost per benefit claim processed; cost per user. |
| <i>Output Quality</i> | |
| — Reliability | Percentage of missed collections (waste collection); no. of appeals upheld (Planning) |
| — Utilisation | Percentage of available factory units occupied; Void levels of housing stock |
| <i>Process Quality</i> | |
| — Access | Consumer perceptions of 'availability' of council services |
| — Information | Customer awareness of service e.g. waste collection: frequency and time of collection |
| — Speed | Time taken to process planning applications |
| — Ease & Pleasantness of Use | Percentage of consumers satisfied with their treatment by staff |
| — Redress | No. of complaints received and resolved |
| <i>Outcomes</i> | |
| — Effectiveness | No. of houses made 'fit' (target: improvement in condition of housing stock) |
| — Impact | Effectiveness and side effects of house improvement policy: e.g. increased employment in building industry |
| — Consumer Satisfaction | Percentage of consumers satisfied with service |
| <i>Citizenship</i> | |
| — Equity | Condition of roads in different neighbourhoods; maintenance levels in different types of council housing |
| — Participation | Public consultation over planning proposals; tenant representatives on housing committee |
| <i>Commentary</i> | Explanation of variations in indicators. |

of service provision are hard to measure, it is possible to assess outcomes through consumers' perceptions (see Stipak, 1979; and Percy, 1986). Indeed if the justification for the existence of local authorities is the provision of services for the public, then consumer satisfaction may be judged to be the ultimate criterion of performance.

Third, we have included 'commentary' in the list of evaluative criteria. This refers to the explanation provided alongside figures on performance. The intended audience for Annual Reports may not find it easy to comprehend most performance data. Therefore, it is reasonable to expect authorities not only to publish performance indicators, but also to explain their meaning.

The Survey of Annual Reports

Our original intention was to analyse the content of the reports of all 37 Welsh Districts in each year from 1981/2 to 1988/9. This proved to be impossible for three reasons. First, it emerged that three authorities had not produced any annual reports (Aberconwy, Montgomery and Ynys Mon). Second, several authorities produced some reports but then stopped (Carmarthen, Ceredigion and Glyndwr after 1985; and Dinefwr after 1983.) Third, some authorities were unable to provide copies of all of their reports, particularly for the early 1980s.⁴ The number of reports available for analysis in each year was as follows:

| 1981/2 | 1982/3 | 1983/4 | 1984/5 | 1985/6 | 1986/7 | 1987/8 | 1988/9 |
|--------|--------|--------|--------|--------|--------|--------|--------|
| 16 | 17 | 22 | 25 | 30 | 26 | 18 | 11 |

In total, 165 reports were analysed, representing 66 per cent of those published between 1981/82 and 1988/9. The sample size is particularly small in 1988/9 because many authorities had not yet published their report for that year when our survey was completed in April 1990. Many commentators regard 'timeliness' as an important characteristic of performance reporting. The government's code of practice recommends publication by, at the latest, six months after the end of the financial year. A substantial delay in publication undermines the role of annual reports in the local democratic process.

Empirical Analysis

The annual reports were examined in order to identify whether they contained any information that corresponded to the dimensions of performance listed in Table 1. The performance information was grouped into 13 service areas, reflecting the structure of most authorities' reports. Table 2 shows the dimensions of performance that were reported in each service area, and shows 'average scores' across all authorities. These scores indicate the quantity and quality of performance information that is contained in the annual reports (see Table 2, note 2). The figures summarise the pattern over the whole period from 1981/2 to 1988/9. We had expected that the reports might improve over time, as a consequence of the ostensible increase of 'consumer consciousness' in local government. However, the annual reports were little better at the end of the 1980s than at the start.

The dimensions of performance with the highest scores are economy and staffing. These scores, which are fairly uniform across all service areas, may

Table 2

Performance Information in Welsh District Council Annual Reports

| | A | B | C | D | E | F | G | H | I | J | K | L | M |
|-------------------------|------|------|------|------|------|------|------|-------|------|------|------|-------|------|
| <i>Inputs:</i> | | | | | | | | | | | | | |
| Economy | 2.80 | 2.80 | 2.51 | 2.79 | 2.89 | 2.93 | 2.21 | 2.88 | 2.82 | 2.72 | 2.82 | 2.84 | 2.83 |
| Staffing | 2.57 | 2.52 | 2.56 | 2.46 | 2.57 | 2.60 | 2.01 | 2.54 | 2.58 | 2.47 | 2.57 | 2.55 | 2.54 |
| Physical Inputs | 3.1 | 0 | 0.06 | 0.22 | 0.13 | 0.05 | 0 | 0 | 0 | 0 | 0 | 0.11 | 0 |
| Throughputs | 0.71 | 1.65 | 1.07 | 0.19 | 0.29 | 0 | 0.37 | 1.59 | 1.11 | 0.87 | 0.79 | 0.42 | 0.78 |
| <i>Outputs:</i> | | | | | | | | | | | | | |
| Quantity | 0 | 0 | 0 | 0.01 | 0.65 | 0.67 | 0.43 | 0.98 | 0 | 0 | 0 | 0 | 0 |
| <i>Efficiency:</i> | | | | | | | | | | | | | |
| Input/Output | 0 | 0 | 0 | 0 | 0.26 | 0.26 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Input Throughput | 0.11 | 0.24 | 0.09 | 0.04 | 0 | 0 | 0.02 | 0.88 | 0.10 | 0.10 | 0.16 | 0 | 0.19 |
| <i>Outputs Quality:</i> | | | | | | | | | | | | | |
| Reliability | 0 | 0.24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utilisation | 0 | 0.25 | 0 | 0 | 0 | 0 | 0 | 0.04 | 0 | 0 | 0.18 | 0 | 0 |
| <i>Process Quality:</i> | | | | | | | | | | | | | |
| Information | 0 | 0.04 | 0.01 | 0 | 0.01 | 0.03 | 0 | 0.01 | 0 | 0 | 0.10 | 0.03 | 0 |
| Speed | 0 | 0.50 | 0 | 0 | 0 | 0 | 0 | 0.04 | 0 | 0 | 0 | 0 | 0 |
| Redress | 0.07 | 0.90 | 0 | 0 | 0 | 0 | 0 | 0.006 | 0 | 0 | 0 | 0.003 | 0 |
| <i>Outcomes:</i> | | | | | | | | | | | | | |
| Effectiveness | 0 | 0.18 | 0.32 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Participation | 0 | 0.35 | 0 | 0 | 0 | 0.01 | 0 | 0.03 | 0 | 0 | 0.11 | 0 | 0 |
| Commentary | 0.18 | 0.25 | 0.17 | 0.11 | 0.23 | 0.19 | 0.04 | 0.10 | 0.16 | 0.07 | 0.26 | 0.20 | 0.09 |

Notes

- 1 A = Highways and Transport
 B = Planning and Economic Development
 C = Environmental Health
 D = Street Cleaning
 E = Waste Collection
 F = Waste Disposal
 G = Housing: Homelessness
 H = Housing: Management and Maintenance
 I = Housing: Renovation Grants
 J = Housing: Benefits
 K = Leisure and Recreation
 L = Parks and Open Spaces
 M = Cemeteries and Crematoria
- 2 The scores for the dimensions of performance in each service area were derived as follows. First, an authority was awarded one point if information corresponding to a dimension of performance was present in its report. Second, additional points were awarded if the information on a dimension of performance was compared with other figures. One additional point was given for comparison with other authorities, two additional points for comparison over time, and three additional points for comparison with a target. Thus, if an authority provided information on a particular dimension of performance, and employed all three bases for comparison, then it would receive the maximum feasible score of seven points. If all authorities in the sample did likewise, then the average score shown in the table would also be seven. As can be seen in Table 1 above, the average scores for the dimensions of performance that are reported fall well below this level.
- 3 Some dimensions of performance were not reported by any authorities for any service during the period covered by the survey. The aspects omitted completely were two of the measures of process quality, (access and ease and pleasantness of use); two of the measures of outcomes, (impact and consumer satisfaction); and one of the measures of citizenship, (equity).

be high because the data is routinely collected for other publications (e.g. the Statutory Statement of Accounts and the Manpower Watch Returns). The reporting of physical inputs is limited to services which provide facilities (Leisure Centres) and those which have a physical output (Waste Collection and Disposal, Highways and Transport and Street Cleaning).

Almost all services report indicators of throughput. The scores are highest in Planning and Economic Development, Environmental Health, Renovation Grants, Housing Benefit Administration, Leisure and Recreation and Cemeteries and Crematoria. These services have the most easily identifiable number of clients or 'users'. Only five of the thirteen service areas have output figures (Waste Collection and Disposal, Street Cleaning, Homelessness and Housing Management and Maintenance). These are mostly 'physical' services which have readily observable and directly measurable outputs.

The coverage of efficiency in the annual reports is sparse. Of the five service areas that provide output figures only Waste Collection and Waste Disposal measure input/output. All service areas with the exception of Waste Disposal have a low score on our 'input/throughput' proxy for efficiency.

The reporting of indicators of the quality of outputs and processes was generally very poor. The only service to include any indicators of reliability is Planning and Economic Development, which shows the numbers of appeals upheld. Only three service areas report indicators of utilisation rate: Planning and Economic Development, Leisure and Recreation and Housing Management and Maintenance. The indicators used concentrate on 'facilities', e.g. Leisure Centres. Only three of our five indicators of process quality were reported. Seven of the thirteen service areas include a measure of 'information', but their scores are uniformly low. Only two service areas included any measure of 'speed': Planning and Economic Development and Housing Management and Maintenance. The indicators used were the time taken to process applications for planning permission and for council accommodation. The high score in planning may be attributed to the statutory obligation to make decisions within a specified time period. Planning and Economic Development has a comparatively large score for 'redress'. Again data on this issue is readily available in the form of number of appeals against planning decisions.

The issues of effectiveness and citizenship receive scant attention in the annual reports. Planning and Economic Development and Environmental Health were the only service areas to include an indicator of effectiveness. Three service areas have scores for participation. In two of these services, Leisure and Recreation and Housing Management and Maintenance there is increasing client involvement in service delivery (Smith, 1985; and Stoker et al., 1988). The third, Planning, has a statutory obligation to consult the public.

The reports contain little discussion of the information that is presented. All service areas have a low score for commentary. The statements all referred to expenditure figures, for example 'the main reason for the anticipated underspending is a change in the method of financing capital schemes'

(Economic Development, Swansea 1981/2) and 'Increased administrative charges' (Environmental Health, Taff-Ely 1984/85).

When compared to our checklist of twenty indicators, Welsh District Council Annual Reports fared badly. Nor do the reports meet even the limited conception of performance promulgated by central government. The government's code of practice suggests that councils should provide four types of comparative information. First, a set of 'prescribed indicators' on performance. On average, only 50 per cent of these indicators were presented in the Welsh reports. Second, a rationale for the choice of comparator authorities, which was provided in only 33 per cent of Welsh reports. This contrasts strongly with a previous study of annual reports which found that only 3 out of 48 councils surveyed gave no reason for the choice of comparator authorities (Chandler and Cook, 1986). Third, a 'health warning' on the problems of comparing performance across authorities, which was provided in only 31 per cent of the Welsh reports. Fourth, an explanation for differences in performance between a council and its comparator authorities, which was not provided in any of the Welsh reports.⁵

In addition to analysing the types of indicators and services that were best reported, we sought to identify why some authorities produce better reports than others. Interviews with council staff and correspondence with chief executives suggests that there are several constraints on the production of annual reports. These constraints include *scale*, principally the low number of staff employed by some district councils; the absence of *organisational slack* because of the burden of dealing with statutory responsibilities; the lack of *financial resources* to cover the costs of producing reports; and the reluctance of *politicians* to specify objectives that can serve as yardsticks for the reporting of performance. In order to investigate the validity of these ideas, we developed and tested a statistical model of variations in the content of the annual reports. Five explanatory variables were tested: the total number of council staff (*scale*); the ratio of actual expenditure to grant related expenditure (*slack*); the level of central grants and the value of the local tax base (*financial resources*); and whether a council is controlled by Labour or the Conservatives rather than being hung or dominated by independants (*politicians*). Only this last variable was statistically significant at the five per cent level with the expected positive sign.⁶ This result is consistent with the argument of Gyford et al., (1989) that the 'nationalisation' of local politics has led to more explicit statements of policy objectives.

In a final attempt to identify whether any pattern is behind authorities' relative positions, we ranked councils' reports from 1 to 37 in each service area. If the content of annual reports reflects an explicit policy on public accountability, then it might be expected that an authority would achieve a similar standard of performance reporting in all service areas. However, there is very little tendency towards this pattern. Setting aside councils which failed to publish reports, the service ranks are very widely spread. Many councils are ranked above average to high for some services, and below average to low

for other services. There is an average gap of 22 places between authorities' highest and lowest rank order positions. The most consistent council is Cardiff, which is ranked in the top 10 in all categories. The variation in ranks between services suggests that councils have little deliberate strategy or common framework in the compilation of their annual reports. The pattern is consistent with the independent and uncoordinated submission of information from different services, which is then stuck together and labelled an 'annual report'.

CONCLUSION

The annual reports on performance produced by Welsh district councils are generally of poor quality. Most of the performance indicators contained in the reports refer to service inputs. Some measures of outputs and efficiency are presented, but there are hardly any measures of service effectiveness and no measures of consumers' satisfaction with services. Broader issues concerning 'citizenship' receive little attention, and the equity of service provision is ignored. The poverty of the performance information in annual reports may explain the finding that they are little used by the public. (Butterworth et al., 1989) If councils' reports reflect their own views on the most important aspects of performance, then it might be inferred that they wish to be judged by their capacity to spend money and employ staff. The lack of improvement in annual reports during the 1980s is consistent with the view that consumerism in local government is mere 'window dressing' and has not promoted genuine accountability for the standard of services.

Our analysis leads to the following conclusions on the content of annual reports and their role in the process of local political accountability.

First, central government should issue a new 'code of practice' on annual reports, taking a much broader view of performance than in the 1981 code. The focus of the existing code on economy and comparative financial statistics has done much to steer councils' reports in an inappropriate direction. The government should resist the centralist temptation to make particular indicators mandatory. Instead a new code should re-emphasise that *all* councils should produce an annual report; and stress the importance of setting performance targets that reflect local preferences and relate to the anticipated results of council policies.

Second, annual reports should be brought overtly into the arena of local political conflict and debate. There are no performance indicators that are simply 'factual' or 'objective'. All decisions on the costs and benefits of public service provision are inescapably political. Policy objectives are, at least implicitly, statements about *who* is supposed to receive *what*, *when* and *how*. Accordingly annual reports should contain a 'right of reply' from opposition groups on the council. This would provide an opportunity for open debate on the targets set, the information presented and the interpretation of that information.

Finally, it is worth emphasising that the greatest weakness of current annual reports is the failure to state explicit priorities and targets. It does not seem unreasonable to require local councils to specify what they expect to achieve and to report on their progress towards such achievements. If objectives are vague or unstated, then accountability is lost in a fog that serves the interests of politicians and officials much better than the interests of the public.

NOTES

- 1 Vaynor in Mid Glamorgan and Rhose in South Glamorgan.
- 2 The indicators are:
 - net cost of all services per 1,000 population,
 - staff per 1,000 population,
 - net cost per 1,000 population, town and country planning,
 - net cost per 1,000 population, recreation,
 - net cost per 1,000 population, refuse collection,
 - net cost per 1,000 population, refuse disposal,
 - management and maintenance cost per council dwelling,
 - ratio of housing rents to housing costs,
 - rent arrears as a percentage of rent collectable,
 - construction cost per dwelling.
- 3 Construction cost per dwelling.
- 4 Some of the gaps in the data base were filled by consulting copies of annual reports held by the National Library of Wales.
- 5 No authority in Smith and Ashley-Smith's survey of Annual reports (1987) gave any reasons for variation in comparative statistics. However, Chandler and Cook (1986) found six authorities which explained variations.
- 6 Full results available from the authors.

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Bidding for Unitary Status: An Evaluation of the Contest in Wales

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In March 1993 the Welsh Office issued a White Paper on the reform of local government structure in Wales. The paper proposes the creation of 21 unitary authorities to replace the existing system of eight counties and 37 districts.¹ Almost two years earlier, the Welsh Office published a consultation paper which set out a 'preferred option' of 20 unitary authorities.² Despite this stated preference, the Welsh Office informed local councils that it wished to be 'persuaded' both of the merits of unitary authorities, and of the appropriate number of authorities in a single-tier system. In effect, Welsh councils were invited to 'bid' for unitary status and for responsibility for the full range of local services. This process of 'competitive bidding' is not new to local government. For example it has been used since the 1970s in the annual round of 'housing investment programme' allocations, and more recently in the 'city challenge' for the distribution of urban aid. Individual services are also increasingly subject to 'competitive tendering'. However, a process of bidding for the 'franchise' of all local services is a novelty, and one which has also been extended to England under the auspices of the Local Government Commission.

The aims of this paper are to evaluate the arguments and evidence contained in the county and district bids, to judge whether either side has put forward a convincing claim to the local government franchise, and to analyse the impact of 'competitive bidding' on local government reorganisation.³ Part I of the paper outlines the context of local government reform in Wales. Part II assesses the counties' and districts' bids against the criteria set by the Welsh Office. The bidding process does not appear to explain the decision of the Welsh Office to introduce unitary authorities which are largely based on district boundaries. Therefore part III evaluates alternative explanations of local government reorganisation in Wales.

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I STRUCTURAL REFORM IN WALES

The proposals for the reform of local government structure in Wales reflect wider trends in local government in the UK as a whole. There has seldom been a separate Welsh local government agenda. Instead, central–local relations in Wales have been variations on themes emanating from Westminster and Whitehall, although these themes have been mediated by the Welsh Office since 1964 and by separate Welsh local authority associations in more recent years.⁴ Why, then, is structural reform on the UK agenda, and why is the government's preferred policy the creation of unitary authorities?

Dente and Kjellberg note that most Western democracies reorganised the structure of their local government systems between the 1950s and the 1970s. They argue that structural change was a result of the growth of the welfare state:

local government reorganization would hardly have taken place without the dramatic expansion in the public sector in most advanced democracies since the Second World War . . . it appears everywhere as an attempt to solve the tension between the organizational requirements the expansion has given rise to and existing institutional arrangements.⁵

In the UK the creation of larger units in the 1970s can be seen as a quest for rational planning, efficiency and uniformity in service provision.⁶ Similar forces were at work in Scandinavia:

The political system as a whole became increasingly dependent on the local organization of nationally determined policies . . . But at the same time, the development of the welfare state implied that social services should be routinized and standardized so as to minimize local variations . . . Hence the responsibility placed on local government for the institutionalization of social rights created an urge for rational and efficient administration . . . [this] tended toward a restructuring of local government units . . . The merger of communes and districts implied the efficient pooling of the administrative resources needed for the implementation of broad social programmes, simultaneously retaining at least the illusion of local self government.⁷

Thus it may be that changes in the role and functions of the state are the underlying causes of changes in the structure of local government. To some extent this theory of structural change is supported by recent experience in the UK: reorganisation may reflect changes in local

authorities' functions (for example the loss of 'market share' in education and housing) and the development of new roles (from 'direct provision' to 'enabling'). Nevertheless, for Dente and Kjellberg's theory of structural change to 'fit' it needs to be peculiarly flexible. The growth *or* decline of state intervention leads to the same outcome: a reduction in the number of local government units. In addition, the theory is not precise enough to account for the government's preference for unitary authorities: it is one thing to 'explain' why reorganisation is on the agenda, but another to explain why a single tier of local government has been selected as the best option.

The Welsh Office consultation paper provided some clues on the reasons for the government's desire for unitary authorities. However the rationale for reorganisation was thin, based on only a brief list of principles which 'should be embodied in any pattern of local government'⁸ and a list of 'advantages of a structure of unitary authorities'.⁹ There is a substantial overlap between the two lists, and they can be combined to provide the following set of eight criteria for evaluating the bids for unitary status:

1. local authorities should be *democratically accountable* to their electorates;
2. the roles of local authorities, and their responsibilities for service delivery, should be *clearly understood* by local people;
3. local public services should be *responsive* to the wishes, needs and circumstances of local communities;
4. local authority boundaries should, as far as possible, reflect and strengthen existing *community loyalties*;
5. local public services should be of high *quality*, and delivered *efficiently, economically and effectively*;
6. the *removal of friction* between county and district authorities;
7. *better co-ordination* in the provision of local services;
8. *greater administrative efficiency* which should lead in due course to a reduced burden on taxpayers.

The consultation paper provided few arguments and no evidence to justify these criteria or to justify the belief that a single tier of local government is capable of meeting the criteria.¹⁰ Nevertheless the eight points were, effectively, the guidelines for awarding the local government franchise. These were the targets which a successful bid was required to hit. The process of competitive bidding placed the responsibility on councils to provide the arguments and evidence for reform, and thereby to fill the 'rationality gap' in the government's proposals. In the next section we evaluate councils' submissions against these criteria.

II COUNTY AND DISTRICT BIDS FOR UNITARY STATUS

Most councils in Wales made a bid for separate unitary status. The only counties which argued for the retention of the two-tier system were Clwyd and Dyfed: the other six all sought a 'takeover' of district functions. A bid for separate unitary status was made by 26 of the district councils; five districts agreed to voluntary mergers (the two districts in the old county of Pembrokeshire, and the districts of Lliw Valley, Llanelli and Dinefwr); and six districts sought mergers but were 'spurned' by unwilling partners (for example Colwyn was rebuffed by Aberconwy and Swansea failed to attract Lliw Valley). None of the districts in either Clwyd or Dyfed shared their county's view that a two-tier system should be retained. The counties and most of the districts employed 'consultants' to assist them in researching or presenting their cases.¹¹ As a result some of the district bids in particular were very similar to each other and had a 'mass produced' flavour. Where the same arguments or evidence were used in a number of bids, the name of the consultants rather than a particular district is cited in the following discussion.¹²

Democratic Accountability

According to the 'electoral chain of command' theory, local politicians are obliged to explain and justify their actions to the electorate who may impose sanctions through the ballot box. This concept of democratic accountability is implicit in the acknowledgement in the consultation paper that if unitary authorities are based on the present districts 'accountable local government would be hampered by the excessively complex joint and cooperative arrangements that would be necessary'.¹³ The vast majority of district bids argued that accountability is stronger in a small local authority which is 'close to community'. For example, Taff-Ely argued that a county-based unitary authority would be less accountable because it would be unable to preserve good communications between the public and councillors.

The importance of size is also stressed by the counties: it is claimed that unitary authorities based on districts would be too *small* to meet the criterion of democratic accountability. For example, Mid Glamorgan's bid stated that 'unitary authorities smaller than [the county] would be forced to organise joint boards if they were to deliver the same range of services as a Mid Glamorgan unitary authority'. The counties identified a need for joint boards in land use, transportation planning, highways, planning and aspects of education and social

services. West Glamorgan argued that joint arrangements should be avoided 'because they run counter to fundamental principles of democracy – members of joint organisations are appointed and not elected'. Although the counties do not justify their own claim to accountability, their arguments that the districts will be too small to avert the proliferation of unaccountable joint boards is important. Indeed, evidence on the abolition of the English metropolitan county councils indicates that joint boards have weakened accountability to the electorate.¹⁴

Clarity of Accountability

The consultation paper claimed that a structure of unitary authorities in Wales would bring '*clearer* accountability to the local electorate'¹⁵ because the public do not understand the division of responsibilities between the two tiers. Accountability is also clouded because 'under the present local taxation system, district councils are responsible for sending out bills and collecting revenue, yet county councils are responsible for most revenue expenditure on local government services'.¹⁶ Thus unitary authorities may improve the ability of the electorate to hold the correct organisation accountable for the standard and cost of local services, although the point on financial accountability could be met by 'separate billing' by each tier.

Many of the district bids mirror the consultation paper's emphasis on clarity of accountability. Cardiff, Swansea and Newport provide survey evidence of the extent of public confusion over the location of responsibilities. For example, 'Cardiff residents are highly aware of many of the services provided by Cardiff City Council . . . however, residents are much less aware of the County Council as a provider'. The Cardiff survey showed that 90 per cent of respondents correctly associated council housing as a district service. However 39 per cent and 37 per cent associated Social Services and Education respectively with the City Council. The districts argue that they are already mistakenly held accountable for many county services.

Whilst the counties accept that clarity of accountability is a problem in the present system, not all believe that the solution is a system of unitary authorities. Dyfed argued that the current structure could be retained, but with different roles for each tier: 'One of the models might be that of a strategic holding company with strong operating companies having defined accountabilities.' Dyfed claims that authorities based on the current districts would weaken accountability because the use of joint boards would 'confuse even further the public's understanding of where responsibility lies for services'. Thus, while unitary

authorities may in principle provide clearer accountability, the creation of a 'second tier' of unelected joint boards may in practice produce confusion rather than clarity.

Responsiveness

Although responsiveness was one of the fundamental principles in the consultation paper, there was no explanation of how unitary status might improve the responsiveness of local authorities to either needs or demands. One of the principles behind the two-tier system was that 'districts would take responsibility for services where local knowledge and responsiveness, and proximity to smaller communities were at a premium'.¹⁷ The principle appears to remain: 'some services are best delivered on the basis of a local assessment of needs and circumstances . . . unitary authorities larger than the current districts, might, in some areas of Wales, need to maintain or develop internal administrative substructures for the effective arrangement for delivery of such services'.¹⁸ Thus, for some services at least, the Welsh Office appears to believe that unitary authorities the size of the current districts are most able to respond to local needs.

Responsiveness was the core of the district case for unitary status. The districts argued that they are responsive because their physical closeness to the community enables them to understand local circumstances. For example, Brecon states that

the new authorities' capacity will extend not only to providing locally based practitioners who will have their finger on the local pulse, but also locally based decision takers – councillors who will know the needs and aspirations of the people about whom they are making decisions.

The districts claim that the counties are too remote from the community to respond effectively to need. For example, Ogwr states that basing LEAs on district areas will 'make it possible for decisions to reflect local circumstances without the constraint of seeking consistency across the county'. Rhymney Valley point out that remoteness is particularly pronounced in Mid Glamorgan, 'where the County Council's headquarters lie outside the administrative County, in Cardiff'.

All of the counties deny that they are too large to be responsive and some claim that responsiveness is not related to size:

the responsiveness of an authority to meeting local needs is not an issue of size or structure so much as one of planning services around resources, allocating priorities and managing their delivery to ensure effectiveness [West Glamorgan].

The counties also emphasise the importance of strategic responsiveness. For example, Clwyd argues that 'authorities need to be of sufficient size to be able to plan strategically and therefore meet the wide diversity of need within their areas'.

Each side presents credible arguments on responsiveness: the districts claim they are better able to meet *local* need, whilst the counties state that they can respond *strategically* to need. A similar division of responsibilities was one of the principles behind the current two-tier system, and the bids offer no convincing case that this principle is no longer valid.

Community

One of the benefits claimed for the proposed reorganisation is the opportunity it offers to 'make good the mistakes of 1974'. The Welsh Office recognises that 'in some areas of Wales people felt that the authorities created in 1974 were not well related to the communities and areas with which people had traditionally identified'.¹⁹ The consultation paper goes on to state that 'introducing unitary authorities offers an opportunity to take account of local loyalties and traditions'.²⁰ A number of districts welcome the reorganisation of local government for this reason. Glyndwr argued that in 1974 the

reorganisation of local government failed to take proper account of local topography, lines of communication, and traditional loyalties which help shape areas of common interest and community identity.

The joint bid from Preseli Pembrokeshire and South Pembrokeshire pointed out that 'virtually from the outset a "Bring Back Pembrokeshire" campaign had sought to preserve [community] identity'. All districts emphasised the importance of a 'sense of community' for local government. Some argued that it is the most important criterion in the consultation paper. Carmarthen argued that it is the *only* important criterion: 'the new unitary authorities in Wales should be based firmly on the broad community of interest which exists in their areas and *on no other consideration*' (emphasis in original). Other bids such as Delyn argued that

a key factor in the successful management of local authorities is a sense of common purpose . . . In local government such a sense of common purpose is most easily developed if the authority serves an area which has an awareness of place drawing on historical, geographical and socio-economic factors to create a defined community with which residents can identify.

Counties and districts attempted to illustrate that their areas correspond to a 'sense of community' using a number of criteria. Many districts pointed to a long history as a separate unit. Montgomeryshire observed that it had been a county council for nearly 100 years prior to 1974, Ceredigion claimed to have been a unit of distinctive identity for over 1,000 years and Newport claimed 3,000 years of history. The counties made a similar case. For example, 'Gwynedd can boast of a tradition and identity which extends over a period of at least fifteen centuries'. In response to historical claims made by districts in its area, Powys stated tersely that it 'can of course trace its history back much further, but considers the future is more relevant than the past'. Other factors commonly cited by both counties and districts as creating a sense of community were industrial history, employment, road and rail communications, settlement patterns, topography and the proportion of the population speaking Welsh.

Cardiff and Newport surveyed their residents to find out which area they regard as their community: the results show that 69 per cent and 73 per cent respectively identify with the district. The counties argued that the real 'building blocks' of community loyalty are not the districts but community and town councils. For example Gwent envisaged an expanded role for community and town councils, which 'will ensure the re-emergence of the traditional towns and communities of Gwent which were obliterated [*sic*] in 1974. Powys pointed out perceptively that local communities can exist on a number of levels 'ranging from the very local through a more extensive 'Mid Wales' perspective and on to the wider Welsh dimension . . . No organisation is ideally suited to meet these requirements all of the time'. This seems to be the nub of the issue. In some areas a sense of community may be district based, in others county, or community or town council based. In addition, there may be different geographical 'communities' for different services: the 'sense of community' for nursery education is likely to be expressed at a smaller spatial scale than the sense of community for transport planning. In this case a single tier of local government cannot give full expression to the range of community loyalties.

Quality, Economy, Efficiency and Effectiveness

(a) Quality

It may be argued that the best measure of service quality is consumer satisfaction.²¹ In the context of local government reform, surveys of local public opinion could be used to assess views on alternative structures and the relative performance of counties and districts. Few

county or districts bids contained such evidence, which sits oddly with their profusely expressed concern to be 'close to the customer'.

Clwyd's submission was the only county which contained major survey evidence. This bid shows virtually identical levels of consumer satisfaction with county and district services: in each case almost 80 per cent of the local population were either 'very satisfied' or 'fairly satisfied'. Thus the opinion survey does not favour either the county or district case for unitary status. In addition, in a direct opinion poll on the principle of reorganisation in Clwyd only 36 per cent of respondents favoured 'some kind of reorganisation'. The West Glamorgan bid also contains some survey evidence, but on the restricted agenda of the preferred pattern of reorganisation rather than whether there should be any reorganisation at all. The survey found that 70 per cent of respondents believed that a single unitary authority based on the county would be better than two or more authorities based on the districts. None of the district bids compare directly the level of public satisfaction with the services provided by each tier of local government, and only three bids present evidence on public preferences concerning reorganisation. In Cardiff and Newport, 64 per cent and 71 per cent of respondents respectively prefer a single-tier system, and around two-thirds of respondents in each area believe that the district should be the unitary authority. Survey evidence was also included in the Vale of Glamorgan bid: no question was asked on the relative merits of one or two tiers, but if there is to be a unitary authority then 85 per cent of respondents prefer the district to the county.

In sum, there is little evidence to suggest that service quality will be improved by structural reform. The survey evidence provides very limited support for either the counties' or the districts' case for unitary status. Indeed, the consumer surveys in the Clwyd bid indicate a high degree of public satisfaction with the existing structure, and thereby implicitly support the status quo.

(b) Economy

This issue was ignored in the district bids and was hardly mentioned in the county bids. Mid Glamorgan claimed that 'working in efficient collaboration as the Welsh Purchasing Consortium, the four South Wales counties have achieved savings of £15 million over the last seventeen years'. The exact source of this saving of 50 pence per capita was not specified. A little more detail on the source of savings from 'purchasing power' was provided by Gwynedd: 'a large authority is in a position to negotiate better contract prices because of its market power and its ability to assemble larger programmes of work. In highways this

is particularly important for contracts for salt, surface dressing and road markings'. It is to be hoped that arguments for reorganisation extend beyond the price of salt. In addition, such claims of economy lend little support to the counties' case: a consortium of district-based unitary authorities would presumably be able to wield the same purchasing power.

(c) Efficiency and Effectiveness

County and district claims in these areas related largely to the appropriate *size* of authorities. The consultation paper itself contained contradictory statements on this issue. In one section it argued that: 'the principles which guided the creation of the present system of county and district councils in 1974 included self-sufficiency and economies of scale . . . the changing role of local authorities and the decrease in direct service provision have diminished the relevance of these arguments'.²² This implies that an 'enabling council' need not be of any particular size in order to perform well, a theme given great emphasis in the district bids. Nevertheless, some districts did stress that their size is appropriate for the delivery of all local services. For example, Cardiff argued that it is 'large enough to be financially viable' as a unitary authority.

In another section the consultation paper argued that 'unitary authorities based everywhere in Wales on the present districts would in a number of areas produce authorities which were too small to support the effective delivery of the full range of local government services'.²³ This point, which implies that size does matter after all, was seized upon in the county submissions. For example, Gwynedd argued that 'a population of around 250,000 can best support the degree of expertise and ability required for effective, efficient and economic service delivery'. The population of Gwynedd is, coincidentally, around 250,000. Quite where this argument leaves the prospects for unitary status of Powys (population 117,000) or Mid Glamorgan (population 538,000) was not explained.

The counties make three specific claims concerning the impact of size on efficiency and effectiveness. First, only large authorities can take advantage of economies of *scale* in service provision and thereby achieve lower unit costs. The districts respond that small authorities are required for effective service provision. According to Touche Ross, unitary districts will be 'able to achieve greater value for money in the longer term as a result of the benefits and commitment and effectiveness which can result from removing a layer of management and devolving powers of decision nearer to the local community'.

The second county argument on size is that large authorities are required for the effective *strategic* planning of services over a wide geographical area. For example, Mid Glamorgan argued that 'smaller unitary authorities would make the strategic planning and management of highways and transport services virtually impossible'. The districts replied that the current counties are *too small* to be effective strategic units. For example, Cynon Valley argued that the Counties may be 'a redundant level for government – too large for the satisfactory provision of local services, too small for the exercise of strategic functions. Our view is that this is the case in Glamorgan'.

The third county argument is that only large authorities possess the resources required for the efficient and effective provision of *specialist* services. For example, a unitary West Glamorgan 'would be big enough to have specialist staff to support the most vulnerable and needy in the community' and would offer 'a career structure to ensure that quality is maintained'. The counties argued that a large resource base ensures that specialist teams are available to meet locally variable 'emergencies'. The districts claimed that the 'enabling' role of the new unitary authorities means that there will be no need to maintain 'standing armies' of professionals in local government. Instead, expertise can be 'bought in' as required. However, this is assumed rather than demonstrated in the district bids.

The counties' 'counter-punch' to the argument on enabling was that specialist staff cannot be bought in on a satisfactory basis:

the vast majority of local authority services need continuity – policies and projects evolve and there is a continuing need for monitoring, evaluation and adjustment. Buying in services would often have to be done on a continuous basis and this is almost always far more expensive than an in-house service, even after taking all overheads into account. It is also very inefficient. Local government services are complex with many specialists working in teams requiring close co-ordination – buying in expertise makes this way of working impossible [Mid Glamorgan].

Overall, then, both the counties and the districts possess some plausible arguments concerning efficiency and effectiveness, but neither side can claim a clear victory on these issues. It may be that there are scale economies in some services, particularly those with large fixed capital components or specialised facilities. Other services may require a more local focus to ensure effectiveness. If both these arguments are valid then a two-tier structure is more appropriate than a single tier. The counties and the districts agree that strategic planning should be

undertaken across areas bigger than the current districts, and this also suggests that two tiers are required. Finally, the relative costs and effectiveness of 'in house' and contractor supply of specialists is unknown. In the absence of solid evidence on all these issues, it is rash to proceed to a unitary system.

Better Coordination

Advocates of governmental reorganisation consistently claim that 'better coordination' will be achieved. There is no evidence that this happy outcome has ever occurred.²⁴ Nevertheless, both the counties and districts argued that locating responsibility for all functions in unitary authorities would integrate services currently 'shared' between the two tiers, such as planning and economic development, and would improve coordination between social services and housing.

The counties stressed the importance of local authority boundaries which facilitate coordination with other agencies which are organised at the county level. For example, West Glamorgan argued that: 'More than 100 voluntary bodies are set up on a county wide basis. The importance of retaining coterminous boundaries with those bodies should not be underestimated'. The districts responded that they, too, are geographically coterminous with some organisations, and that county boundaries are in any case inappropriate for cooperation with other agencies. Some districts, for example Ogwr and Ynys Mon, noted that while their boundaries are not the same as a health district, they are coterminous with a health 'unit'. Other districts argued that they are the only part of a county which is coterminous with another organisation, for example the Development Board for Rural Wales.

More broadly, the districts argued that county boundaries are an 'artificial constraint' on cooperation with other bodies. For example, Brecon stated that

the creation of locally based unitary authorities is likely to alter perspectives for the better. In our view, too much emphasis is currently focused on the county area as some form of natural boundary. In reality different partnerships are appropriate for different issues. In some cases, we will wish to liaise with Radnorshire to the north, but in others our natural partners will be found to the south and/or west. Freed from the constraints of the county umbrella, such liaisons are likely to prove easier to establish.

Despite these points, the districts recognised that some collaborative machinery will be required for 'strategic' services such as transport,

economic development, police and fire. It was conceded by most districts that these services should be planned across areas wider than the proposed unitary authorities: not, however, at the county level but at the 'sub-regional' level. The Council of Welsh Districts argued that there should be sub-regional fora:

the unitary authorities will establish collaborative fora in North, Mid and South Wales with the task of strategic coordination for regional planning, transportation planning and economic development. Such a forum will bring together all the constituent unitary authorities and the relevant development agencies . . . These fora will not be statutory bodies with statutory responsibilities – responsibility and accountability remain clearly [*sic*] located with the unitary authorities. The fora will be a mechanism for providing guidance and reaching agreements between the unitary authorities.²⁵

According to this plan Wales can expect to be covered not only by flora and fauna but also by fora. The methods by which the fora will 'provide guidance and reach agreements' were not specified by the districts. The counties argued that the creation of joint fora would intensify problems of service coordination. First, there would be a lack of coordination between the separate authorities represented on the fora. Second, coordination between the fora would be difficult and there would be a loss of 'synergy' in service provision.

To summarise, on the issue of 'coordination' the county and district bids provided more questions than answers. Are services poorly integrated in the two-tier structure? Do the current county boundaries inhibit or facilitate cooperation between local authorities and other agencies? How would 'sub-regional fora' formulate policies and make them work? Some evidence on these points should precede structural change.

Removal of Friction

The idea of a 'frictionless' local government structure seems to be the administrative equivalent of 'perpetual motion': if only the right structure can be designed then the process of decision making will flow freely forever. The nature of the current 'friction' between counties and districts is not clearly defined in the consultation paper and the counties and districts pay little attention to the issue in their submissions. Several districts cite examples of good relationships between the two tiers. Other districts oppose unitary authorities based on the counties because their area has been 'neglected' by county policy makers, or local taxpayers have been 'subsidising' other parts of the county:

the County Council's priorities cannot always be tailored to the specific needs of Ynys Mon. It has directed resources to priorities different from those which would have been chosen by the islanders [Ynys Mon].

Dyfed County Council has been required to concentrate activities in raising standards of schools in other parts of the County resulting in under-investment in Ceredigion [Ceredigion].

The disturbing conclusion can be drawn that the Council charge-payers have been subsidising revenue activities in the Cardiff area possibly since 1974 and any county based authority will exacerbate this situation [Vale of Glamorgan].

Friction is not much in evidence in the tone or content of the county bids. Criticism of the districts is mostly restrained, and refers to their 'limited' or 'parochial' perspective. However, the competitive bidding process between the counties and districts has itself generated some friction. This is most clearly expressed in the Powys submission which states that several claims in the district submissions, particularly that of Montgomeryshire, are 'totally incorrect', 'simply untrue' and 'clouded in rhetoric'.

Thus, while the county and district bids contained little evidence of serious friction between the two tiers, the rival claims presented by the two sides may have soured relationships considerably in some areas. It seems unlikely, however, that this is sufficiently serious to render the current structure 'unworkable'.

Greater Administrative Efficiency

In the 1991 consultation paper 'cost savings' were identified from the removal of 'expensive duplication of effort . . . of internal administrative services such as secretariat, legal, finance, computing and personnel departments'.²⁶ Both the counties and the districts claimed to be able to make such savings if they were given unitary status. They also argued that a unitary system will reduce spending by removing duplication in services such as planning and economic development, and by lowering the 'costs of democracy' (elections, councillor allowances and administrative support).

There are four general problems with these claims. First, the idea that savings are available from 'duplication and overlap' implies that some staff in counties and districts do exactly the same job. Neither the county nor district bids provide precise information on the nature of these 'redundant' tasks. Second, a cut in the costs of democracy is not

'greater administrative efficiency': the abolition of either county or district elections removes not only the financial input to local government but also the democratic output. Third, some of the consultants' reports claimed to have separated 'direct service' costs from 'administrative costs' and proceed to calculate administrative savings on this basis. However it is not clear how this separation was effected: the 'administrative' component of service provision is notoriously difficult to isolate because of variations in local accounting practices and differences in the extent of devolution of management responsibilities. Finally, insufficient detail is provided in the consultants' reports to permit a thorough 'audit' of their figures. Some costings appear to be little more than wishful thinking. For example, in their work for the districts KPMG Peat Marwick claimed that:

the creation of a unitary authority will involve the merger of certain departments common to both county and district tiers. We feel it is reasonable to assume that such mergers should be capable of generating savings of 12.5 per cent.

Coopers and Lybrand concluded on behalf of the counties that, compared with the current structure, a single tier of district-based councils would *cost* an extra £45.5m in the first year of operation (including 'transitional' costs) and £24m in subsequent years. By contrast, a single tier of county councils would *save* £1.8m in the first year (allowing for transitional costs) and £13.1m in subsequent years. The districts argued that the balance of financial costs and benefits is strongly in the other direction. The Council of Welsh Districts concluded that a structure of unitary districts would save £50m per annum, thereby creating a gap of £74m between the financial estimates of the consultants employed by the two sides. Despite these ostensibly larger savings, many of the district bids were decidedly defensive on questions of finance. For example, Touche Ross estimated that central and support services constitute around seven per cent of county budgets and that six per cent of these costs might be saved in a system of unitary districts, that is 0.04 per cent of the total budget.

This caution was reflected in a number of district bids, for example according to Carmarthen

it seems wiser to treat all claims to savings and greater efficiency with at least a modicum of scepticism and to concentrate . . . on achieving a structure of local government in Wales based on the Unitary principle and on settled and accepted historic communities . . . in any event Central Government has always the

means at its disposal to ensure that the new authorities will conform to any spending restrictions and efficiency targets which it cares to prescribe.

The counties argued that higher transitional costs will be associated with 20 unitary authorities because of the greater discontinuity in existing structures and processes. By contrast, the districts argued that the counties would incur higher transition costs because of the problems of 'harmonising' the policies of previously separate councils. In addition, Touche Ross argued that the politics of aggregating small councils into large councils would inflate local spending:

in many small districts facing amalgamation in 1974 . . . the old councils, believing that their areas would be overlooked after reorganisation, entered into heavy capital spending commitments with large revenue consequences just before reorganisation . . . The danger of such 'poison pills' being passed from old authorities to new is greater in any system where members and officers of old authorities see themselves as being swallowed up by a new larger unit, and so it is likely that a new system, based on the existing districts, or agreed combinations of districts, inheriting services from the county councils will give rise to fewer problems of transition than if each district feared for its future area in a new county based structure.

Thus the question of 'administrative savings' remains unresolved. It is not clear that a single tier will be any cheaper than two tiers. Leach and Davis argue that the abolition of the metropolitan county councils had little impact on administrative efficiency:

county-district liaison costs have been replaced by inter-district costs. In such circumstances one would not expect to see marked reductions in bureaucracy (i.e. in central support services) and a comparison of the relevant categories in the Manpower Watch data bears out this conclusion.²⁷

In addition, evidence from the USA suggests that the concentration of all functions in a single tier of local units is associated with higher spending.²⁸ Thus to plump for either the counties or the districts as unitary authorities requires a large measure of faith in the estimates of the 'independent' consultants. The safest conclusion is that the financial effects of reorganisation are, at best, neutral. However, to this baseline the costs of transition must be added, as summarised well in Clwyd's submission:

- the loss of continuity through the change in personnel;
- the period of adjustment required to secure new working practices and new co-ordination needs;
- the pre-occupation with issues of organisation at the expense of service delivery;
- the effect on staff morale and on planning as local authorities go through a period of uncertainty;
- the loss of working relationships with other organisations.

III SUMMARY AND EVALUATION

County and district bids for the local government franchise did not fill the 'rationality gap' in the Welsh Office consultation paper: they added some detail and clarity to the arguments, but did not produce much evidence. Neither side dealt a fatal blow to the current structure or, if there must be reform, to their opponents' aspirations for unitary status. Many parts of the bids echo the observations of Beatrice Webb concerning an enquiry into the extension of the boundaries of the Borough of Torquay in 1900:

. . . the reiteration of stock arguments for or against extensions of boundaries in general, such as, 'larger areas mean more efficient administration', or 'a smaller area is more conducive to keen interest' . . . - I felt I could have reeled it all off mechanically if I had just been told on which side I was to plead. As to the evidence it was all of the nature of personal opinions, obviously *ex parte* opinions: no attempt was made to prove the truth or the falsehood of all this assertion and counter-assertion.²⁹

Despite the failure of the process of competitive bidding to produce a clear winner, the Welsh Office intends to proceed with plans for a single tier of local government. In addition, as proposed in the 1991 consultation paper, the unitary authorities will be based largely on the districts. Powys is the only county with a chance of survival. This suggests that the Welsh Office has not only been 'persuaded' of the need for a single tier, but also that it found the districts' arguments more convincing.

It is very difficult to see how this decision could have been reached on the basis of the bids which did not demonstrate that a single-tier system would be better than a two-tier system, using the eight criteria specified in the consultation paper. What unstated reasons might have led the Welsh Office to favour unitary authorities and to prefer a single

tier based on the districts? Several explanations have been offered for previous local government reorganisations in the UK.³⁰

First, reorganisation may reflect the broad ideology of the ruling party in central government. However it is difficult to detect a direct link between 'new right' values and a single tier of local government. New right ideology requires the creation of a local government system which is 'competitive' rather than 'monopolistic'.³¹ A competitive system would prevent 'spatial monopolies' in local service provision by dispersing service responsibilities across several tiers rather than concentrating them in a single tier. Thus, as O'Leary concludes on the demise of the GLC in 1986, 'new right ideology provided the back-up for a generalized hostility to the public sector . . . but no compelling justification for abolition or the specific reorganisation actually undertaken'.³²

A second reason for reorganisation may be the centre's continuing quest for controls on local autonomy. A smaller number of authorities would constitute fewer 'clearance points' in the implementation of central policies. Since 1979 the Conservative government has attempted to curb local autonomy by various methods, including legislation, manipulating grants and capping local taxes. The centre has achieved some of its objectives: for example, the level of direct service provision has been reduced and the use of 'market criteria' of resource allocation has increased. However other objectives have not been achieved: for example, local spending has continued to grow in real terms and the level of local policy diversity has not declined.³³ Thus it may be that the centre perceives fewer local units as the route to greater control.

The search for central control does not, however, explain why unitary authorities should be based on the districts, unless the centre fears the countervailing power of 'large' local units. The reason for the selection of a single tier of units may be the more narrowly partisan interests of the Conservative Party. As Sharpe argues:

when the centre seeks to enact major controversial policy change, it may be faced with a local government system largely in the hands of the opposition party. In such circumstances the centre may be tempted into a structural change. Such temptation will be enhanced if it can also see in that change not only an advantage in terms of getting its own way, but also a party advantage, ie. producing a local authority boundary pattern that improves its chances as a political party of gaining and holding power locally. It would be quite impossible to understand the 3 major structural changes in English local government of 1963,

1973 and 1986 without taking this party political motive into account.³⁴

In Wales at present the Conservative Party holds power in none of the counties and only one district (Monmouth). The Labour party, by contrast, runs five of the counties and 18 of the districts. The establishment of unitary districts would disperse the budgets of the five Labour counties to a mixture of Labour and non-Labour unitary districts. In addition, only ten of the 21 unitary authorities are likely to be Labour controlled, thereby reducing not only the share of local spending in the hands of Labour politicians, but also the strength of the party on the local authority association.

In sum, the reorganisation of local government cannot be explained as a result of the competitive bidding of districts and counties for the local government franchise. Nor is the introduction of a single tier of local authorities consistent with new right ideology. However a system of 21 councils is consistent with the longstanding concern of central government to exercise greater control over local government, and would reduce the power of the Labour Party in Wales. In this sense, reorganisation suits the long-run interests of civil servants and the short-run interests of government ministers. It is this coincidence of 'politically rational' choices that probably explains the pattern of reorganisation, rather than the 'technically rational' criteria outlined in the Welsh Office consultation paper.

CONCLUSION

Competitive bidding has worked as a method of examining the merits of alternative local government structures, but not in the way that the Welsh Office intended. Rather than providing arguments and evidence for change, the bids largely confirmed the strengths of a two-tier structure and highlighted pitfalls of unitary authorities. In addition, the county and district submissions to the Welsh Office contained glowing and detailed accounts of the successful performance of councils in the current two-tier structure. Taken at face value, such accounts provide powerful support for the status quo.

The reform of local government in England and Wales in 1974 has been criticised as a 'gigantic expensive error'.³⁵ However, the broad approach to structure may well have been appropriate: small authorities are required for responsiveness to local diversity and large authorities are required for strategic planning. The arguments about 'scale economies' that underpinned the 1974 reforms may have been incorrect, but the creation of a two-tier structure was probably an

acceptable compromise between the competing criteria for a successful local government system.

This is not to argue that the current districts are small enough to maximise local responsiveness, or that the counties are large enough for effective strategic planning. Nor is it to argue that the division of responsibilities between districts and counties is appropriate. These are issues which an independent commission might have investigated, especially if it could have freed itself from the 'unitary agenda' set by the Welsh Office. In any case, the district and county bids in Wales suggest that a local government system which is responsible for both strategic planning and local responsiveness cannot be flattened onto one tier and still function effectively. A one-dimensional structure does not meet the multi-dimensional requirements of local democracy.

NOTES

1. Welsh Office, *Local Government in Wales: A Charter For The Future* (London, HMSO, 1993).
2. Welsh Office *The Structure of Local Government in Wales* (Cardiff, Welsh Office, 1991).
3. For a detailed account of the reform process in Wales see R. Hambleton and L. Mills, 'Local Government Reform in Wales', *Local Government Policy Making* Vol.19, No.4 (1993), pp.45-55.
4. G.A. Boyne, P. Griffiths, A. Lawton and J. Law, *Local Government in Wales: Its Role and Functions* (York, Joseph Rowntree Foundation, 1991).
5. B. Dente and F. Kjellberg (eds.), *The Dynamics of Institutional Change* (London, Sage, 1988), p.2.
6. See J. Brand, *Local Government Reform in England* (London, Croom Helm, 1974); J. Dearlove, *The Reorganisation of British Local Government* (Cambridge, Cambridge University Press, 1979); L.J. Sharpe, 'Reforming the Grass Roots: An Alternative Analysis' in D. Butler and A. Halsey (eds.), *Policy and Politics* (London, Macmillan, 1978).
7. F. Kjellberg, 'Local Government and the Welfare State: Reorganisation in Scandinavia', in Dente and Kjellberg, *The Dynamics of Institutional Change*, pp.44-5.
8. Welsh Office, *The Structure of Local Government in Wales*, para.1.6.
9. *Ibid.*, para, 2.5.
10. G.A. Boyne, 'The Reform of Local Government in Wales: A Critique Of The Case For Unitary Authorities', *Public Money and Management*, Vol.12, No.4 (1992), pp.49-52.
11. All of the counties employed Coopers and Lybrand Deloitte. Many districts employed Touche Ross, KPMG Peat Marwick or CSL Associates.
12. The analysis in the text is based on all of the county and district bids. Examples are taken from specific bids to highlight general arguments, not to praise or criticise particular councils. The bids are public documents and copies are available from individual authorities.
13. Welsh Office, *The Structure of Local Government in Wales*, para.4.2.
14. S. Leach, 'Accountability in the post-Abolition Metropolitan Government System' *Local Government Studies*, Vol.16, No.3 (1990), pp.13-31.
15. Welsh Office, *The Structure of Local Government in Wales*, para.2.5.

16. Ibid., para.2.3.
17. Ibid., para.2.1.
18. Ibid., para.3.5
19. Ibid., para.2.6
20. Ibid., para.7.6.
21. K. Walsh, 'Quality and Public Services' *Public Administration*, Vol.69 (1991), pp.503-14.
22. Welsh Office, *The Structure of Local Government in Wales*, para.2.1.
23. Ibid., para.4.2.
24. L. Salamon 'The Goals of Reorganisation', *Administration and Society*, Vol.12 (1981), pp.471-500; C. Pollitt, *Manipulating The Machine* (London, Allen and Unwin, 1984).
25. Council of Welsh Districts, *The Structure of Local Government in Wales* (Cardiff, Council of Welsh Districts, 1991), p.25.
26. Welsh Office, *The Structure of Local Government in Wales*, para.2.2.
27. S. Leach and H. Davis 'Impact of The Abolition of The Metropolitan County Councils', *Local Government Studies*, Vol.16, No.3 (1990), pp.1-11.
28. G.A. Boyne, 'Local Government Structure and Performance: Lessons From America?' *Public Administration*, Vol.70 (1992), pp.333-57.
29. Cited in Dearlove, *The Reorganisation of British Local Government* p.21.
30. See Dearlove, *The Reorganisation of British Local Government*; B. O'Leary, 'Why Was The GLC Abolished?', *International Journal of Urban and Regional Research*, Vol.11 (1987), pp.193-217; L.J. Sharpe, 'Local Government Reorganisation: General Theory and UK Practice', in Dente and Kjellberg, *The Dynamics of Institutional Change*.
31. G.A. Boyne, 'Local Government in the UK and the USA: From Monopoly to Competition?', in G. Jordan and N. Ashford (eds.), *Public Policy and The Impact of The New Right* (London, Clarendon, forthcoming).
32. O'Leary, 'Why Was The GLC Abolished?', p.208.
33. G.A. Boyne, 'Central Controls and Local Autonomy: The Case of Wales', *Urban Studies*, Vol.30 (1993), pp.87-101.
34. Sharpe, 'Local Government Reorganisation: General Theory and UK Practice', p.131.
35. Sharpe, 'Reforming The Grass Roots: An Alternative Analysis', p.83.

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Policing Structures and Public Accountability in Northern Ireland¹

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IVAN TOPPING**

INTRODUCTION

When the violence of the late 1960s drew the British government more deeply into Northern Ireland politics, one of the first areas for investigation was law and order, and in particular various aspects of the role and governance of the Royal Ulster Constabulary (RUC). The differing relationship between the police and both communities in Northern Ireland was the subject of considerable and heated debate. In August 1969, a specific enquiry into policing in Northern Ireland was set up. The Report of the Advisory Committee on Police in Northern Ireland (generally known as the Hunt Report after its chair, Lord Hunt) was published in October 1969 and recommended important reforms. These included a proposal to demilitarise the RUC, as well as changes in the organisation of the force, with a view to bringing the rank and organisational structures into line with those of English forces. Among other specific proposals were the creation of a new part-time security force to replace the former part-time police force, (the Ulster Special Constabulary [USC]), and a Police Authority representative of the whole community. The various reforms were embodied in the Police Act (Northern Ireland) 1970, modelled on the Police Act 1964, which had reformed the system in England.

The focus of our concern here is the governance of the RUC. As we shall see, the system Hunt proposed has remained intact. Not unnaturally, it has been subjected to stresses and strains by the events of the past 24 years. This has been recognised by the government, which, in May 1994, published a consultative paper, 'Policing in the Community', which offers proposals for reform, proposals which are designed to enhance accountability. The situation has become more intriguing by the ceasefire announcements of the major paramilitary groupings in Autumn 1994.

This paper will explore the operation of the Hunt system and examine

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the proposals contained in 'Policing in the Community', particularly in the light of the peace process. We will begin, however, by discussing the concept of accountability and its relevance to policing, followed by a description of the context in which policing has taken place in Northern Ireland.

ACCOUNTABILITY

Accountability has been described by Day and Klein² as a slippery, ambiguous term. The term is obviously related to notions of responsibility, of being given responsibility for and justifying the performance of certain services. Ranson³ argues that 'to be accountable is to be "held to account" but also to "give an account"'. These elements reveal the distinctive social characteristics bound up in the accountable relationship: relations of control but also of discourse'.⁴ If A is accountable to B for X, then he/she has to give an account (control) but also is afforded the opportunity to explain, and/or justify their actions (discourse).

There are a number of implications in this definition. For the discourse to be meaningful, B must have relevant and appropriate information, either secured independently or supplied by A. Further, holding to account also involves the application of sanctions if the account is not satisfactory. Dunsire⁵ argues that

the answer when given, or the account when rendered, is to be evaluated by the superior body, measured against some standard or expectation, and the difference noted; and then praise or blame [*sic*] are to be meted out or sanctions applied. It is the coupling of information with its evaluation and application of sanctions that gives "accountability" or "answerability" or "responsibility" their full sense in ordinary organisational usage.

In addition accountability is linked to clarity of responsibility. We ought to be clear on the topics over which accountability is being exercised. A problem may well occur when the set of issues for which A holds B accountable is only a subset of B's activities. B may seek to confuse the accountability relationship by arguing that what A is concerned about is not within the accountability parameters.

Complications may arise also if B is accountable to bodies other than A: C for example. In such a case it should be clear which set of B's activities relate to each. It is easy to devise further and common complications, with A being responsible to C for a subset of B's activities, while B is directly responsible to C for another subset. Clarity in accountability relationships is important.

ACCOUNTABILITY IN POLICING

The institutional arrangements for ensuring accountability vary. Day and Klein wish to challenge the notion that accountability is a concept which can be analysed or discussed outside the context of specific services. Rather the historical, cultural and organisational characteristics of specific services and their delivery may be at least as important as their formal political institutions and managerial structures.⁶ This is clearly true as a prescriptive statement, though we may need a normative framework to evaluate the extent to which the mode of accountability is satisfactory.

The traditional system of accountability in policing in the United Kingdom is what Marshall⁷ has called 'explanatory accountability', that is, chief constables are required to explain their actions to police authorities. Day and Klein comment that this concept of accountability owes much to creating trust and confidence. The giving of account is significantly more important than the holding to account. Indeed the latter is almost non-existent.

Part of the problem is that, whilst the police authority has a responsibility to 'secure the maintenance of an adequate and efficient police force',⁸ chief constables claim autonomy over operational matters, and it is they who determine what these are. Hence, Loveday⁹ argues, this 'ensures that at most there can only be an *ex post facto* inquiry into the policing strategies [a chief constable] adopts on any operational issue'. Thus, evidence suggests that police authorities provide retrospective accountability and tend to be largely passive, accepting the dominant role of the chief constable.

Further, the subset of activities in which a police service engages and which is subject to the police authority's accountability is being altered. Both PANI and the authorities in England will have a duty to secure the provision of an efficient and effective police force. The inclusion of the term 'effective' has important implications. Loveday¹⁰ describes how most police authorities have defined 'efficient' to cover such issues as finance and manpower. The inclusion of effectiveness suggests that they will be concerned with wider policy issues. Nevertheless the key limiting factor of police authorities' accountability remains the operational independence of chief constables.

In addition, the complicating factor of multiple accountability occurs. In addition to the police authority, the chief constable is accountable to the Home Office, which provides 51 per cent of the funding. This has introduced further confusion into the accountability of chief constables, with arguments being advanced that there is a shifting locus of dominant control. One of the objectives of the tripartite structure was to ensure the provision of a local, rather than a national, service. Nevertheless, Morgan

suggests that, at best, local police authorities are consulted about policy and that we no longer have 'local police forces locally accountable, but a national police force locally administered'.¹¹

These then are the British traditions of police accountability. It is a system with complicated accountability relationships. Further, there are different structural forms in which these ideas have appeared in different parts of the UK. The police authority could be made up composed of nominated members accountable to the minister (as in Northern Ireland). Alternatively, the authority might consist of local politicians accountable to the local electorate. Again a mixed mode system might exist, with some combination of appointees and locally elected politicians, as in England and Wales. These alternatives, to repeat Day and Klein's point, owe much to specific conditions in different parts of the UK, in particular, the resolution of the tension between the appropriate division between local and central accountability. And the position is changing as various reforms are being put forward and it is to this issue that we now turn. We will examine policing in Northern Ireland and consider the nature and quality of accountability provided by its governance, the tensions it faces and how, if at all, the government's proposals will ameliorate them.

POLICING IN NORTHERN IRELAND

Central to the Hunt Report was the premise that the RUC would become a civilianised police service in the manner of the English police forces. As Sir Kenneth Bloomfield – former head of the Northern Ireland Civil Service – remarks 'It was as if the RUC could, by an act of political will, be made into an English police force at a stroke'.¹² However, Northern Ireland is not an English county, but a deeply divided political community, with a substantial history of disorder.

Given the political violence which Northern Ireland experienced over the past 25 years, the issue of policing inevitably has been contentious. At times both sections of the community have been critical of the security forces in general and the RUC in particular. The political conflict in Northern Ireland is rooted in a clash over political allegiances, with the Roman Catholic minority (in general) wishing to see a united Ireland, while the Protestant majority seek to maintain the link with Great Britain. As a consequence the minority population, in varying degrees, saw the RUC, and more particularly the USC, as the armed wing of unionism and, hence, distrusted the force. Further, the history of the past 25 years contains a number of incidents which have generated enormous controversy¹³ and it is likely that the RUC will not be fully accepted within the Nationalist community for some time.

The problem is reflected in the continuing disparity in the religious composition of the RUC, with a substantial under-representation of Roman Catholics, both in regard to those who are members of and those who seek to join the force. The population at large is approximately 60 per cent Protestant and 40 per cent Roman Catholic. The original intention was that one-third of the RUC should be Catholic, but this was never realised, because of 'the minority's refusal to endorse the force and .. the political influence to which the force was subjected'.¹⁴ Currently Roman Catholics represent only eight per cent of the members. Despite efforts within the legally permissible parameters of anti-discrimination legislation, the Fair Employment Acts, a recruitment policy designed to encourage a greater number of Roman Catholic applicants has not achieved more than modest success, and the disparity remains as a continuing problem.

Nevertheless, as Topping¹⁵ argues, there is little doubt that the RUC have become much more sensitive to community relations and have made efforts to distance themselves from politicians of both communities. For obvious historic reasons this has not been an easy route for the force.

The political violence which broke out in the late 1960s and early 1970s frustrated the implementation of a number of Hunt's recommendations. For example, after flirting, between 1970 and mid 1971, with being an unarmed service, the RUC gradually reverted to being an armed service (although the policy of the Police Authority for Northern Ireland, that the RUC would become an unarmed police force, remains intact). Other proposals, including the reorganisation of the rank structure and the establishment of the Police Authority for Northern Ireland, were successfully implemented.

Hunt also initiated the 'two guiding principles which have been officially endorsed by successive Chief Constables ever since, even if not always practised on the ground to the same extent: autonomy from local political pressure and police professionalism'.¹⁶ Thus, despite some internal unease,¹⁷ the RUC refused to associate itself with the Unionist protests against the Anglo-Irish Agreement, facing down the Unionist community in a number of public order confrontations shortly after the signing of the agreement. This meant that in addition to the traditional hostility afforded the RUC in many republican areas, loyalist areas were also becoming resentful of the police.

Since the Hunt Report, the RUC has undergone a radical transformation, increasing in size from approximately 3,200 officers to a current establishment figure of over 12,000 officers with an annual budget which, in 1993/94, was approximately £600 million. In relation to the area which it serves, it is large by comparison with other UK forces – the ratio of police officers to civilian population is 1:143 as opposed to 1:411 elsewhere in the UK. Most importantly, the RUC has been central to the anti-terrorist

campaign, at least since the Ulsterisation policy introduced by Merlyn Rees in 1976.

The fractured ceasefire by the main paramilitary groupings brought to the fore debate about the role and accountability of the RUC. Both the main Nationalist political parties – the more moderate (and larger) Social Democratic and Labour Party (SDLP) and Sinn Fein (the political wing of the IRA) – have argued that the RUC will need to be reformed if they are to become fully acceptable to the minority community. Proposals from changing the name and insignia to more radical changes have been advanced, with Sinn Fein suggesting the abolition of the RUC. For example, Seamus Mallon, SDLP spokesperson on security, argued at one point that the RUC should be spilt into four with greater community control.

Senior police officers have rejected these proposals, partly because they argue that they are premature in that the peace process has floundered, partly because changes may be seen as a betrayal of dead and injured police officers and partly because they argue that the RUC already enjoys substantial support within the minority community. This is a debate which will grow in intensity, assuming a developing peace process. It is unlikely, nonetheless, that an overall settlement would not involve changes in the structure and management of the RUC.

An important part of the debate are the mechanisms of governance of policing. The government have put back any legislation until at least the next parliamentary year. Further, the ex-chair of PANI (David Cook), who was appointed in July 1994 but who resigned in April 1997, sought to encourage debate about both the role of PANI and the nature of the police service in Northern Ireland. In addition, after some initial hesitation, the chief constable also has argued for a commission to examine policing. All this has come on foot, not only of the ceasefires, but of the government offering its suggestions for reform of the existing mechanisms for ensuring police accountability.

ENSURING THE RUC'S ACCOUNTABILITY

As a result of the Hunt Report, the Police Authority for Northern Ireland (PANI), the Chief Constable and the Secretary of State for Northern Ireland are the main actors involved in the overall management of the RUC. The formal relationship between these actors has remained largely intact since 1972 (when the Office of the Secretary of State was created) despite the political turbulence and the consequent changes in the RUC, and as we shall see, there were a number of pressures building up for change.

Hunt argued for 'some body, representative of the community as a

whole, to which he [the chief constable] can be accountable, and through which the wishes and fears of the community can be expressed'. Section 1 of the 1970 Act established the authority as a body corporate vested with the duty 'to secure the maintenance of an adequate and efficient police force'. Its powers, like the role of the chief constable, were modelled on police authorities in England and Wales, carrying forward Hunt's concept of remodelling the RUC along English lines. PANI's principal roles are to provide support for the RUC and to reflect the wishes of the community regarding policing matters. The authority is responsible for carrying out several specific activities, including determining the size of the RUC, providing and maintaining all buildings, equipment and supplies necessary for police purposes, keeping itself informed as to the manner in which complaints¹⁸ from members of the public are dealt with by the chief constable maintaining financial and budgetary control of police service expenditure and appointing senior officers of the force. The police authority is wholly funded by a block grant from the Northern Ireland Office.

The authority consists of a chair, a vice-chair and between 14 and 20 members, all appointed by the Secretary of State for Northern Ireland. Unlike police authorities in England it has no elected members. Whilst efforts have been made to ensure that the authority is representative of the community at large, this has been difficult to achieve in practice, exacerbating the difficulty of ensuring proper accountability. Under the 1970 act, the Secretary of State is required to consult with various interest groups prior to appointment of members of the authority, but both the SDLP and the Northern Ireland Committee of the Irish Congress of Trade Unions (the trade union representative body) have refused to become involved in the process of putting names forward for consideration for appointment, though recently a SDLP councillor accepted appointment to membership of PANI, drawing anger from senior party figures. Consequently, there have been difficulties in ensuring that the membership of the authority fulfils the statutory requirement of establishing a body which is 'as far as practicable ... representative of the community in Northern Ireland'.

All members of the authority were considered 'legitimate targets' by the IRA, who have murdered two and issued threats against others, causing resignations. For reasons of security the work of the authority remains largely secret, with the public (and press) excluded from meetings. Hence, there is little public knowledge of what actually goes on in meetings. In addition, the names of those involved with the authority are not publicly known, though the previous chair of the authority (David Cook) and one member (Chris Ryder) adopted a more public profile, something which may have contributed to their demise and dismissal from the authority. Further, the names of a number of committee chairs were included in the current triennial report.

Despite these developments, the existence of both factors created doubts about the ability of PANI to be accountable to the community in Northern Ireland. Further the understandable secrecy reduced PANI's ability to hold the chief constable to account. There is evidence that chief constables have exploited the inability or refusal of PANI to go public to bypass them over certain matters, leaving some members of PANI frustrated.

The 'direction and control of the RUC' is the statutory responsibility of the Chief Constable of the RUC, who is thus not subject to direction on operational matters either by the Secretary of State or the Police Authority. This was robustly articulated by the current Chief Constable, Sir Hugh Annesley, in a letter to the Independent (25 August 1994), when he declared that 'none of the Secretaries of State with whom I have worked have ever interfered, either directly or through any third party, in what are properly operational decisions'.

The Secretary of State has overall responsibility for security policy. This involves not only dealing with the RUC but also the army GOC in Northern Ireland. The Secretary of State is empowered to require that the RUC be inspected by Her Majesty's Inspector of Constabulary (HMIC), who now provides an annual report to the Secretary of State on good practices and areas of concern, as well as making recommendations for improvements. Since 1993, such reports are published.

The Secretary of State has responsibility for the Northern Ireland public expenditure block, part of which goes to fund the RUC. A number of responsibilities are consequent on this. The Secretary of State approves the level of expenditure on policing and any increase in numbers of police officers. He also makes regulations which govern the pay and conditions of service of police officers.

The permanent secretary at the NIO acts as the accounting officer for the police authority. The NIO has the task of ensuring that the police authority spends its funds in an appropriate manner.

The tripartite relationships have been described in a Northern Ireland Office memo as 'simple and complex, formal and informal, direct and indirect, and single and multiple, and vary in accordance with the nature of the role or function involved'.¹⁹ The relationships also have been tense, with the tripartite structure the subject of a number of internal reviews. Securing the proper balance between the authority, the chief constable and the Secretary of State/Northern Ireland Office has never been easy, with some disputes surfacing in the public domain. Further, as we have argued above, the violence, while increasing the need for adequate accountability mechanisms, has contributed to the ineffective operation of the system. All of these factors, together with the reform of police authorities in the rest of

the United Kingdom, persuaded the government to examine the arrangements for accountability of the RUC.

CRITIQUE OF THE HUNT ARRANGEMENTS

It has been an open secret within Northern Ireland that relations between the chair of the police authority and the chief constable have not always been harmonious. Indeed, David Cook indicated that he thought that the tension between the RUC and the police authority was inevitable. 'The issue is not whether there is tension but whether that tension is used constructively to advance the development and improvement of policing in the society in question'.²⁰ An example is the use by PANI of legal powers to compel the chief constable to provide detailed information about the religious and gender make-up of the RUC. Senior police sources claimed that this 'legal tactic was "quite unnecessary"'.²¹ The same report indicated that the chief constable regarded the authority as consisting of well-meaning amateurs. In January 1995, a further dispute broke out, with the chief constable proclaiming the need for a commission to investigate policing in Northern Ireland in the *Sunday Times*²² three days before the police authority announced a widespread consultation about the role and structure of the RUC. Finally both Cook and Ryder were forced out of the authority, partly it must be said because of conflict with other members, over both the role of the RUC and the authority.

While the poor relationship has been put down to personalities, our view is that, while this undoubtedly been important, there are a number of structural factors which have contributed significantly to this state of affairs. The uncertainties in defining clearly the administrative responsibilities between PANI and the chief constable always were liable to present major difficulties, particularly given the political violence. The assertion made by Weatheritt²³ that 'the relationships between the three parties who have a role in policing are ambiguous, largely because the Police Act failed to define key terms and relationships and was similarly vague on the nature of the distinction between the responsibilities of the three parties to it, and on the rights and duties of each' accurately defines the position in Northern Ireland. A more critical comment by Lustgarten – that the tripartite structure (in Britain) is 'an ill woven patchwork of central and local control, with some powers overlapping, others ill-meshed and the resulting fabric full of holes' – might also apply.²⁴

Two issues are at the heart of the problem, first, the divided responsibility over resource allocation and, second, the PANI's community role. The police authority is charged with ensuring that the police has

adequate resources and the chief constable with operational matters. Yet it is almost impossible to separate out the two matters. A chief constable's direction and control of his/her force clearly require decisions about resource use. Another twist to the saga is that the RUC has to make a case to PANI for equipment and other resources. The chief constable then relies on PANI to make a case to the NIO and Secretary of State, given that PANI has no independent sources of funding. The temptation for the chief constable is to see PANI as, at best, a cipher for the NIO and, at worst, irrelevant. In addition, the civilians who work with the police are employees of the authority and the RUC feel that such civilians have divided loyalties.

The inevitable resultant tension can be minimised if there are very good personal relationships between the chief constable and the chair of the authority. To quote Weatheritt 'the extent to which advice is offered and is seen to have legitimacy and authority depends very largely on the particular working relationship between an individual chief constable and his police authority'.²⁵ There is substantial evidence that this is indeed what happens with many of the police authorities not seeking to challenge chief constables. And it is clear that under certain chairs PANI had such a relationship with the chief constable. Introducing greater clarity of roles may be a more acceptable alternative.

With respect to the community role that PANI should play, there are a number of difficulties. As we have explained, the political violence has affected PANI in a number of ways. The understandable secrecy over membership cast a cloud over the authority's community role, as did the refusal of minority political representatives to participate. In addition it is very difficult to determine the views of either community in a situation of political violence. Further, the communities are likely to hold strongly differing views, with members of the minority community – particularly in certain areas – more inclined to see the RUC as part of the problem rather than the solution. And in any case the ability of PANI to ensure that the police take on board its judgement about community interests is limited. Opposing the chief constable on security matters is liable to be futile in that the political costs of opposing the senior professionals on policing are, given the violence, high.

In addition, it is clear that the chief constable regards the RUC as having clear and substantial links to local communities that are at least as good any information the PANI would have. Further there is now established a network of community police liaison committees, which provide a means of encouraging local consultation. And the chief constable has made clear²⁶ that he believes that PANI's function in seeking the views of people at local level about how the RUC police is in consultation with him. All of this raises doubts about the community role of PANI and indeed if the chief

constable's views are carried through logically questions whether there is a need for an authority.

Taken both considerations about resources and community accountability into account, it is not surprising that the result is that the PANI is likely to find itself relegated to a minor role, something which is very frustrating to authority members. Senior police officers, on the other hand, are liable to see PANI as an irritating irrelevance. Clearly it is a recipe for 'tension', to quote David Cook.

The consultation paper recognises these difficulties. 'Responsibilities for police finance, for security and for community issues are dispersed between the three elements of the structure. This entanglement of responsibilities leads to uncertain lines of accountability, It can also lead to slow decision making and a wasteful duplication of resources'.²⁷

POLICING IN THE COMMUNITY

The government reacted to the above criticisms by producing a consultation paper, 'Policing in the Community'. In this it indicated that it was 'committed to the continuance of a tripartite structure of policing'.²⁸ Nevertheless, it concluded 'that substantial improvements can be achieved in the effectiveness and responsiveness of the arrangements for policing in Northern Ireland by strengthening and clarifying the tripartite structure'²⁹ and defining the responsibilities and basis of accountability in statute.³⁰

The Secretary of State will continue to be responsible for security policy, the provision of resources and the statutory framework for the delivery of policing, and will, in consultation with the chief constable, establish and monitor overall objectives for policing in Northern Ireland. In addition the Secretary of State will continue to appoint the members of the police authority and approve the appointment by the police authority of senior police officers.

The White Paper indicated the roles it sees the police authority playing. These are to represent the community to the RUC, identify the community's priorities for policing within available resources and hold the RUC to account for an efficient and effective delivery of these community objectives.³¹ However, it will not have responsibility for determining security policy objectives or related matters.³² More specifically a new police authority will have a statutory responsibility for establishing, in consultation with the chief constable, objectives for the provision of police services to the community. Additionally, it will monitor the performance of the RUC in meeting its objectives against the resources provided, and 'ensure that the RUC is fully accountable to the community'.³³ Paragraph 5.5 clarifies this in two respects. The police authority will hold the chief

constable to account for the quality and delivery of 'community policing services in Northern Ireland' and advise the Secretary of State on policing affecting the community. It will consult in the community and build on the work of community police liaison committees, keep itself informed of the operation of the complaints process and publish an annual report.

Finally paragraphs 1.6 and 5.6 outline the role of the chief constable. His/her operational independence will continue to be safeguarded in statute, and he/she will have full responsibility for the provision, maintenance and efficient management of the resources provided for meeting the objectives set by the Secretary of State and the authority. This proposed arrangement gives her/him more control over police resources 'so as to ensure their most effective deployment in the delivery of policing services, in line with objectives set by the Secretary of State and the Authority'.³⁴

The government argues that this structure is clearer and hence will provide for more effective policing arrangements, as well as ensuring a more accountable and responsive police service. The claim is that the reformed structure will clarify and reduce the overlap between the respective roles of the three main actors.³⁵ Paragraphs 5.8 to 5.13 indicate how the government thinks this will happen. In paragraph 5.10 there is an attempt to define the relationship between the objectives and priorities setting roles of the Secretary of State and the authority. The former will relate to overall province-wide policing objectives, including those concerning security policy. The police authority's objectives will relate to particular objectives identified by communities throughout Northern Ireland and may or may not be province-wide. While many communities are likely to have concerns additional to the security problems, it is absolutely certain that these will be a major issue. It is difficult to see the distinction between the two sets of objectives, except that they originate in different places and may for that reason be different. In the event that they differ or that the authority and chief constable cannot agree, the Secretary of State 'will need to (resolve)'³⁶ the issue. Hence accountability continues to be clouded, as it will be difficult to determine where responsibility lies.

The position is likely to be greatly affected by the peace process, assuming it continues. Two points may be made. First, security issues will diminish in significance, though are not likely to cease entirely, even on the most optimistic scenario. For example, marches which are perceived to be sectarian will continue to provoke problems. Second, there is no doubt that reforms in policing will take place and these will involve a greater degree of accountability to the community, though a major limit on any reforms will be the operational autonomy of the chief constable. Despite criticisms of this doctrine, it is unlikely to be challenged.

The chief constable will prepare an annual costed plan which is

presented to the police authority for endorsement. What happens if the police authority does not endorse, or wishes to query, the chief constable's plans? The issue is crucial as the White Paper tells us that this costed police plan 'will form part of the RUC's accountability to the Police Authority and also to the Secretary of State'.³⁷ The RUC will provide regular reports to the police authority and to the Secretary of State on the achievement of the plan and on the deployment of resources under it. The police authority will discuss these reports with the chief constable in respect of its objectives, and seek such further information from the chief constable in respect of his decisions as is relevant to its functions. This annual costed plan will be published, as will the report of HMIC to the Secretary of State on the efficiency of the police service, subject to any security excisions. The provisions for this local policing plan and the annual report to assess the extent to which the plan is implemented could, in theory, improve the accountability of the police service. The information could be used by the public to hold the police authority to account and through the police authority to hold the chief constable to account.

However, accountability involves not just the provision and evaluation of information but also the possibility of the application of sanctions. Whilst PANI (and the public) will be able to use the police plan to assess how well the RUC is meeting its objectives, neither group will be able to impose any sanctions if they are dissatisfied with that information. In any case, the ability to impose sanctions does not guarantee accountability. Day and Klein,³⁸ for example, suggest that the inability to control service providers is a feature of both elected and nominated authorities and that it is this lack of control which is the 'missing link of accountability'. Performance indicators may help to overcome this problem if it is the politicians and public who control the language of evaluation. The role of PANI and the community in identifying objectives is therefore crucial. To improve accountability the information provided must be relevant and meaningful to citizens, politicians and the service providers. This may occur as a result of debate and dialogue about the appropriate indicators.

COMPARISONS WITH DEVELOPMENTS IN BRITAIN

The particular circumstances of Northern Ireland obviously mean that accountability arrangements will be different to those in England and Wales. The English system is also undergoing change, with the Police and Magistrates Act coming into force in April 1995. In the earlier system in England the local authority members made up two-thirds of the police authority, the remainder being magistrates. Although complex, there was, in theory at least, some element of democratic accountability through the local

authority members. The system is, however, complicated, in that in many areas police authorities operate on a joint board basis.³⁹ In contrast, the arrangements for the appointment of members to PANI provides a clear example of accountability to the centre. The general public cannot hold police authority members to account – indeed, as stated earlier, they do not know who most of them are. However, Day and Klein⁴⁰ have pointed out, using the examples of a water authority and a health authority, members may *feel* accountable to the community, and undoubtedly there is some validity in this with respect to PANI members.

It is interesting to note that, while the current system in Northern Ireland is based on the English model, the learning process may not be entirely one way. Loveday suggests that the PANI was 'identified as a model which might have some general applicability on the mainland'.⁴¹ The reforms suggested by the then Home Secretary, Kenneth Clarke, involved altering the composition of police authorities, reducing the number of local authority representatives and including a number of nominees of the Home Secretary, one of whom would be chair. Magistrates would make up the remainder of the authority.⁴²

In fact this model has been resisted. After amendments in House of Lords local authority members will now make up the majority in the police authority, and authority members will be free to choose their own chair. They will also choose the other members from the Secretary of State's short-list.

The act details details of the roles and responsibilities of the authority, the chief constable and the Home Secretary. These resemble those suggested in Northern Ireland. The powers of the authority include setting local policing objectives, which must be consistent with the objectives set by the Home Secretary.⁴³ Chief constables will prepare an annual costed plan to be endorsed by the authority, though the authority may issue one that is different, after consulting with the chief constable.⁴⁴ The authority will implement fixed-term appointments for both chief officers and newly appointed chief constables. In addition it will produce an annual report, and may call for reports from the chief constable when it feels this is necessary.

CONCLUSIONS

Assuming that a political settlement is reached, the first question which needs to be asked is whether the authority will survive. Could the chief constable not answer directly to a minister of home affairs in an agreed government? While this is possibility, it is unlikely in the near future (though interestingly is the model in the Republic of Ireland). The strong fear within Northern Ireland of the need to ensure that the police are not

subject to direct political pressure will almost certainly guarantee the continued survival of the authority in some form for the foreseeable future. The 'Policing in the Community' proposals, broadly accepted by the government in April 1996, will tidy up some of the administrative confusion and make the management of the police more sensible in that the RUC will become directly responsible for the use of their resources. It also offers serious challenges to both the PANI and the police. The authority will have to adopt a different role, acquiring what might be described as a policy analytic function. The RUC will take on new managerial tasks, for which one wonders how well equipped they are (though undoubtedly they have made major strides in recent years).

The remaining question is whether the new proposals will enable the reconstituted police authority to ensure that the community's wishes are detected and included in the RUC's strategic plan. While the consultation paper indicates that this is a key role for the authority, it says nothing about its composition nor what facilities it will have available to undertake these tasks. The change – if permanent change it be – in the overall security situation is likely to assist the authority in discharging its task, as the dominance of security considerations give way to more normal policing. It is clear that almost everyone is concerned to redefine the relationship between the police and both communities, particularly the minority community. A recast PANI is therefore likely to be in a better position, compared with either the past, or indeed the wider British experience, to influence police strategy. However their role will be greatly influenced both by the wider political situation, which gives increasing cause for concern, and the attitude by the newly appointed chief constable. Certainly the experience of those such as David Cook indicates a powerful conservatism understandable in the existing political context of Northern Ireland.

NOTES

1. This paper owes much to Kieron Walsh to whose memory it is respectfully dedicated. Kieron sought to encourage our interest in the governance of Northern Ireland, believing, as we do, that it has important implications for the rest of the UK. For that and much else we are profoundly grateful.
2. P. Day and R. Klein, *Accountabilities: Five Public Services* (London: Tavistock, 1987), p.26.
3. S. Ranson, 'Towards a Political Theory of Public Accountability in Education', *Local Government Studies*, Vol.12, No.4 (1986), pp.77–98.
4. *Ibid.*, p.78.
5. A. Dunsire, *Control in a Bureaucracy: The Execution Process*, Vol.2 (Oxford: Martin Robertson, 1978), p.41.
6. Day and Klein, *op. cit.*, p.55.
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17. Topping, *op. cit.*
18. It should be noted that police complaints are dealt with by a separate process, involving the Independent Commission for Police Complaints for Northern Ireland (see Topping, *op. cit.*).
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21. *Ibid.*, 14 Nov. 1994.
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26. For example on the Ulster Television programme 'Counter Point', 12 Jan. 1995.
27. Northern Ireland Office, *Policing in the Community: Policing Structures in Northern Ireland* (Belfast: HMSO, 1994), para.4.7, p.8.
28. *Ibid.*, para.1.3.
29. *Ibid.*, para.1.5.
30. *Ibid.*, para.1.6.
31. *Ibid.*, para.5.5.
32. *Ibid.*, para.5.5.
33. *Ibid.*, para.1.6, p.2.
34. *Ibid.*, para.5.6, p.10.
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Accountabilities

Jennifer Law

AIMS

This chapter will:

- explain the meaning of accountability;
- examine the distinctions between accountability in the public services and in private organisations;
- identify four traditional models of accountability – political, managerial, legal and professional – and examine some of the evidence concerning their effectiveness;
- assess some of the changes in accountability brought about by the 'New Public Management'.

INTRODUCTION

Accountability is a complex, multidimensional concept. Accountability operates in all environments, including the political arena, the public services and the private sector.

In the political arena accountability has been of significance in the United Kingdom in recent years. One of the primary causes for concern has been the growth of quasi-governmental agencies, with concomitant disquiet about their conduct and accountability. The controversy surrounding these organisations is not new, but was fuelled by scandals affecting organisations such as the Welsh Development Agency which was found to have misused £2 million on staff 'perks' (Public Accounts Committee, 1993). However, concern about accountability has not been limited to un-elected bodies. There is also a long-standing debate about the accountability of both central and local government, and there are suggestions that there is an 'impending crisis in accountability' (Stewart, 1992). Recent scandals have also affected central government, such as the 'brief entanglement' of the provision of aid to the Pergau Dam scheme (in Malaysia) with arms sales, and the investigation of the 'Arms to Iraq affair' by Mr Justice Scott. These have increased disquiet over the standards of conduct in public life. The Nolan Committee was appointed in October 1994 as a response to this and set out seven principles for public life. These were selflessness, integrity, objectivity, openness, honesty, leadership and accountability. The extent of the problem of accountability is indicated by the wide remit of the committee, which covers central and local government, health authorities, housing associations and grant-maintained schools.

Accountability operates in a variety of ways throughout the public services. For example, professionals such as doctors are accountable to their professional association, and local government managers and politicians are accountable to the Ombudsman. These methods of accounting for performance, or mechanisms of accountability, may change over time and reflect, among other things, the ideology of the government. The 'New Right' ideology of recent Conservative governments has stressed the importance of the market. Part of this strategy has included reforms to improve accountability to the consumer (Common and Flynn, 1993). For example, parents are allowed to choose a school for their child (subject to the availability of places), and are provided with information which supposedly helps them to do this, in the form of examination league tables. Thus in recent years we have experienced a number of changes in accountability:

- 1 There has been a shift in focus from traditional mechanisms of accountability, such as through the political process, to accountability through the market.
- 2 There is an increased emphasis on holding individuals and organisations to account for results through the use of performance indicators, rather than adherence to procedures.
- 3 Non-elected bodies, which are not directly politically accountable, play an increasingly important role in the governance of the public sector.

This chapter first attempts to explain the complex concept of accountability, and then examines the extent to which its meaning and operation differ in the public services and in the private sector. The next section identifies traditional aspects of accountability (political, managerial, legal and professional) and examines some of the evidence concerning their effectiveness. This discussion is followed by illustrations of the many meanings of accountability in public services organisations. The final section analyses the changes in accountability brought about by the Conservative governments of the 1980s and the first half of the 1990s. A number of the reforms considered here are a part of what is described as the 'New Public Management'. The analysis covers changes in organisational structures, mechanisms of accountability and performance measurement.

THE CONCEPT OF ACCOUNTABILITY

Accountability is a complex and difficult concept (Day and Klein, 1987). A simple definition is that to be accountable is to be required to explain or justify one's actions or behaviour. Hence the concept of accountability is closely connected to responsibility, as those who have been given responsibilities or duties are asked to account for their performance. For example, we may give responsibility for the operation of local government to elected councillors. We would then expect them to be accountable to us for their performance.

Stewart suggests that accountability is made up of two parts, the 'element of account' and the 'holding to account'. The element of account is the 'need for information, including the right to question, and debate that information as a basis for forming judgements' (1984, p 15). When an account of performance is given, information is provided which may be verbal or written, formal or informal and may or may not be governed by strict rules. Attempts to improve accountability have often involved an increase in the amount, and/or a change in the type, of information provided, for example the Citizen's Charter. This has led to debates about openness. Questions that have been raised include how much

information should be made available? Should there be a Freedom of Information Act? There has also been debate about the *type* of information that should be provided. Information is provided to enable performance to be judged, but it is often difficult to measure the performance of public services organisations (as we shall see in the next section). There may also be conflict between groups over the appropriate measure of performance. For example education professionals are frequently hostile to the use of examination results as a measure of performance. Many argue that the results need to take account of the socio-economic circumstances of the children involved to have any validity.

However, accountability involves more than simply giving an account. The information will be evaluated and performance will be assessed and if it is not satisfactory then action may be taken. The capacity for action and the potential to impose sanctions is what Stewart (1984) calls the element of holding to account. Dunsire (1978, p 41) also argues that this is important:

The answer when given, or the account when rendered, is to be evaluated by the superior body, measured against some standard or some expectation, and the difference noted; and then praise or blame are to be meted out or sanctions applied. It is the coupling of information with its evaluation and application of sanctions that gives 'accountability' or 'answerability' or 'responsibility' their full sense in ordinary organisational usage.

This definition of accountability, which assumes that there is some authority to call to account, will be used in this chapter.

One of the prerequisites of effective accountability is that those given responsibility know to whom they are accountable, and for what aspect of performance. Similarly, those who delegate authority know whom to hold to account. Stewart (1984, p 16) argues that 'the relationship of accountability, involving both the account and the holding to account can be analysed as a bond linking the one who accounts and is held to account, to the one who holds to account . . . For accountability to be clear and enforceable the bond must be clear'. This theme of clarity was evident in the proposals for the reorganisation of local government in the early 1990s. The Welsh Office consultation paper claimed that a structure of unitary authorities in Wales would bring 'clearer accountability to the electorate', which implies that the public did not understand the division of responsibilities between the two tiers of counties and districts (Welsh Office, 1991). In addition to clarity there also needs to be agreement on the process and content of the account. Day and Klein (1987, p 5) state that accountability 'presupposes agreement both about what constitutes an acceptable performance and about the language of justification to be used by actors in defending their conduct'.

Accountability in the public services operates through a variety of mechanisms. These include:

- the audit of central government departments by the Auditor General;
- parents holding a headteacher to account for examination performance in their school;
- a professional association such as the British Medical Association holding an individual doctor to account for his or her performance;
- citizens holding their elected representatives to account through local elections.

To understand the concept fully we need to consider questions such as who is accountable, to whom, for what aspect of performance and how they are accountable? A further question is how well accountability operates.

ACCOUNTABILITY IN PUBLIC SERVICES ORGANISATIONS AND PRIVATE ORGANISATIONS

Accountability is an important issue for both public and private organisations. The current concern about accountability in the public services is mirrored by similar disquiet in the private sector. The recent increase in emphasis on corporate governance and accountability in the private sector may be linked to the business scandals involving the Bank of Credit and Commerce International (BCCI) and the Maxwell Group (Stiles and Taylor, 1993). The Cadbury Committee was formed in 1991 to examine corporate governance. The Cadbury Report (1992) highlighted three fundamental principles of corporate governance: openness, integrity and accountability. Corporate governance was defined as the system by which companies are directed and controlled. The Report recommended a Code of Best Practice. The Code was neither mandatory nor prescriptive; corporate boards were required to state in their annual reports how far they had complied with the Code and to give reasons for non-compliance. The Committee considered that, on the whole, companies would see it as in their interests to comply. The Committee felt that compliance would indicate publicly that the company had met the standards now expected of well-run businesses. It has been argued that the Cadbury Report is important because it addresses concerns that are equally relevant to the public sector (Evans, 1995 cited in Hodges *et al.*, 1996). So is accountability different in the public services?

Private sector organisations and their managers are accountable to a number of stakeholders, including the board of directors, shareholders, employees and central government. They may be accountable for different aspects of performance to the different stakeholders; for example, accountability to central government may be for compliance with health and safety legislation. However, the aspect of performance with which shareholders will primarily be concerned will be the financial performance of the organisation, and the dividend that they obtain. Farnham and Horton (1996) suggest that accountability is simpler for organisations in the private sector as their goals are less complex than those of public services organisations. Although they may be concerned with meeting a number of goals their ultimate aim is to make a profit. Hence the measurement of performance is straightforward as the extent to which the goals have been met can be assessed. In contrast, the goals of public services organisations are likely to be complex. The objectives of the organisation, set by politicians, may be ill defined. The objective of raising educational standards, for example, is unclear. What are educational standards and how can they be assessed? Even if the objectives are defined it is still difficult to measure some aspects of public services performance. The difficulty of measuring aspects of performance such as effectiveness and equity have led in the past to an emphasis on measuring the measurable.

The primary distinction between accountability in the public services and accountability in private organisations is that the basis of accountability in the former is democratic. One of the defining features of many public services organisations is that they are funded through general taxation. Hence the public has an interest in that organisation, and expects some accountability, not necessarily directly, but through their elected representatives. Although there is debate about the characteristics of a democracy (*see, for example, Held, 1993*), one of the most important is public accountability.

Lively (1975) suggests that a system which does not include direct, participatory democracy, or allow for the accountability of rulers to the ruled, cannot be called democratic. Simey (1984, p 17) similarly illustrates the importance of accountability: 'In a democracy it is only by the consent of the people that authority to govern can be delegated and that consent is given on one condition, that all those who then act on our behalf will hold themselves accountable for their stewardship.' Public services organisations as a result have more extensive forms of accountability to the wider community, in addition to consumers and providers of resources. Of course, some public services organisations, such as government trading agencies which are not funded through general taxation, may argue that this more extensive form of accountability is inappropriate and too constraining for them.

CASE STUDY
5.1

Case study 5.1 examines one of the tensions facing the Labour government elected in 1997. Accountability of public service organisations was a continuing issue under the Conservatives, as was the relationship between central and local government. At issue here is the extent to which new regional development agencies for England will be accountable locally or centrally.

LABOUR-CONTROLLED COUNCIL BODY TO DEMAND MORE ACCOUNTABILITY FOR REGIONAL AGENCIES



By Alan Pike

Ministers will next month face their first public clash with the Labour-controlled Local Government Association as council leaders demand more accountability in the English regions.

The association is to campaign for amendments to the bill setting up nine English regional development agencies, due for its second reading soon after Parliament's Christmas recess. It wants to make RDAs more answerable to regional chambers of councillors and other local interests.

'It is essential that RDAs are regional institutions rather than an arm of central government in the regions,' said Sir Jeremy Beecham, Labour leader of the LGA. 'They must be part of a move away from old fashioned centralism.'

Sir Jeremy said the LGA would approach ministers and MPs early in the new year 'in a bid to ensure a stronger, more effective voice for the English regions'. The campaign has all-party support in the association.

Since the general election, John Prescott, the Deputy Prime Minister, and his team at the Department of the Environment, Transport and the Regions have been working to improve central government's relations with local government. Their proposals for RDAs have been broadly welcomed, but many councillors are concerned that the government as a whole may be insufficiently committed to replacing quangos answerable to ministers with locally accountable bodies.

The government's RDA white paper proposes that the agencies should 'have regard' to views of regional chambers when preparing economic strategies, and consult chambers on corporate plans. Council leaders want this strengthened so that RDA's economic development strategies and business plans have to be approved by chambers, with RDAs required to work within chambers' broad regional strategies.

A paper from the LGA to the Common Environment, Transport and Regions committee says that without such changes RDAs were in danger of being seen as arms of national government in the regions and would 'not secure a more coherent, regionally responsive approach to regional economic policy and regeneration'.

The government is expected to begin advertising for members of RDA boards soon. This will generate another disagreement with the LGA.

Local authorities will qualify for four of the 12 seats on each board. But the government says that to ensure continuity individual councillors would not be required to resign from RDA boards if they lost their local electoral mandate.

LGA leaders intend to challenge this. The association will tell its member councils that elected representatives should resign if defeated at the polls and will suggest that authorities obtain a commitment to this policy from potential nominees.

Source: *Financial Times*, 30 December 1997. Reprinted with permission.

Questions on the case study

- 1 What are the arguments in favour of bodies that are more locally accountable?
- 2 Why might central government be reluctant to make these bodies more locally accountable?

DIFFERENT DIMENSIONS OF ACCOUNTABILITY

One way of clarifying the complex concept of accountability is to identify different models of accountability. A number of these models have been developed by, for example, Day and Klein (1987), Oliver (1991), Ranson (1986), and Kogan (1986). There are some differences of classification and nomenclature, but four of the main traditional models – political, managerial, professional and legal accountability – are discussed below.

Political accountability

There are two aspects of political accountability relevant to public services organisations. These are illustrated in Table 5.1.

Table 5.1 Two aspects of political accountability

| | <i>Accountability to the public</i> | <i>Accountability to Parliament</i> |
|---------------------|--|--|
| Who is accountable? | Politicians | Government: (Cabinet, ministers) |
| To whom? | Public | Parliament |
| For what? | Responsiveness: all aspects of performance | Efficiency, probity |
| How? | Election | Parliamentary questions, Select Committees |

In a system of representative democracy the accountability of politicians to the public is paramount. In this model politicians give an account to the citizens, who may impose sanctions through the ballot box. The public hold their representatives to account and have the opportunity to 'throw the rascals out' if they are dissatisfied with their performance. There is some debate about the effectiveness of this as a mechanism of accountability, particularly at the local level. Evidence shows, for example, that the number of people who vote in local elections is on average between 40 and 45 per cent (Rallings and Thrasher, 1991). This suggests that only a minority of the electorate holds their representatives to account. Another

concern about the accountability of local politicians is the lack of effective party competition. Elkins (1974) argues that the chance or probability of turnover is vital for accountability and is the most relevant interpretation of party competition. There must be some possibility that government can be replaced, and recent evidence suggests that there is a higher level of party competition in local government than had previously been believed (Boyne and Ashworth, 1997). Another factor crucial to the operation of political accountability is the provision of information. The public need to have information in order to make judgements on the performance of their politicians. Sources of information include manifestos, the media, annual reports and the Citizen's Charter. However, there has been criticism of the quality of some of the information provided (*see*, for example, Boyne and Law, 1991 on annual reports). Also important for accountability are principles such as the freedom of the media to report on matters of public interest, and public right of access to official information. Concern at the state of local democracy led to the launch of the Commission for Local Democracy in 1993 which made a number of proposals to improve democracy and accountability, such as the introduction of elected mayors. The proposal for elected mayors has been acted upon by government: in May 1998 a successful referendum was held for an elected mayor for London and the idea is proposed for authorities outside London in the 1998 local government White Paper (Department of the Environment, Transport and the Regions, 1998).

The second aspect of political accountability is the accountability of the government to Parliament. This has traditionally operated through the doctrine of ministerial and Cabinet responsibility. Ministers are accountable to Parliament for the operation of their departments: 'The traditional view, exemplified in the famous Crichton Down case is that Ministers are responsible and accountable to Parliament for all that occurs in their departments. It follows that if a significant mistake is made by the department, the Minister should resign' (Select Committee on the Treasury and Civil Service, 1986). However, as Day and Klein (1987) point out, the way in which ministerial responsibility has developed has stressed the concept of answerability rather than accountability. This is partly because of the huge growth in the work of the public sector. The principle of ministerial responsibility may have been effective when the scale of public services was small. However, the thousands of operational decisions made by government departments means that ministers cannot be held accountable for each individual problem. The issue of ministerial responsibility and what ministers can be held accountable for arose in the mid-1990s in the Scott Report. The investigation by Mr Justice Scott was initiated after the collapse of the Matrix Churchill trial concerning the possibility that arms components had been illegally exported to Iraq and the subsequent allegations that ministers had been aware of the possible use of the machine tools (used to produce the components), and had prevented the defence from accessing information by using Public Interest Immunity Certificates. Sir Richard Scott concluded that accountability involved the 'obligation of ministers to give information about the actions and omissions of their civil servants'. Bogdanor (1996) suggests that ministers may be held to account for more than this and cites Roger Freeman, Chancellor of the Duchy of Lancaster, who stated:

Ministers take responsibility for five fundamental areas: the policies of their departments; the framework within which those policies are delivered; the resources allocated; such implementation decisions as the framework documents for agencies may require to be referred to them or agreed with them; and their response to major failures or expressions of parliamentary or public concern, in the sense of demonstrating what action they have taken to correct a mistake and prevent its recurrence (cited in Bogdanor, 1996, p 603).

The principle of ministerial responsibility has been under attack for some time (*see* Jordan, 1994), particularly the effectiveness of sanctions. Bogdanor suggests that it is difficult to enforce ministerial accountability as the House of Commons is dominated by party politics and whereas 'in theory the House of Commons can enforce the resignation of a minister who has breached the code, under modern conditions of strict party discipline, that will hardly ever occur' (1996, p 603). Many have commented on the declining accountability of the executive to the House of Commons – one aspect being the accountability of the Prime Minister to the Commons. Dunleavy and Jones (1993) suggest that direct parliamentary accountability of the Prime Minister has fallen sharply since 1868, especially since the early 1980s. Partly as a result of problems with ministerial responsibility as a mechanism of accountability, new systems have been adopted, such as the introduction of Parliamentary Select Committees in 1979. These were introduced to enable all MPs 'to exercise effective control and stewardship over Ministers and the expanding bureaucracy of the modern state for which they are answerable, and to make the decisions of Parliament and Government more responsive to the wishes of the electorate' (HC 588, 1977–78, quoted in Oliver, 1991, p 42). The issue of ministerial responsibility is illustrated in relation to the Prisons Service in Exhibit 5.1.

Exhibit 5.1

The Prisons Service Next Steps Agency

The Prisons Service 'Next Steps' Agency was established on 1 April 1993. Its Chief Executive, Derek Lewis, was in charge of approximately 39 000 staff and a budget of £1.6bn (in 1994–5). The aim of 'Next Steps' was to separate the policy and executive functions of the civil service and emphasise the importance of the management in the executive agencies. After the escape from Parkhurst prison (Isle of Wight) of three inmates on 3 January 1995 the Learmont Inquiry was set up to examine Prisons Service security. Subsequent to their report Derek Lewis was sacked by the Home Secretary, Michael Howard.

The framework document of the Prisons Service states: 'The Home Secretary is accountable to Parliament for the Prisons Service. The Home Secretary allocates resources to the Prisons Service and approves its corporate and business plans including its key targets' (quoted in Talbot, 1996). The debate after the Learmont Report concerned the extent to which the Home Secretary was responsible and hence accountable for the breakout. His argument was that it was clearly an operational matter. However Derek Lewis suggested that there was no clear-cut division between policy and operational matters, and that the Home Secretary was deeply involved in the operational role of the Prisons Service. The Learmont Report indicated the extent of involvement when it established that between October 1994 and January 1995 'just over 1000 documents had been submitted, relating to life sentence prisoners, appointment of Boards of Visitors, parliamentary cases, briefing on incidents, reports on media stories with "lines to take", briefings for visits and meetings, and briefing on specific prisoners or prisons' (para 3.83, quoted in Talbot, 1995a). The Learmont Report shows that the clear distinction between policy and operational matters does not exist in practice. The framework document also indicates this – 'The Home Secretary will not normally become involved in day-to-day management of the Prisons Service but will expect to be consulted by the Director General on the handling of operational matters which could give rise to grave public or parliamentary concern'. It also states that 'The Director General is responsible for the day-to-day management of the Prisons Service and is also the Home Secretary's principal policy advisor on matters relating to the Prisons Service' (HMPS FD 1993:3, quoted in Talbot, 1996).

Thus key issues are raised, concerning:

- the extent to which there can be a clear-cut division between policy and operational matters;
- the location of responsibility and hence accountability.

The confusion of roles in the example given in Exhibit 5.1 creates problems of accountability. As was stated earlier in the chapter, clarity of responsibility is an important prerequisite for effective accountability. If the location of responsibility is not clear, it is difficult to know who should be held to account. It also illustrates the debate on ministerial responsibility. Talbot (1995a, p 7) argues:

Ministers have developed a curious doctrine which argues that 'accountability' cannot be delegated to Chief Executives but that 'responsibility' can . . . This 'limited liability' defence is being deployed with increasing frequency by Ministers to avoid criticism for particular failings. It does not apply to successes however and any 'operational' initiative to improve services by an agency is invariably a Ministerial announcement, press conference and photo-opportunity.

A number of organisations have only indirect political accountability to the general public. These include Hospital and Health Service Trusts, Training and Enterprise Councils and Urban Development Corporations. These organisations are accountable through the relevant minister to Parliament. These non-elected organisations operate at a local as well as national level, and a wide definition would include organisations such as housing associations. Whereas these quasi-governmental agencies may be appropriate for providing national services and operating in a relatively entrepreneurial manner, many people are concerned at their lack of accountability. Political accountability operates through ministers for many of these agencies but there is little chance for the general public to hold them to account.

Managerial accountability

Managerial accountability has also been described as internal accountability (Birch, 1974). In contrast to political accountability, which has an outward emphasis, managerial accountability concerns the accountability of staff within the organisation. Stewart defines it as 'the accountability of a subordinate to a superior in an organisation' (Stewart, 1984, p 18). In a traditional model of public sector management this would operate through a hierarchy. In local government, for example, those at the lowest level account to their superior and so on through the ranks, until the chief officer accounts to the politicians. This hierarchical accountability is in some cases giving way to new forms of accountability as new internal structures are put in place in many public services organisations. The creation of business or devolved units, and internal markets within organisations, has led to the fragmentation of traditional bureaucratic organisations. The objective of many of these changes was to give managers 'freedom to manage'. More and more managers are in control of their own budgets under systems of devolved management and are accountable for their performance. These systems of devolved management have sometimes been imposed, for example by the Education Reform Act 1988 and the NHS and Community Care Act 1990. In other cases pressure for change has come from within the organisation. Some of the advantages of these new structures are said to be increased efficiency, responsiveness and accountability.

Managerial accountability may be carried out by a number of groups. For many staff it will be exercised by their line managers. For senior managers this may involve being held to account by politicians. Managerial accountability is illustrated in Table 5.2. The table shows that managerial accountability encompasses a wide range of activities and a number of different stakeholders.

Table 5.2 Managerial accountability

| <i>Accountability</i> | |
|-----------------------|--|
| Who is accountable? | Managers, staff |
| To whom? | Politicians, line managers |
| For what? | Economy, efficiency, effectiveness; administrative propriety; outputs; policy advice |
| How? | Reporting mechanisms, performance indicators |

Day and Klein (1987) state that the concept of managerial accountability has its origins in the notion of stewardship and that it is an essential prerequisite of political accountability. The link between political and managerial accountability is important – to account to the people effectively (political or external accountability) representatives must be able to exercise managerial or internal accountability. They must be able to hold the service deliverers to account: ‘public accountability, in the sense of the accountability of a government or council for activities undertaken in the public sector, can depend on the existence of managerial accountability within the departments of government’ (Stewart, 1984, p 18). The operation of managerial accountability was comparatively straightforward when the public sector was small, but the problem of control obviously becomes greater as services become numerous and more complex. Hence it becomes increasingly difficult to control those providing services.

The issue of control and accountability is long-standing in relation to public services. Birch (1974, p 54) describes the operation of managerial accountability in local government in the following way:

The principles of public accountability and stewardship are so fundamental and basic to local government that there has evolved within each authority an elaborate system of rules, regulations and procedures. This has been accompanied by the development of internal control and by the imposition of sets of checks and balances to ensure that rules are not broken, that regulations are adhered to and that procedures are followed. Thus has developed internal accountability in local authorities.

Gradually the emphasis has shifted from adherence to procedures to measurement of outputs as a mechanism of managerial accountability. A more ‘managerial’ rather than ‘administrative’ approach has developed. For example the Maud Report (1967) suggested that local authority members should set the objectives of the authority and review performance, whereas officers would deal with the day-to-day administration. As Day and Klein (1987, p 47) state, the report was suggesting that ‘councillors should be more concerned with outputs and less concerned with inputs or process’. Developments of this type were not unique to local government. Reforms such as the Financial Management Initiative (FMI) in central government were designed to improve managerial accountability through the provision of information. Objectives were to be set, against which performance could be assessed. Gray and Jenkins (1986, p 56) suggest that ‘The FMI . . .

aims to influence not only lower-level department operations but also ministerial conduct. The latter point may not be clear immediately but undoubtedly the intention is that ministers should be principal beneficiaries of the change: i.e. the information system should enhance ministerial capacity both for control and resource allocation.' Similar reforms have been recently developed and form a central part of what is described as the 'New Public Management'. This approach to managerial accountability includes an increased emphasis on strategic control through the measurement and evaluation of performance.

There has also been criticism of these new approaches to managerial accountability. Keen and Murphy state that devolved management 'is largely "hype" and rhetoric with little having changed, apart from the terminology, and that it promotes the interests, mainly, of an elite group of "new managerialists", rather than "customers" or "less senior staff"' (1996, p 39). Although the accountability and responsibility of middle managers appear to have increased there is often no corresponding increase in authority and autonomy. Middle managers do not always have real control over resource deployment. Humphrey *et al.* (1993) suggest that 'accountable management' appeals to some groups in an organisation more than others. This differential appeal, they argue, depends 'largely on the extent to which individuals perceive themselves as either being in control of the reforms or being able to use the reforms better to protect their own positions and/or enhance organisational performance' (1993, p 18).

Legal accountability

Public services organisations are also held to account for their actions through the legal system. This is illustrated in Table 5.3. Individuals may bring a civil action against an organisation, but issues of public law are mainly considered through statutory appeal procedures and judicial review. Woodhouse (1995) notes the increase in judicial review (from 525 applications in 1980 to 2089 in 1991), with 25 per cent of the applications related to central government. Part of the increase in applications for judicial review is because the system has become less heavily weighted against the applicant. Woodhouse also suggests that the judiciary is now increasingly willing to play a more significant role in public administration. Many statutes provide leave for appeal to the courts by individuals, and where this is not provided, individuals can seek an application for judicial review. The legal accountability of public services organisations is different from that of private sector organisations. For example local government operates under the doctrine of *ultra vires*, that is, councils may do only that which they are specifically empowered to do. In addition, if they are held to account in court through judicial review the criteria by which they may

Table 5.3 Legal accountability

| | <i>Accountability</i> |
|---------------------|------------------------------------|
| Who is accountable? | Staff, politicians |
| To whom? | Courts |
| For what? | Legality, propriety, 'rationality' |
| How? | Judicial review, statutory appeals |

Exhibit 5.2

Government accountability

On October 1992 the Secretary of State for Trade and Industry, Michael Heseltine announced his decision to close 31 collieries. Subsequently, on October 19 this was amended to a decision to close 10 of the collieries and review the future of the remaining 21. This decision was found to be unlawful, as the decisions had been made without any consultations with unions, in breach of section 99 of the Employment Protection Act. The ruling was that the unions were entitled to a declaration that British Coal should not reach a decision on the closure of any of the collieries until there has been a review procedure that included some form of independent scrutiny.

Source: Law Report, *The Times*, 30 December 1992.

be judged include not just legality, but also procedural propriety and 'rationality' on the part of the decision makers. A high-profile case of the government being held to account is illustrated in Exhibit 5.2.

Loughlin (1992, p 119) argues that local government is now more susceptible to control through legal processes and that the central government is transforming the legal relationship between local authorities and their consumers by giving, for example 'tenants a broad catalogue of rights which may be exercised against their landlord or by strengthening the rights of parents in matters of school placement and school government'. As we indicated above, it is certainly the case that the use of judicial review has increased substantially in recent years. However, the cases in which leave to review is sought are largely housing and immigration cases and, apart from these, the number of judicial review proceedings is actually very small (Sunkin *et al.*, 1993, cited in Drewry, 1995). An important aspect of legal accountability is that the remedies and sanctions are coercive. Hence public services organisations can be compelled to act in certain ways (Oliver, 1991).

There have been many criticisms of the operation of legal accountability. Concern has been expressed that the doctrine of *ultra vires* unduly restricts local government. It has been suggested that this hampers the development of local government and discourages enterprise. A solution to this may be a power of general competence, as currently exists in the 'free commune' experiments in the Scandinavian countries. This means that those local authorities may perform any function that they consider to be in the interests of their area, as long as it has not been expressly forbidden, or has been assigned to another authority.

There have also been criticisms of the system of judicial review. One is that 'the courts have been too willing to accept pleas of "public interest immunity" which means that government documents need not be disclosed to applicants for judicial review if sensitive issues of national security are in issue' (Oliver, 1991, p 113). The political salience of public interest immunity has increased since the Matrix Churchill trial, which centred on accusations of the illegal exportation of arms components to Iraq, as discussed above. Criticisms have also been made of the lack of a statutory basis of grounds for judicial review. Some have suggested that the grounds are too narrow, and others that they are too broad (*see* Oliver, 1991, pp. 112–13). Loughlin (1992, pp 121–2) sums up these criticisms, suggesting that:

The courts seem ill-equipped to handle the challenges with which they have been faced in the 1980's. They continue to invoke anachronistic doctrines, such as that of a fiduciary duty owed by a local authority to its ratepayers, they seem unable to devise principles concerning the exercise by the local authority of its dominion powers and simply requiring local authorities to 'bite the bullet' in matters of public finance may be viewed as an abnegation of judicial responsibility. The courts often seem incapable even of articulating the issues properly, let alone adjudicating on them in an appropriate manner.

Professional accountability

Professionalism can be defined in a number of ways and there is a substantial literature which addresses this question. One definition suggests that a profession is a group that has the following characteristics: possession of a body of systematic knowledge, a commitment to the client, an occupational association which grants rights to practise, and exclusive entry based on recognised credentials. Another definition is that a profession is an occupational group that has succeeded in pressing a claim to substantial autonomy for its members in the workplace (Laffin, 1990). The process of delivering public services has traditionally been perceived as so complex that a heavy reliance was placed on professional judgement, which had the result that only professionals could hold other professionals to account. This concept of accountability is illustrated in Table 5.4. Professional accountability is achieved through a variety of mechanisms.

First, the occupational association defines and monitors standards and has the authority to withdraw a right to practise. There was, for example, support for the creation of a General Teaching Council, a professional body for teachers, which would seek to improve standards and act as a regulating body (*Guardian*, 21 January 1997).

Second, standards are monitored through inspections such as those by Her Majesty's Inspectorate in education and the Social Services Inspectorate. The primary role of these inspectors is to promote good practice through advice and support. Attempts have been made to change this role with, for example, the requirement that one member of a school inspection team must be a lay person.

The third mechanism is an internal or moral sense of accountability to the values of the profession. These are inculcated through the long training necessary to obtain professional status. The value system, which places a commitment to the client before other considerations, is one of the defining characteristics of professionalism. Such accountability is not unique to professionals, however. One of the features of many voluntary organisations is an accountability to values rather than operations. In these organisations there is 'little attempt to account for decisions in terms of literal rules, concerted attempts are made to account for decisions in terms of substantial ethics' (Rothschild-Whitt, 1979, as quoted in Taylor, 1996). Problems may arise when these values clash with those of politicians and/or managers who are in charge of the organisation. This has been well documented in the reformed National Health Service where the doctor's duty of care to the individual patient may clash with the manager's efforts to improve efficiency.

Table 5.4 Professional accountability

| | <i>Accountability</i> |
|---------------------|---|
| Who is accountable? | Professionals |
| To whom? | Other professionals |
| For what? | Process, conduct |
| How? | Self-evaluation, occupational association |

Conflict may also arise over attempts to introduce new methods of measuring performance. Sockett (1980, p 11) suggests that the view of education professionals is that 'the question they debate is not whether certain results have been achieved, but whether certain standards of integrity and practice have been adhered to'. Recent attempts by central government to introduce the publication of school test and examination results led to conflict with the teaching profession. Scott (1994) argues that the tensions between the professional and market models of accountability can be identified in the debate over the national curriculum and assessment regulations, particularly the appropriate method of assessing performance.

There have been a number of criticisms of professional accountability. One is that the emphasis on accountability to other professionals means there is insufficient responsiveness to the consumer. This was part of the rationale behind the introduction of reforms such as the Citizen's Charter and the introduction of a 'market' in education and health. William Waldegrave, the Minister responsible, stated that 'the key point in the argument is not whether those who run our public services are elected, but whether they are producer-responsive or consumer-responsive' (Waldegrave, 1993, p 13, quoted in Stoker, 1996). In general, the Conservative governments of the 1980s and 1990s were critical of professionals and hence, as Gray and Jenkins argue, 'the thrust of the reform agenda is almost unhesitatingly hostile to the values of traditional public sector professionals' (1995, p 81).

CHANGES IN ACCOUNTABILITY

The approach of Conservative governments of the 1980s and 1990s to public service reform is often referred to as 'managerialism' or the 'New Public Management'. Hood (1991) suggests that it has the following main points: hands-on professional management, explicit standards and measures of performance, greater emphasis on output controls, a shift to disaggregation of units, a shift to greater competition, a stress on private-sector styles of management practice and a stress on greater discipline and parsimony in resource use. This section examines a number of these changes and identifies the impact that they have had on accountability.

Structures

A wide range of structural changes to public services organisations have taken place, many imposed by the centre. These have had a major impact on accountability. One type of structural change has been the growth in quasi-governmental agencies, particularly at a local level. The extent of this growth has been debated (*see* Davies, 1995) but most

would accept that there has been an increase in non-elected bodies. Charter 88 identified as many as 5521 such bodies with executive functions in the UK in 1994. Some of these organisations have taken over responsibility for functions that were once under the control of local government, for example Urban Development Corporations. In the field of education there have been suggestions that the Local Education Authority (LEA) has been marginalised and now has only a residual role (Ranson, 1995). Now schools can opt for grant-maintained status and thus to be out of LEA control. The Funding Agency for schools will allocate funds to those schools and will also plan schools places in areas which have more than 75 per cent of pupils in grant-maintained schools. Other new quasi-governmental agencies in this field are city technology colleges, further education and sixth form colleges, further and higher education funding councils and the Office for Standards in Education (OFSTED). This growth has been mirrored in other service areas such as housing and health.

The increase in these organisations has led to what has been described as 'the new magistracy' (Stewart, 1993) and to suggestions that we should more accurately use the term governance, rather than government (Stoker, 1996). Many would argue that one of the results of these developments has been a reduction in accountability. These organisations are not subject to local electoral control, and at best have indirect political accountability through ministers to Parliament. Although elections do not guarantee accountability, there are other requirements for local authorities that are not applicable to these non-elected bodies. Davies and Stewart (1993) show in their study of ten major types of quasi-governmental agency that none of the members is liable to surcharge, most are not required to hold meetings in public, some make their own arrangements for audit and most are not subject to the same requirements of public access to information as local government. Although political accountability has been reduced, some of these reforms were introduced with the aim of improving accountability to the consumer. This argument is considered later in this section.

Another change in the structure of many public services organisations is the disaggregation of what are perceived as large producer-dominated bureaucracies into a number of small units. These units, and the managers in charge, can be held to account through the use of performance targets, service level agreements and contracts. The use of legal contracts means that there can also be accountability to the courts. As our earlier discussion of managerial accountability indicates, the theory of devolved management does not always accord with reality. For example Ferlie *et al.* (1996) suggest that devolved management in the NHS has been accompanied by tighter line management hierarchies, which are necessary to implement top-down change. Hence it is unclear whether accountability has altered.

Similar structural changes have also taken place in the civil service, where executive functions have been devolved to 'Next Steps' Agencies. The aim of these reforms was to separate policy and executive functions in order to improve management and to reduce the workload of ministers. There are 109 agencies (*Next Steps Review*, 1995), for which complex governmental organisation is necessary. This development has also led to questions about the accountability of these agencies. As the Prisons Service example shows, it is difficult if not impossible to distinguish between policy and operational issues. These structural changes can lead to tensions, one of which is the role of the departmental Permanent Secretary. Massey (1995) suggests this tension is largely to do with a lack of clarity over accountability to Parliament. Permanent Secretaries, as departmental accounting officers,

may be asked about agencies, and agency chief executives, as agency accounting officers, may be asked about strategic policy. Despite these problems, 'there is no doubt among officials that the Next Steps reforms have contributed to the ability of managers to manage well, efficiently, effectively and to be held accountable. Their annual reports, their targets and their overall performance are visible both to ministers and to parliament' (Massey, 1995, p 26). However, although it is true that there is an increase in information, there has been serious criticism of the quality of that information. Talbot (1995b, p 23) states that there is an absence of basic data that relate outputs to agency objectives, with the result that 'it is almost impossible to derive really meaningful information about "performance" from agency annual reports or from anywhere else'.

A final structural reform is the reorganisation of local government in Wales, England and Scotland. Whereas Wales and Scotland now have a single-tier system, England has a mixture of single and two-tier local authorities. The rationale for reorganisation in the Welsh Office consultation paper specified a number of criteria for a local government system, one of which was accountability. In addition, unitary authorities were said to provide 'clearer accountability to the electorate' (Welsh Office, 1991). As discussed above, the assumption is that the public does not understand the division of responsibilities in the two-tier system, and hence cannot hold the correct organisation to account. Some of the local authority submissions to the Welsh Office used this argument and provided survey evidence. For example: 'Cardiff residents are highly aware of many of the services provided by Cardiff City Council . . . however, residents are much less aware of the County Council as a provider'. The districts argued that they were already mistakenly being held accountable for many of the services which were provided by county councils (Boyne and Law, 1993). If we accept that the electorate was confused by the old system, we should expect clarity of accountability to improve in Scotland, Wales and parts of England. However, the likelihood is that the new authorities will be too small to directly provide specialist services, which will need to be provided through some form of joint arrangement. Obviously these will not be directly elected bodies. As a result accountability may be further confused. A number of other factors combine to reduce or weaken accountability in a unitary system. These include the reduction in the number of councillors in the new system, the lack of opportunity for the electorate to pass separate judgements on the performance of county and district councils and the increased opportunity for central government to control the smaller number of authorities (Boyne *et al.*, 1995).

Mechanisms

One of the main features of the reforms has been the introduction of competition in the production of public services. This has been achieved through policies such as compulsory competitive tendering (CCT), market testing and the creation of 'quasi-markets', for example in the health service. The emphasis in these reforms is that accountability will be achieved through the market. In a market-oriented model accountability is to the consumer, rather than to line managers, professionals or politicians. In such a system producer organisations are accountable to the consumer who chooses whether to consume their product or an alternative available in the marketplace. In order for the market to operate effectively information needs to be made available so consumers know the full specifications of the product they are 'buying'. Organisations need to respond to the

demands of the marketplace or they face the possibility of going out of business. This is illustrated in Table 5.5.

Table 5.5 Market accountability

| <i>Accountability</i> | |
|-----------------------|---------------------------------------|
| Who is accountable? | Service providers (e.g. schools) |
| To whom? | Consumers (e.g. parents and children) |
| For what? | Outputs (e.g. examination results) |
| How? | Market forces |

The concept presented in Table 5.5 can be illustrated using the example of education. Feintuck (1994, p 88) states that the 'ultimate objective expressed by the proponents of the ERA (Education Reform Act 1988) and subsequent reforms was the enhancement of educational standards in schools, as a result of the introduction of mechanisms of accountability deriving from the exercise of market forces'. Decisions that were made via local democratic processes were to be replaced by market forces. The introduction of open enrolment in the Education Reform Act 1988 meant that parents could choose a school for their child, and the LEA could not determine admission levels. Grant-maintained schools and city technology colleges were also introduced, giving more choice by providing a differentiated product. The choice of school is informed by the publication of performance indicators such as examination results and truancy rates. School funding on the basis of pupil numbers was a central part of the Education Reform Act and the introduction of a market. Popular schools are now financially rewarded for attracting more pupils. Conversely, unpopular schools face major financial penalties, and may ultimately go out of business. The market as a mechanism of accountability has also been used in the NHS. In this case a 'quasi-market' operates as a result of the reforms introduced in the National Health Service and Community Care Act 1990. The Act separated the purchasing and providing of health services. The purchasing agents – health authorities and GP fundholders – developed contracts with the providers – hospitals and community services. Providers had an incentive to attract customers, as money followed patients; hence in theory providers could go out of business if they were unsuccessful. However, whereas the NHS operated through market accountability, this is not the type of accountability that many groups in the NHS perceived to be important. As stated earlier, professionals such as doctors tend to see themselves as accountable to the patient and their professional association. Ferlie *et al.* (1996) found that health authority members felt accountable to a number of groups. In contrast to the findings of Day and Klein's (1987) earlier study, members felt accountable upwards, through the hierarchy to the chairman of the board. Others felt accountable to the community. The concept of accountability through the market was hardly ever mentioned by the respondents in their study. Levaggi (1995) argues that accountability through the market has brought a number of benefits such as the drawing up of contracts and the increased clarity over standards and targets that this involves. Nevertheless, the market as it operated had a number of problems of accountability, primarily involving GP fundholders who were virtually unaccountable (Levaggi, 1995).

In the field of education, schools were made to be responsive by giving parents and children choice. In principle they have power to 'take their custom elsewhere', but in reality this course of action is heavily circumscribed by the availability of places. However choice

is not available in all services, so reforms which introduced fixed standards and mechanisms of redress have been developed to encourage responsiveness. The primary example of this is the Citizen's Charter which is discussed in detail in Chapter 16. The aim of this Charter was to improve public services through quality, choice, standards and value and the provision of information to the public.

Accounting to the consumer may be more difficult for public services organisations than for private organisations, as it can be difficult to identify the customer. For example, who is the consumer of the police service? It may be a person held in custody, the Crown Prosecution Service, a victim of crime, or society in general. The consumer may be all or one of the above, at different times and in different circumstances.

The rise of market accountability has been mirrored by changes in other mechanisms. Professional accountability has clearly been under attack, and the increase in non-elected bodies has meant that the traditional emphasis on political accountability through the ballot box has declined. A major development has been the rise of managerial accountability with its mechanisms of performance targets and audit. These are discussed in the next section.

Performance measurement

One of the main characteristics of the reforms described as the 'new public management' has been the emphasis on performance measurement as a mechanism of control and accountability. Reforms such as the Citizen's Charter, the Financial Management Initiative, the publication of examination and truancy rates in school 'league tables', and the Next Steps initiative all fit this conception of accountability. Stone (1995, p 513) suggests that managerialism has led to 'an emphasis on strategic, rather than detailed control; an emphasis on agency self-evaluation and reporting plus periodic, formal external evaluation; and a "rationalisation" of agency responsiveness'. Instead of the traditional detailed control based on adherence to rules and procedures, a strategic approach is utilised, where the emphasis is on the setting of objectives and assessment of performance. The Next Steps Agencies, for example, have a framework document which contains broad policy objectives and key performance indicators which are approved by ministers. Often the mechanism of accountability is enforced self-evaluation and reporting by the agency concerned. Hence Next Steps Agencies, and local authorities, have to produce an annual report.

The emphasis in the majority of the reforms is on improving the quality of information available to evaluators, who may be the public, ministers, Parliament, or the Audit Commission. Stone (1995) argues that information is improved through stricter reporting requirements and outside involvement in the choice of performance indicators. As Stewart (1984) notes, for local authority services the external involvement comes from central government, which specifies the form of account and the information to be provided, in addition to details such as when and how it is to be published. One other characteristic of the managerialist approach to accountability is the 'rationalisation' of evaluation. Instead, for example, of being responsive to political demands as in the parliamentary control model, the organisation can be controlled through the measurement and evaluation of performance (Stone, 1995). There is an assumption in these reforms that objective indicators can be set which enable an assessment of performance. These and other issues relating to performance management are discussed in detail in Chapter 12.

CONCLUSIONS

One of the features of public services organisations is the complexity of accountability, which arises partially because of the large number of stakeholders involved. For example Chief Constables will be accountable to their Police Authority. They will also be accountable to the Home Office which provides 51 per cent of the funding for the police service and sets national standards and targets. In addition, they will be accountable to their staff, the community through liaison committees, and also to organisations such as the Audit Commission and the Police Complaints Authority. Each of these groups may be interested in a different aspect of performance, for example efficiency or propriety, which further complicates accountability. Problems may arise when there are conflicts of accountability. For example, the introduction of accountability through the market in education has led to an emphasis on examination results which conflicts with the traditional professional emphasis on the process of education. Similarly, the medical profession may face conflicting pressures in accounting to their professional association and accounting for their actions through the legal system.

The issue of accountability is obviously vital to public services organisations. They are held to account by a number of different groups and for many aspects of performance – from probity and legality to efficiency and effectiveness. The way in which public services organisations are accountable has undergone substantial change as part of the reforms of the New Public Management. These reforms have introduced accountability to the consumer through market mechanisms in areas such as health and education. They have also introduced a type of managerial accountability which emphasises the measurement of results through performance indicators, rather than adherence to procedures. Structural reform has also taken place in many organisations, involving disaggregation into small devolved units which can be held to account for their performance. Public services organisations have higher levels of legal accountability than private organisations and, in particular, make more frequent use of judicial review. The increase in these aspects of accountability has often been at the expense of more traditional methods of accountability. The principal control mechanisms were once political and professional, but these have to some extent been superseded by the mechanisms identified above. The increased role for non-elected bodies in the governance of public services means that direct political accountability has been reduced. The other traditional form of accountability under attack is professional accountability. A number of reforms have been imposed which introduce ‘objective’ standards and targets over areas which were once subject to professional evaluation alone.

These changes have had a major impact on those working in public services organisations, as they are held to account in new and different ways. For example, although the publication of the Citizen’s Charter indicators does not currently command widespread public interest, this situation may change and these indicators may become central to the way in which the performance of public services organisations is judged. It has been suggested that the Labour Party may allocate funds to local authorities on the basis of performance on these indicators. These changes in mechanisms of accountability may, however, be resisted. Although accountability through the market has been introduced in education, a study of LEA perceptions of accountability in the period since the enactment of the Education Reform Act 1988 showed that the ethos of accountability was professional, and that officers and members attempt to minimise the impact of the reforms.

Although they operate within the legislative framework of market accountability, one councillor suggested that the strategy of the LEA was one of 'reducing the damage, as far as possible, by trying to reduce the influence of the market' (Farrell and Law, 1995, p 20).

Despite the changes outlined above, the issue of accountability will continue to be of profound importance as long as there are public services. The basis of the accountability of public services organisations is democratic, with most being funded through general taxation. The public therefore expect that those organisations will be accountable to them. Using the definition of accountability developed in this chapter, this will involve:

- the provision of information and the right to debate and question that information; and
- the capacity to impose sanctions if performance is felt to be unsatisfactory.

Each of the four traditional models of accountability, that is, political, managerial, legal and professional, has limitations. How effective can political accountability be if only 40–50 per cent of the electorate vote in local elections? How can politicians be accountable to the public if they are unable to control those who provide services? Is judicial review a useful mechanism for holding politicians to account? Does emphasising accountability to other professionals mean that there is insufficient responsiveness to the consumer?

Some of the reforms which are part of the 'New Public Management' were introduced to attempt to resolve these problems. However, they also have limitations. The example of the Prisons Service shows that the creation of Executive Agencies does not always clarify responsibility and accountability.

Accountability through the market does not work effectively if, for example, there is no real choice of school. Similarly, the emphasis on the easily measured aspects of performance in published sets of indicators such as the Citizen's Charter does not significantly enhance accountability.

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QUESTIONS AND DISCUSSION TOPICS

- 1 What are the implications of the Westminster model of government for the political accountability of public services?
- 2 In what ways are public services managers more accountable than those in the private sector?
- 3 Does there remain a case for expert professional bodies to hold their members accountable for the standards of their work?

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The Accountability of School Governing Bodies

Catherine M. Farrell and Jennifer Law

Introduction

SINCE THE early 1980s, there have been major changes in the governance of education in England and Wales. One of the most important reforms was the devolution of responsibilities from local education authorities (LEAs) to individual school governing bodies. The aim of these changes was

to put governing bodies and headteachers under the pressure of public accountability, for better standards and to increase their freedom ... it is that combination of unpaid but increasingly experienced governors and senior professional staff that is best placed to identify what is required. (DES, 1992: 18)

The assumption is that governing bodies would be better able to manage and be accountable than LEAs. Building on research by Farrell and Law (1995) on the accountability of LEAs, this paper concentrates on schools and provides an analysis of the perceptions and practice of governing body accountability. To whom do governors feel accountable and how does this operate in practice?

In section I of this paper, we examine recent legal changes in governing body accountability. Section II analyses the concept of accountability and previous evidence on the operation of governing body accountability. Section III presents the findings from our research. These are evaluated in section IV. Conclusions are drawn on the nature and effectiveness of governing body accountability.

I. Legislative Reform

The Education Act 1980 made it compulsory for each school to have a governing body and established the requirement for parental and teacher representation. Tomlinson (1993) argues that this legislation was driven partly by a desire to promote local accountability in schools. Two further pieces of legislation greatly reformed governing bodies. The 1986 Act changed their constitution and the 1988 legislation significantly enhanced their role. The membership of governing bodies is determined by formula, based on pupil enrolment. Both parent and teacher representatives are elected, with additional coopted members. Parents and coopted interests have numerical dominance on governing bodies. The 1986 Act required governing bodies to publish an annual report and to arrange a meeting of parents. Beckett et al. (1991: 98) argue that these initiatives were driven by the desire to enhance accountability: 'to provide a forum of accountability for the governing body, the head and the LEA, to make each of the partners in managing the school accountable to parents for

their stewardship of it'. The Education Act 1988, and subsequent legislative reform, empowered governing bodies in the management of individual schools. Governing bodies have extensive powers in the admission and exclusion of pupils, budgetary responsibilities, personnel matters and the determination of headteacher salary levels. The governing bodies of grant-maintained (GM) schools have further powers as they are the official employer of school staff.

Governing bodies have legal responsibilities to LEAs, inspection authorities and to parents. With respect to LEAs, governors are obliged to provide a statement of curriculum aims, any modifications/exemptions to LEA curriculum policies, details on special educational needs, sex education and the school's arrangements for collective worship. Governing bodies are also financially responsible to the LEA for decisions relating to school expenditure and for keeping appropriate accounts. Attendance registers must be maintained and where attendance is low, governing bodies are obliged to report this to LEAs.

Following the Education (Schools) Act 1992, governing bodies are responsible for the provision of relevant information to inspection authorities, for the distribution of the inspection report to parents and for taking appropriate action following an inspection. Parents must be informed of inspection arrangements and be invited to a meeting with the school inspection team.

Governing bodies are also obliged to provide a prospectus, an annual report and hold an annual meeting for parents. The meeting provides the forum for parents to discuss specific questions and concerns arising from the annual report and to raise other issues with governors. Thody (1992: 128) argues that prior to the introduction of the annual parents' meeting, 'it was possible to say that schools were largely protected against having to listen to outsiders' views by a "Berlin Wall" of teacher, local authority and central government "bricks"'.

Governing body accountability is a two-way process. In addition to its accountability to the LEA, parents and inspection authorities, headteachers are accountable to governing bodies. They must supply governors with information they request. Headteachers are entitled to attend all meetings and are usually a full member of the governing body. Each meeting of the governing body will normally include the headteacher's report to governors.

II. The Accountability of Governing Bodies

Accountability is recognized to be a complex and difficult concept (Day and Klein, 1987). A simple description is that to be accountable is to be required to explain or justify one's actions or behaviour. Accountability is closely connected to responsibility, as those who have been given responsibility are asked to account for their performance. Stewart (1984: 15) suggests that accountability is made up of two parts, the 'element of account' and the 'holding to account'. The element of account is the 'need for information, including the right to question, and debate that information as a basis for forming judgements'. In giving an account, information provided will be evaluated, performance assessed and if it is not satisfactory then action may be taken. This is what Stewart (1984) calls the element of holding to account. Dunsire (1978: 41) argues that

the answer when given, or the account when rendered, is to be evaluated by the superior body, measured against some standard or some expectation, and the difference noted; and then praise or blame to be meted out or sanctions applied. It is the coupling of

information with its evaluation and application of sanctions that gives 'accountability' or 'answerability' or 'responsibility' their full sense in ordinary organisational usage.

One of the prerequisites of effective accountability is that those given responsibility know to whom they are responsible, and for what aspect of performance. Similarly, those who delegate authority know whom to hold to account. Stewart (1984: 16) argues that

the relationship of accountability, involving both the account and the holding to account can be analysed as a bond linking the one who accounts and is held to account, to the one who holds to account. For accountability to be clear and enforceable the bond must be clear.

In addition to clarity, there also needs to be agreement on the process and content of the account. Day and Klein (1987: 5) state that accountability 'presupposes agreement both about what constitutes an acceptable performance and about the language of justification to be used by actors in defending their conduct'. Accountability is straightforward in circumstances when a simple task has been delegated to an individual, but is more difficult when tasks are complex and greater numbers of individuals are involved (Kogan, 1986). In addition, accountability is difficult in services which are provided by professionals, as their power enables them to resist attempts to measure the outputs of services provided (Day and Klein, 1987).

There is limited evidence from the literature about the effectiveness of governing body accountability, or governor perceptions of accountability. There is a suggestion, however, that 'governing bodies are not particularly accountable' (Deem et al., 1995: 38) and that 'governors are not performing effectively their overt functions of democratic representation and the direction of managerial effectiveness and efficiency' (Thody, 1994: 210). Many (e.g. Boyett and Finlay, 1996; Levačić, 1995), argue that recent Conservative governments have promoted an approach whereby governing bodies operate as a board of directors. Boyett and Finlay (1996: 32) suggest that

just like company boards, governing bodies are now required to produce an annual report for their 'shareholders' and to hold an annual general meeting, where the governors were visibly accountable to the parents for their actions over the previous year.

In practice, however, official guidance to school governors is confusing. For example, the Department for Education and Employment argues that governing bodies are 'accountable to those who established and fund the school and also to parents and the wider local community' (DfEE, 1996: 5). In contrast, the Audit Commission and OFSTED (1995: 4) focus only on parents, describing the accountability of governing bodies as 'making sure that parents are kept informed about what is happening in the school and that their views are taken into account'.

Levačić (1995) argues that government expectations of governing bodies fits the accountable model provided by Kogan et al. (1984). Accountability is a central feature of this governing body—there is a perception among governors that they have an obligation to account for the performance of the school. Mechanisms of accountability, such as the annual report, are stressed within this model. The chair is central in securing consensus among all individual governors and acts as a *de facto* chief executive of the school. A close and trusting relationship with the headteacher is essential. Kogan et al. (1984) provide three other models of governing bodies: the advisory, the supportive and the mediating governing body. Levačić's (1994) study of eleven governing bodies indicates that none operated

wholly on the basis of the accountable model—the advisory and supportive models were more applicable. While these models are useful for analysing the role of the governing body, they provide little insight on both giving and being held to account.

As highlighted in section I, governing bodies are required to provide information to parents, LEAs, central government, and Her Majesty's Inspectors. However, to whom do they feel accountable? In Beckett et al.'s (1991: 101) study, governors in Warwickshire identified a range of groups who included 'the head and all staff, to the parents, the local community, local employers, other schools in the area, to the individual governors' constituencies, the parish or diocesan authority and most strongly (although they did not think of it first) the children'. There has been no other research conducted on whom governors feel accountable to.

How does 'giving an account' accountability operate in practice? The vast majority of evidence concentrates on accountability to parents. The main mechanisms of accountability are the annual report and the annual meeting. Beckett et al. (1991: 98) state that the 'legislation clearly indicates however that in the governors' annual meeting and report it is the governing body who will take the lead'. Levačić (1995) argues that generally these are poorly attended by parents. Sallis (1988) highlights that the meetings tend to focus on activities within schools rather than being occasions when the governing body formally accounts to parents. Martin and Ranson show in their study of governing bodies in Birmingham that a minority of meetings were quorate. They suggest that there are three models of annual parents' meetings: validation, interaction and partnership. Most meetings are at the validation stage: 'a model preoccupied with information giving within a formal business meeting at the end of the year' (1994: 206). The Audit Commission and OFSTED (1995) also recognize this problem and suggest ways in which annual reports and meetings can be improved in order to enhance parental accountability.

Individual governors may also give an account to the 'constituencies' they represent. Kogan et al. (1984) found that governors were aware of their category of governorship, but held differing views on representing their constituents. Parent governors found it difficult to represent parents, and many tried to ensure contact with parents through PTA meetings, parents' evenings and informal meetings. Curtis's (1994) evidence also indicates that parents were concerned about their capacity to represent effectively. Teacher governors found it easier to represent their constituents as 'findings could rapidly be taken, or meetings called, if a matter arose in which a teacher governor felt the need to canvass the views of his colleagues' (Kogan et al., 1984: 136). Sallis's (1995: 119) experience leads her to conclude that both parents and teachers are 'often confused about their relationship with those who elected them'. While coopted governors were aware that part of their role was representation, Kogan et al. found that they had 'surrendered their interest by joining the governing body, and were concerned only to use their affiliations and experience to support or advise the other governors and the school' (1984: 137).

The provision of information is clearly not the only aspect of accountability. There is also the 'holding to account'. Deem et al. (1995: 166) argue that 'few mechanisms are in place to make governors accountable to those whose interests they represent'. In their study of governing bodies they found that no governor had been removed from their post. Levačić (1995: 30) similarly states that there is an absence of 'hotly contested elections' in the majority of schools. Hence, few governors will have sanctions imposed.

In order for a governing body to give an account, it needs to hold the headteacher to account. Research (for example, Deem et al., 1995) suggests that governors find it difficult to obtain information, apart from that given to them by professionals. Most, apart from the

chair, spend very little time in the school (Deem and Brehony, 1993). Much of the information they receive therefore comes from those whom they need to hold to account.

In summary, research suggests that governors find it difficult to give an account, both collectively and individually. Few of them will be held to account. In addition, the absence of 'objective' information and their lack of power suggests that they will find it difficult to hold professionals to account.

III. Research Findings

This research is concerned with both the perceptions and practice of governing body accountability. Sinclair (1995: 233) argues that views and perceptions are central as 'accountability is not independent of the person occupying a position of responsibility, nor of the context. Defining accountability, the way it is internalised and experienced should be our focus.' Gray and Jenkins (1985) similarly argue that insufficient attention has been paid to how and why accountability has been exercised. The evidence presented in this paper was gained from interviews with a range of governing body members in five primary and secondary schools within one LEA in south Wales. The schools were randomly selected. Recognizing that there are 'many ideological, social, political and educational interests' operating within governing bodies (Deem and Brehony, 1993: 343), an attempt was made to interview at least one governor from each constituency: headteacher, chair, teacher representatives, parents, LEAs and cooptees. While this was not always possible due to individual availability, a range of governors from each school have been interviewed. The views and perceptions of 27 governors form the basis of this research. The interviews took place during the 1996/7 academic year.

Giving an account of performance is clearly an important aspect of accountability. The governors in our study identified accountability to a range of groups, but the most common view was that they were accountable to parents. For example, a cooptee argued that 'accountability has to be to parents'. Some felt accountable to 'the people within the catchment area of the school'. All parent governors felt that the governing body was accountable to parents. One, for example, felt that accountability 'was to the parents. It's really them we're working for aren't we?'

There were mixed feelings about accountability to the LEA. Most governors argued that governing bodies were accountable to the LEA. One head said that 'I think we are answerable to the LEA, the Director of Education for certain things, but ultimately we are responsible to parents.' A teacher articulated the sanctions available to the LEA:

at the end of the day this is the authority's school, educating the pupils of the authority, and at the end of the day if the governing body does not do its job right, then the Director of Education obviously has the right to take back the school under direct control of the authority.

Similarly a cooptee stated that they were accountable 'to the LEA. Obviously we are still part, as it is an LEA school, and accountable to them at the end of the day.' Some others omitted this level of government, stating that they were 'accountable to the Secretary of State for Wales. I don't know what the relationship between the governing body and the LEA is.' Another teacher felt that governing bodies 'are answerable to the government ultimately, the people who fund schools'.

Other governors felt that there was no clear sense of accountability to the LEA. For example, one argued that 'I don't see a great stress on the accountability towards the LEA

... I don't see the relationship being one of accountable to the LEA, as daft as it may seem.' Another governor reversed this and viewed accountability operating from the LEA to the governing body. He argued that 'if we feel strongly about the way the LEA is acting on a particular matter, then we'll have no qualms about asking the clerk (of the governors) to write a letter expressing our views'.

Many governors felt that governing bodies were not directly accountable to inspectors. One cooptee argued that

I don't think we are answerable to the outside inspectors. We're accountable to parents, yes definitely, and any criticisms or advice given in the inspectors' report, we are answerable to them to put that right, to the benefit of parents and children.

Another teacher governor felt that the governing body was only accountable when things went wrong. She argued that 'I'm not sure they are accountable to anybody, unless of course something goes wrong and then they are accountable to whoever it is.' A chair felt that 'there has to be some accountability to them (parents) because if there is a mistake that is going to be made, then it's the parents, who are most likely to question decisions that are made'.

Some felt that governing bodies were also accountable to those living in the catchment area, not just to parents. There was a feeling that schools had to reflect the values of the community to ensure local support. For example, one teacher highlighted the issue of school uniform purchase and the governing body recommendation that these should be purchased from a particular local outlet. This decision was taken on the basis of the school's desire to be community-based.

Governors also felt individually accountable. Different constituencies of governors tended to give different views about this. Coopted members, in general, were more likely to be unsure who they were accountable to. For example, one argued that 'quite where my accountability fits into this, I'm not sure, unless it's to my party (Labour) in this particular case'. Another coopted member argues that 'I have never felt accountable and I have never felt part of the decision making process.' Others felt accountable to those who had coopted them. One argued 'well, obviously I am co-opted by the main governing body. I assume as there are five of us who are co-opted they want us for some expertise ... So, yes accountable to the governing body who co-opted me.'

Teacher governors all felt individually accountable to their fellow teachers. Many sought teacher support over items on the agenda and reported back after governors' meetings. This tended to be done formally in situations where 'contentious' issues were discussed, such as a proposal for GM status, and was not a regular event. One teacher explained that

if I see anything coming up and I know the staff are going to be up in arms about it, then I call a meeting of staff and say 'look this is coming up, what tactic do you want us to take?' We represent the staff I suppose, but we are not actually delegates, we don't go there because of the staff, and we can vote whichever way we want

Another teacher felt that his role was to represent teachers: 'individually, I am responsible to the members of staff because they have elected me and as such they can also de-select or throw me out or have a vote-of-no-confidence'.

Parent governors did not feel individually accountable to parents. They regarded their role as one supporting the school to ensure 'a good education for both my children and others'. There was a view among other governors that, at least initially, some parents acted

on an individual basis on the governing body. For example, a coopted governor argued that a parent

came with a very vested interest in his boys reaching A levels. I think parent governors tend to be initially into that. But once they get in, they do begin to see the wider view of resources that need to be in place.

LEA governors did not feel individually accountable to LEAs. One argued 'I have been appointed and they leave me to it'. Another responded simply: 'not as yet'. LEA members typically felt that their input was concerned with the provision of information relating to new legislation to schools.

Few governors felt that the annual meeting was an effective mechanism of accountability. The meeting is attended by few parents in the schools. One governor stated, 'you get ten parents turning up and you've got twenty governors there'. Another said that 'the attendance will be appalling, but then equally we don't make any attempt to make it more fun. The agenda is a standard one for all schools and is extraordinarily boring.' Many felt that a low turnout at the meeting was an indication that parents were happy with the school, so for example, 'I feel it is a compliment because they trust the school'.

In all schools, apart from one in our study, the annual report and the school prospectus were prepared by individuals within the school and passed to governors for comment. One headteacher highlighted that the annual report for her school included the information which it is legally obliged to contain and as such it is 'not very user friendly to parents, it's not that they do not understand it, but the terminology is not user friendly'. This particular school is committed to examining the presentation and content of the report in order to make it more appealing and attractive for parents. The school governing body which took responsibility for these activities had a special subcommittee. The chair commented that 'this year we have made a conscious effort to try and write more of it (the annual report) ourselves and take some of the work off the school'.

Informal mechanisms of accountability operated in all schools. These included newsletters, reports of success in local media and informal meetings. One parent governor, for example, typically stated she was frequently approached informally by other parents. In one school, the governing body has met student representatives in order to reflect their ideas. These informal mechanisms of accountability are widely considered to be effective by individual governors.

None of those governors interviewed could recall any governor not being re-elected, or any coopted governor being removed from office. The only case of a removal from office was where a chair was deselected because he had been one of the main instigators of a failed move for GM status. While not a deselection, another governor withdrew herself from the governing body of another institution because she did not feel that she was 'doing any good there. I felt that the chair is weak and not in control and I didn't want to be associated with the decisions.'

Few governors felt that their role was to hold the headteacher to account. Most described the operation of the governing body as the headteacher putting forward ideas and these being discussed. One teacher governor explained

the governing body questions most things. Not in terms of opposing what is proposed very often, but just seeking further information. Very often it is a consensus, but nothing goes through on the nod, the head or ourselves as staff certainly couldn't put anything over their heads.

While some governors felt that the headteacher was in control, the majority felt involved in school management. Most felt the headteacher and the senior management team were responsible for the day-to-day running of the school and that they were responsible for setting policy. However, some did not agree with this. One teacher, for example, argued that headteachers 'do everything . . . It's the Head who comes in and says "well look, we must discuss these, this is the agenda"' (for the governing body)'.

The majority of governors got their information from headteachers. One argued that 'most of the information we get is from the Head, in fact I can't think of anything that isn't'. Some governors visited schools, but on an occasional basis. A headteacher stated that 'governors have not been involved in any classroom observation or anything like that, but certainly visits to the school to discuss various aspects of school life'. All the secondary school governing bodies analysed examination results, and one governor said that 'we created hell last year because the examination results were so low'. In general, headteachers did not encourage governors to visit schools uninvited.

IV. Responsibility and Accountability?

Educational reforms have empowered school governing bodies. To what extent are they accountable for undertaking their responsibilities? Accountability involves both giving and holding to account. With respect to giving an account, governing bodies are expected to provide information to a number of interests. In order to ensure effective accountability, the information must be evaluated and appropriate action taken. This paper has focused on how individual governors perceive governing body accountability. The majority feel that governing bodies are accountable to parents in the first instance and, to a lesser extent, to LEAs. A few governors also highlighted accountability to those living within the catchment area. While not feeling directly accountable to inspection authorities, governors perceived themselves as accountable for the performance of the school indicated in an inspection report.

Effective accountability requires clarity. Our evidence shows that governors were clear about accountability to parents. In contrast, there was less clarity about accountability to LEAs. Apart from a general view that schools must operate within legal and financial requirements, typically, governors were unaware about what governing bodies actually account to the LEA for, and the way this operates. Headteacher governors were more aware of accountability obligations to LEAs than other governors, suggesting that they are more involved in this area of accountability. This finding supports Walsh's (1995: 177) arguments about the role of individual governors in comparison with headteachers. He argues that 'the governing body has gained power, but its influence is often limited compared with that of the headteacher, and as the degree of hierarchical control by the LEA has declined, that within the school has increased'.

This research highlights the accountability felt by individual governors to their constituencies. Teacher governors feel that an important aspect of their role is to represent staff views and to report back on decisions taken. In contrast, parent governors, who have also been elected, do not perceive direct accountability to parents. This may be a reflection of the diverse range of parental interests which exist or because parents do not often meet as a group. Co-opted governors and LEA members are least aware of individual accountability to their constituents. These findings support those of Brehony (1994: 58) who argues that

elected governors find it difficult to find ways in which they might be accountable to their constituencies and this is especially so of parent governors but there is no possible

means for the appointed LEA and business governors to be accountable either to the LEA or local business.

All governors are aware of their accountability to parents—that they must formally provide an annual report, a school prospectus and conduct an annual meeting. The central issue is the effectiveness of these mechanisms of accountability to parents. With the exception of one school, the majority of governors feel that they have little involvement in the preparation of either the annual report or the school prospectus. Thody's (1992) research confirms this where, in many schools, the annual report is written by headteachers. The high level of headteacher involvement in the annual report suggests that these mechanisms of governor accountability to parents could be strengthened. As it currently operates, accountability exists from the headteacher to parents, rather than from the governing body to parents. In addition, the accessibility of the annual report to parents requires examination. The majority of schools, although they recognize that annual reports are inaccessible, are failing to examine improvements in this area. The Audit Commission and OFSTED (1995: 16) raised this issue in their report on school governing bodies. It argued that 'parents are likely to read reports which are written in a clear and accessible style and are enlivened by illustrations'. The governing body in this research which has taken responsibility for the annual report has a much more involved role than other bodies and, consequently, a more effective means of accountability to parents. As argued by Sallis (1995: 123), 'ideally the report should be a team effort with contributions from individual governors and information about them'.

All governors report the apparent lack of parental interest in the annual meeting. The meeting must, as one of the key mechanisms of accountability, therefore be considered ineffective. This is because parents have not 'held the governing body to account'—rather only the 'giving an account' is present. One governing body in this research is attempting to address this problem by conducting the meeting at a different time in the school calendar, possibly together with the school PTA. This initiative may enhance the effectiveness of the annual meeting as an accountability mechanism. This research has also found that governors are rarely held to account by those they represented. Just as Levačić (1995) found, few governors in our study had the sanction of not being re-elected or coopted for another period of office.

The Conservative government (DfEE 1996: 5) suggested that governing bodies are also accountable to 'the wider community'. However, although governors in this research perceive accountability to local communities, no formal mechanism exists to facilitate this. In its absence, governing bodies are not formally accountable to their communities. Informally, governing bodies may consider 'the wider community' in making decisions. Additionally, any information which is provided to communities represents the element of 'giving an account', rather than being 'held to account'.

Informal mechanisms were viewed as important in helping accountability to parents, prospective parents and the community more generally. While there was a perception that informal approaches were effective, these are dependent on an individual governor's willingness to undertake relations at this level. Clearly, the 'holding to account' element of accountability may not always be present in informal approaches. However, this may exist where governors are dependent on the support of their constituents in their re-election as a governor, although there was no evidence of this in the study.

None of the governors in this research feel that they hold the headteacher to account. Their role is one of commenting on documentation and policy proposals which usually

originate from headteachers. This suggests that, of Kogan et al.'s (1984) models of governing bodies, the accountable model is not dominant. Typically, headteachers provided an account to governors, rather than the governing body exercising their authority to hold the head to account. The absence of headteacher accountability to governing bodies has also been found by Deem and Brehony (1993: 347). These authors noted that all headteachers 'set out to "manage" their governors' where they were able to 'control, determine or influence significantly, the decisions governors made and limit the extent of governor involvement in the day-to-day running of the school'. More effective accountability at this level is dependent on enhanced governor involvement and active participation in decision making.

Conclusion

Accountability requires agreement on the process and content of the account. The process and content of accountability have been legislatively imposed on governing bodies and governors must comply with these. Governors feel accountable to parents. Their perception of LEA, inspection authority and catchment area accountability is weaker than that attached to parents. The element of 'holding to account' and the mechanisms to secure this are important aspects of accountability. The effectiveness of existing mechanisms of accountability could be improved. The annual meeting, despite its status as a key element of accountability, is not well attended in schools. This may suggest that parents do not agree with this element of the accountability process, or find it a useful mechanism of accountability. Governors appear resigned to this lack of parental interest. However, this does not promote effective accountability. The decision of one school to hold the meeting at another time may encourage more meaningful accountability to parents. Placing responsibility for the annual meeting with the governing body, rather than the headteacher, may also enhance governor perception of this mechanism of accountability. Overall, and within the context of their statutory obligations, governing bodies need to seek alternative mechanisms of accountability which have parental support. They need to be proactive in encouraging parental involvement, rather than resigned to its absence. Similar advancements are required in terms of the school annual report to parents. This should be driven by the governing body as a whole. Increased governor involvement in accounting to the LEA may improve awareness of accountability at this level.

In conclusion, we have found that individual governors perceive governing bodies as accountable. Primarily, governors are fully aware of their accountability relationship with parents. The nature of accountability to LEAs, inspection agencies and to those within the catchment area requires some clarification among the governors of individual schools. Once clarified, the process by which accountability is secured needs to be examined so that governing bodies are not just responsible for schools—they are also fully accountable for them.

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CHANGING FORMS OF ACCOUNTABILITY IN EDUCATION? A CASE STUDY OF LEAs IN WALES

CATHERINE M. FARRELL AND JENNIFER LAW

Political mechanisms of accountability were marginalized by Conservative government reforms during the 1980s and 1990s which sought a more market-oriented approach within the public sector in order to enhance 'consumerism'. In education, parents were given more choice between schools and were provided with more information on school performance. The promotion of market accountability has involved a reduction in the powers of local education authorities (LEAs) which had been central to the operation of political accountability. However, whilst market-based forms of accountability were firmly enhanced in principle by the legislation, to what extent have the forms of accountability operating within LEAs changed in practice? Interviews with Chief Officers and the Chair of the Education Committee are used to identify changing perceptions and practices of accountability in LEAs in Wales. The findings indicate that although local politicians and officials have been forced to operate within the legislative framework of market accountability, they have sought to impede its successful implementation. The policy community in Wales facilitated the LEAs' capacity to respond in this way. The market-based reforms conflicted with fundamental values held in Wales, which remain those of professional accountability.

INTRODUCTION

Questions concerning the accountability of public services have been raised frequently in recent years, for example with regard to the growth of unelected bodies (Burton and Duncan 1996). There is also a long-standing debate over the accountability of elected local government. For example, concern over the accountability of the education service was raised in the 1970s when a national discussion of the 'subject matter and purpose of education' was called for by James Callaghan. The approach of the Thatcher and Major governments has been to marginalize political mechanisms of accountability and introduce market-based approaches. Recent education reforms, particularly the 1988, 1992 and 1993 Education Acts, have given power to consumers and reduced the role of the local education authority.

The aim of this paper is to evaluate the impact of these reforms on the perceptions and practice of accountability in Welsh local education authorities (LEAs). How have politicians and officers reacted to the imposition of market-based mechanisms of accountability? To what extent do these

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mechanisms fit with their perceptions of accountability? Part one of the paper presents four models of accountability in education: professional, hierarchical, market and public. The impact of the reforms on each type of accountability is identified. Part two analyses the information gained from interviews with officers and politicians in LEAs in Wales, and highlights the model of accountability that they advocate. The paper identifies the existence of a shared commitment to professional accountability, which reflects the dominant discourse of accountability in all Welsh LEAs.

I ACCOUNTABILITY IN EDUCATION

The issue of accountability is central to a democratic system of government. Simey (1984, p. 17) states that 'in a democracy it is only by the consent of the people that authority to govern can be delegated and that consent is given on one condition, that all those who then act on our behalf will hold themselves accountable for their stewardship'. As the complexity and size of public services have grown, so the direct democracy associated with the ancient Athenian state has generally given way to representative democracy. Political accountability operates when the general public hold their representatives to account for their performance. For this model of accountability to work, those representatives must be able to hold the service deliverers to account. However, this can be difficult in practice, particularly in services which are provided by professionals, as their organizational power enables them to resist attempts to measure service outputs (Day and Klein 1987).

Accountability operates when those who have been given responsibilities present an account of their performance. Stewart (1984) describes this as the 'element of account'. In addition, some definitions of accountability (for example, Dunsire 1978) suggest that the information must be evaluated, performance assessed and if it is not satisfactory then action may be taken. Stewart (1984) suggests that this is the element of the 'holding to account'. Hence, to be accountable is to give an account of performance and to answer, explain or justify. The evaluation of performance 'forms an intrinsic element of the accountable relationship: performance in the task is assessed according to established standards' (Ranson 1986, p. 78). These 'standards' of performance may be specified in the code of accountability which governs the relationship between the principal (who entrusts responsibility) and the steward (Gray and Jenkins 1985). This code 'defines the nature of the relationship between steward and principal, the content and manner of the execution of the specified responsibilities, and the terms in which the accountability of execution is presented and evaluated' (Gray and Jenkins 1985, p. 140).

Accountability in the public sector is particularly complex. One reason for this is that there are a number of individuals and groups who will give an account of their performance. In relation to the LEA, the main groups to give an account are politicians and officers. An account of performance

may be given to the public, politicians, governing bodies of schools, inspectors, and central government, amongst others. Both politicians and officers may give accounts to the groups identified above but they are likely to differ in the importance that they place on each group. These 'accounts' will be varied: some may be verbal, others written, some voluntary, others obligatory. There may also be conflict between the accounts given to different 'constituencies' and also between the groups who give the account. In education, in particular, the notion of what constitutes performance has been contested for some time. Ranson and Stewart (1994, p. 233) argue that the difficulty of assessing performance in the public sector means that accountability 'must in the public domain institutionalise a discourse about purposes, practice and performance'. This discourse may take place at many levels – within organizations, as well as between them. The debate will reflect the values of the groups involved, as Ranson and Stewart (1994, p. 38) argue 'each (group) pursues particular aims and objectives, striving to ensure that the relevant decisions or choices embody its values and reflects its interests'. The resolution of such conflict is dependent on the relative power of the individuals and groups involved (Ball 1990). However, Ranson and Stewart (1994) warn against an over-emphasis on the actors and their relative power, as the environment within which they operate will provide some constraints.

A number of models of accountability in education have been developed, chiefly by Kogan (1986), Ranson (1986), Elliot *et al.* (1981) and Day and Klein (1987). These models illustrate different codes which specify, for example, alternative methods of presenting and evaluating the account. Whilst there are some differences of classification and nomenclature, four main models of educational accountability emerge from the literature: professional, hierarchical, market and public. Although it is unlikely that any of the ideal models will exist in its pure form, it is necessary to distinguish between them for the purpose of assessing the extent to which the impact of educational reforms in Wales matched the form of accountability promoted in the legislation. The models are outlined below.

(a) Professional accountability

The emphasis on accountability for process is characteristic of professional accountability. Sockett (1980, p. 11) illustrates this, arguing that 'the question (professionals) debate is not whether certain results have been achieved, but whether professional standards of integrity and practice have been adhered to'. In this form of accountability, teachers, and hence schools, are accountable to professionals and LEA officials for the educational process. Ranson (1986) states that the educational process is so complex that only professionals can hold other professionals to account. Hence, emphasis is placed on accountability 'sideways' to other professionals. This is secured via teacher and school self-evaluation and inspections by local authority and central government advisers and inspectors. The information generated

by mechanisms such as self-evaluation is generally used internally, rather than as a basis for accounting to external groups such as parents.

The LEA has traditionally played a key role in professional accountability, for example, through the provision of advice and inspections to schools. However, legislative changes since 1988 have had a major impact on the capacity of the LEA in this area. The reforms have introduced market-based forms of accountability which have circumvented institutions such as LEAs 'which are seen as captured by vested interests' (Ferlie *et al.* 1996, p. 20). The reforms have also reduced professional autonomy, for example, through greater lay involvement in school inspections and governing bodies, and the introduction of the national curriculum. The mechanism of accountability has also been changed by the reforms. Teachers, schools and LEAs now have less control over the way that they account, as they have a range of statutory obligations to provide information. Examination results are published in league tables and responsibility for quality assurance has been removed from the LEA and passed to the external agencies, Office for Standards in Education (OFSTED) in England and Office of Her Majesty's Chief Inspector (OHMCI) in Wales. The legislative changes have undermined professional autonomy and shifted the emphasis away from self-evaluation and accounting to other professionals. This has reduced the role of the LEA in professional accountability. Ball (1990, p. 18) argues that these reforms have led to a situation where 'privileged speakers have been displaced, their control over meaning lost, their professional preferences replaced by abstract mechanisms'.

(b) Hierarchical accountability

In contrast to professional accountability where accountability is 'sideways', the hierarchical model involves accountability 'upwards'. This is exercised through the managerial hierarchy and stresses the contractual relationship with the state. Becher *et al.* (1981) describe it as an obligation to render an account to an employer. The chain of accountability operates from teachers, headteachers, governors and to appropriate LEA officers. The LEA adviser is, in turn, accountable to senior advisers and the mechanism continues through the Chief Education Officer to the Education Committee and the full council. Hence accountability is exercised through the education hierarchy and ultimately to the public through their elected representatives. The final element in the hierarchical chain involves political accountability, that is the accountability of politicians to the public. Kogan (1986) calls this the public control model, and states that its' primary characteristic is the managerial hierarchy. His research suggests that this model is dominant in the British education system.

This model has been partially undermined by the educational reforms since 1988. Many LEA responsibilities have been devolved to quangos and schools, forcing LEAs to become enablers rather than providers. This has weakened the position of LEAs in the hierarchy of accountability. The trend

towards a marginalization of the LEA was recognized by Day and Klein in 1987. They suggested that although the LEA was part of the hierarchy of accountability, the model of accountability which has been developed 'stresses the role of central government rather than that of the LEA' (1987, p. 167). This trend has accelerated since their study, for example, by the creation of grant-maintained (GM) schools, city technology colleges (CTCs), the Funding Agency for Schools, OFSTED and Further and Higher Education Funding Councils.

Although their role has been reduced, LEAs are still accountable for some functions, for example, the provision of an appropriate formula to fund schools. The reforms have led to an increased role for quangos and schools, at the expense of the LEA. Local management of schools (LMS) has shifted power to school governing bodies and LEAs have lost direct responsibility over many aspects of school management. Hierarchical accountability by schools to LEAs, and LEAs to central government continues to exist although it covers fewer functions. The reforms imply less power and responsibility for LEAs within the hierarchy of accountability, and more for schools and quangos.

(c) Market accountability

In the market model, accountability is to the consumer (normally the parent). The emphasis is on accountability for outputs, mainly measured by examination results. In this system, schools are accountable to the consumer who chooses their product or an alternative in the marketplace. In order for the market to operate effectively, information (for example, examination results) needs to be available so consumers know the full specifications of the product they are 'buying'. LEAs are responsible for the collection and presentation of the examination results of individual schools. Through the provision of information, the role of the LEA is therefore to facilitate the operation of the market. In this model of accountability, market forces replace political control.

One of the main objectives of the reforms has been to move accountability closer to the market model. Feintuck (1994, p. 88) states that the 'ultimate objective expressed by the proponents of ERA (Education Reform Act 1988) and subsequent reforms was the enhancement of ... mechanisms of accountability deriving from the exercise of market forces'. Decisions that were made via local democratic processes were to be replaced by market forces. Open enrolment and the introduction of GM schools and CTCs meant that parents would have more choice. This choice of school is informed by the publication of performance indicators such as examination results and truancy rates, which is the primary mechanism of school accountability to parents. The allocation of funds on the basis of pupil numbers, introduced in the 1988 Act, is a central part of the move towards a market approach, which ensures that popular schools are rewarded for their performance. In Wales, this is further strengthened by the 'popular

schools initiative' which allows schools that are oversubscribed to bid for additional capital resources to enable their expansion (Welsh Office 1995).

(d) Public accountability

Both market and public accountability involve an active role for parents. In the public model, this active role is required of the community more widely. The method of accounting stresses parental and community participation in determining the purpose and process of education (Ranson 1986). This operates collectively through the democratic process as well as individually, and therefore involves all individuals within an electoral ward. It stresses mutual accountability and partnership between politicians, professionals, parents and the community. It implies a role for LEAs in stimulating parental and community involvement and reconciling diverse, often conflicting, needs and demands. Ranson's (1993, p. 345) arguments for the development of the learning society clearly involve an active role for LEAs to provide the 'foundation for personal and collective empowerment'. The public model of accountability is necessary for the success of the learning society.

The education reforms have encouraged parental involvement in education. For example, parents may be involved through school governing bodies on which they and co-opted governors now have numerical dominance (public accountability). However, the primary method of parental involvement promoted in the reforms is exercising choice in the market place (market accountability). Further, whilst the statutory obligation to provide information could enhance public accountability and promote debate about the purpose and process of schooling, the emphasis of the educational reforms is the enhancement of market accountability. The reforms have encouraged parental involvement as individuals rather than collectively, and emphasis has been placed on participation through the market rather than the democratic process. The reforms have discouraged public accountability and the withdrawal of powers from LEAs has meant that accountability through the democratic process is reduced. The extent to which LEAs are accountable through the hierarchy has also been reduced with the loss of some of their powers. However, LEAs remain the official employer of teachers within LEA schools, indicating the continued role of this model of accountability.

(e) Tensions between the models of accountability

Whilst the four models individually highlight specific mechanisms of accountability, they are not mutually exclusive. All of the types of accountability can operate at the same time and interact with each other, which may cause tensions. Historically, the dominant models have been professional and hierarchical. More recently, market approaches have been introduced. Clearly some of the models can operate at the same time. For example, LEA advisors can feel accountable to other advisors (professional

accountability) and at the same time to elected politicians (hierarchical accountability). This plurality of accountability operates throughout the public sector and may be viewed as one of its characteristics (Farnham and Horton 1996). However, this can cause tension, which may occur in situations where for example, LEA services are 'sold' to schools (market accountability), and at the same time the LEA may have to hold a school to account for poor performance (representing elements of both professional and hierarchical accountability). Here the role of LEA advisors in supporting and inspecting schools can be compromised by the LEAs' overriding need to sell services such as school building maintenance in order to 'survive in the market place'.

Although the models of accountability can operate at the same time and interact, it is possible that one model may be dominant at a particular time and that individuals will perceive one form of accountability to be the most important. Elliot *et al.* (1981), for example, showed that teachers felt chiefly accountable to their peers rather than the LEA. This perception may well have changed now with recent legislative reforms which have undermined both professional and LEA accountability and enhanced market accountability. However, it is important to look beyond legislative changes to the actual outcome of policies (Pressman and Wildavsky 1984). Raab (1994, p. 10) argues that the influence of those responsible for implementing policies is important 'for government is by no means certain to achieve its objectives in a system in which resources can be mobilised by others at many points for purposes outwith the determining constraints of the policy as devised by its "makers"'. It is in their role as implementers of policy where practitioners can interpret, rather than simply execute, policy which is our prime concern (Fitz and Halpin 1994). This paper examines the reaction of officials and politicians in LEAs to changes in accountability. In theory, the education reforms since 1988 have marginalized LEAs and reduced their role in accountability. However, what has been the result in practice? How have officers and politicians reacted to the changes in accountability?

II PERCEPTIONS AND PRACTICE OF ACCOUNTABILITY IN LEAs IN WALES

(a) Aims and methods

This paper identifies the forms of accountability that are important to politicians and chief officers in Welsh LEAs. Their views and perceptions are crucial. As Sinclair (1995, p. 233) argues 'accountability is not independent of the person occupying a position of responsibility, nor of the context. Defining accountability, the way it is internalised and experienced should be our focus'. Gray and Jenkins (1985) similarly argue that insufficient attention has been paid to how and why accountability has been exercised. The 1988, 1992 and 1993 Education Acts have imposed a market model of accountability on LEAs. What impact has this new form of accountability

had? Does it 'fit' with the values and perceptions of key individuals within LEAs, and what happens if it does not?

The research concentrates on accountability in LEAs in Wales. This focus allows a 'nation-wide' perspective, as it is possible to conduct interviews in each LEA. It also allows us to identify whether views on accountability are common to all LEAs in the Welsh education system. The limitation of this approach is that care needs to be taken when generalizing from these findings. As section II(b) shows, although most of the education reforms have applied equally to England and Wales, there are some differences of context and policy. The Director of Education and the Chair of the Education Committee in each Welsh County Council (prior to the re-organization of Welsh local government in 1996) were interviewed, apart from one where only the director was available. Data from the transcripts of these semi-structured interviews formed the basis for the analysis of accountability. Other individuals within and outside the LEA may have different views and interpretations of accountability. However, the director and the Chair of the Education Committee play a key strategic role in the system of LEA accountability, and the study aims to identify their perceptions of accountability and examine their reaction to the introduction of market-oriented mechanisms.

(b) The Welsh context

In general, the education reforms have applied equally to LEAs in England and Wales. However, there are a number of differences of context and policy. In Wales, education is centrally directed by the Welsh Office, rather than the Department for Education and Employment, and relations are informal between the centre and LEAs (Farrell and Law 1995). Until the re-organization of local government in April 1996, there were eight LEAs in Wales. This number has now increased to twenty-two authorities. The small number of LEAs facilitated the existence of close policy communities (Boyne *et al.* 1991; Farrell and Law 1995). The coherence of the community was a function not just of geography, but also politics, in that none of the LEAs was Conservative controlled. The development of the education network in Wales is particularly marked since the Education Reform Act 1988, largely because the act provided the opportunity for the Welsh Office to establish a number of new education quangos, such as the Curriculum and Assessment Authority (Reynolds 1996).

Although it has been argued that the role of the Welsh Office is simply to 'rubber stamp' decisions made in London (Jones 1988; Kellas and Madge-
wick 1982), there are some differences in both the content of the post-1988 education reforms and also their impact in Wales. The principal difference in the content of education policy between England and Wales is concerned with the National Curriculum. The curriculum is different, not just because of the Welsh language, but also the 'Welsh orientation' within the curriculum is distinctive. In addition, the Welsh Office has developed some recent

separate policy initiatives. One of these, the 'popular schools initiative', is concerned with the provision of additional capital resources to increase the capacity of schools which are oversubscribed. Schools, through their LEAs, bid competitively for these funds (Welsh Office 1995). The recent publication of the separate White Paper in Wales, *Building Excellent Schools Together* (Welsh Office 1997) further indicates the capacity of the Welsh Office to develop separate policy in Wales. Phillips (1996, p. 32) argues that in 'both curricular and institutional terms, Wales now has core elements of a "distinctive" education policy'.

In addition to differences in the content of policies, there are also important differences in the impact of policies between England and Wales. Whilst the legislation for GM schools and City Technology Colleges (CTCs) is the same, the 'take-up' of these initiatives has varied between the two countries. In Wales, only 16 of a possible 1,921 primary and secondary schools have become GM, which represents only 0.8 per cent of all schools, in contrast to 4.5 per cent in England. There are no CTCs in Wales.

Other factors which differentiate education in Wales are concerned with the environment. Firstly, education in Wales, like education in Scotland (McPhearson and Raab 1988), has historically been highly valued, with a shared consensus on the importance of education (Jones 1997). Secondly, as recently highlighted by Gorrard (1998), there are significant differences in the population base between England and Wales. Wales has traditionally lacked a large middle class and there are high levels of social disadvantage. In addition, area and transport are different in Wales with low levels of population density in some areas and a transport system which leaves many areas remote. The consequence of these factors is that key elements of the Conservative programme of education reform, such as customer choice and diversity in the schools system, have not had an impact on the majority of parents in Wales. There is little evidence that patterns of enrolment in schools in Wales have been influenced by parental choice. Reynolds (1990), for example, has highlighted that 40 per cent of parents in Wales have no choice of secondary school, unless they are prepared to travel over forty miles.

The resulting effect of some separate policies, policies which have had a different impact, together with a different population base which has not facilitated the development of the market in education, is that the Conservative programme for education reform in Wales has been undermined. The high value placed on education in Wales is likely to have further promoted this outcome. The next section of the paper moves on to examine the impact of the reform agenda on accountability in education.

(c) The impact on accountability

This part presents the views of politicians and officers from Welsh LEAs and highlights their reaction to the imposed changes in accountability. Whilst politicians and officers held different views on whom they were

accountable to, they had similar beliefs on what aspect of performance was important and how this should be evaluated. Politicians, not surprisingly, felt accountable to the community. That is, the whole community, rather than specifically to children and parents currently using the education service. Their sense of responsibility and accountability was thus wider than just to the consumers of the service.

The accountability relationships for directors were more complex and varied. Almost all stated that their primary accountability was to the LEA. One director illustrated this by commenting that 'first and foremost, I am accountable to the county council as elected members. They are my employers'. Whilst the line of accountability to local politicians was clearly defined, the accountability relationship with the Welsh Office was less distinct. None of the directors felt accountable to the Welsh Office and made comments such as 'I have no direct responsibility to the Welsh Office for anything at all'. Although there may be no direct accountability, there was a recognition that indirectly they could be held accountable if, for example, they allowed county councils to fail to discharge their statutory duties. This fits the model of hierarchical accountability identified in part I(b). Whilst politicians felt accountable to the community, officers felt accountable to elected members. The line of accountability and control should then continue through governing bodies, headteachers, down to individual teachers. However, because of the nature of education, there has never been a simple line of control running from politicians through to the schools. Bush and Kogan (1982), for example, have shown that most Directors of Education feel that they do not have direct managerial authority over head teachers.

All LEAs, having experienced a change in their role, felt that this clearly had an impact on accountability. The most important effect has been to change the relationship between LEAs and schools. All interviewees talked of the 'partnership' ethos which they wished to promote with schools. One director argued that: 'we have established what we refer to as a new partnership which recognises the fact that power has shifted to the schools'. More explicitly, another argued that: 'the LEA tended to be a little autocratic and paternalistic in its relationship with the schools, but it is now very much more one of partnership'.

Many LEAs welcomed aspects of the reforms, such as LMS which as one director said: 'has forced some Welsh authorities to move away from what, in my view, was the wrong role for the LEA, where it was interventionist in the extreme, to a situation where it moved decision making to where it was sensible to do it'. There is evidence that both LEAs and schools are still getting used to their new role. One director argued that: 'we still haven't got used to the fact that they [the schools] ought to be making decisions for themselves. They still turn to somebody in here and the people aren't in here for them to turn to anymore'.

The partnership relationship between the LEAs and schools clearly alters the hierarchical model of accountability and, in some ways, makes it less

clear. Riley (1992) argues that there is a more indirect relationship between LEAs and individual institutions as a result of the 1988 reforms. Accountability, as well as responsibility, was devolved under LMS and there are many areas that the LEA is no longer directly responsible for. One councillor suggested that LMS has meant that the 'emphasis is one of partnership in the authority and within that partnership shared accountability for quality'. The shared responsibility and partnership between LEAs and schools led to what one director describes as the resulting:

... mutuality of accountability. It may not be one which is deliverable in contractual terms but I think our schools and heads are accountable to me in the sense that if we are working together to achieve common goals, they have a part to play in that and are accountable to each other and to me for that. The teachers similarly.

Although there is now a perception within the LEAs of shared accountability, it was not clear how this operated. Most officers made the point that the delegation of powers to governing bodies had fundamentally changed accountability relationships. One director said that 'obviously with delegated responsibility we delegate accountability as well'. Some aspects of the new relationship are perceived to be relatively straightforward, for example, '... there are legal and contractual things in so far as if a school is given a delegated budget for example, it is accountable at the end of the day to the LEA to ensure that it manages the budget'.

However, the delegation of responsibility and accountability had also led to problems as the relationship between the LEA and governing bodies was often unclear. For example, one director said that

we have responsibility for monitoring, for example, the implementation of the National Curriculum. The school is therefore accountable to us and, *in a sense*, the Welsh Office for that. *It is not contractual in the sense that we have all signed the dotted line* but there is a legal implication there (our emphasis).

There was little clarity about the accountability relationship between governing bodies and LEAs. A director felt that governing bodies were not accountable to the LEA at all – rather to the electorate of the area. Another felt that there were fewer clear lines of accountability:

the governing body is *sort of* accountable to the LEA. The governors are responsible to the LEA in the sense that if the authority is not satisfied with what is going on, it can remove the scheme of delegation from the school, but there is a right of appeal, so it is not clear cut (our emphasis).

The reforms have led to changes in the hierarchical model, giving schools more responsibility and LEAs less. However these changes have not been straightforward and there appears to be an indirect and unclear accountability relationship between schools and LEAs.

All interviewees suggested that political accountability had reduced since 1988 and many politicians felt, in particular that political accountability is weakened by the requirement that councillors can sit on only two governing bodies. This has left some governing bodies with no elected representatives from the county council. Politicians felt that their presence improves accountability and 'strategic direction'. There was a fear amongst members that 'where there are no members of the authority on governing bodies, there is a danger of those governing bodies in a way going off at a tangent'.

Most councillors felt that they needed direct involvement in schools, for example one stated that 'we have to go into schools and look at what is going on and gain that experience'. The emphasis on more direct involvement by councillors as a mechanism of political accountability is similar to the findings of Day and Klein (1987). Many of the LEAs feel that these new relationships have created a 'dotted' line of accountability.

The reforms have necessarily shifted the focus towards a market model of accountability. Whilst accepting, and welcoming *some* aspects of the reforms, none of the LEAs saw their role as a 'market enabler'. All interviewees were strongly against the introduction of market principles into education, and instead encouraged partnership rather than competition between the schools. One remark from a politician summed up the general view: '... the authority would not encourage a market philosophy to education at all'. Members and officers hoped that the establishment of partnership relations between LEAs and schools would ensure that schools respected each others catchment areas. They also attempted to provide a financial settlement for schools which would prevent the need for competition:

It is not for schools to fight one another. They look after their own patch and catchment areas mean that they don't need to pinch from other areas. This isn't true for all our schools as there are some Heads who will pinch children from other catchment areas but in the main they don't need to because we try to protect the school budgets.

The attempt to protect school budgets was a key part of a general strategy to encourage schools to remain under LEA control. All the interviewees were opposed to GM schools and cited the consultation and partnership between LEA and schools as reasons for the low number of these schools in Wales. It is also possible that the low number of GM schools may be influenced by the distinctive socio-economic characteristics of Wales highlighted by Gorrard (1998). These characteristics may have served to encourage the rejection of key elements of the market-oriented approach embodied within the education reforms. All interviewees felt that the market was not an appropriate mechanism to improve quality. A remark from one councillor illustrated a widely held view: 'there is a fundamental conflict between the basic philosophy of this government and the thinking in this and other

authorities in terms of how we should proceed to improve quality and improve standards'.

This dislike of a market in education was illustrated by the LEAs' hostility to the Welsh Office 'popular schools' initiative. Despite their opposition to the market principles within this initiative, all authorities in Wales participated in 'bidding' for funds for schools in their area. However, this is unlikely to demonstrate their support for the market – rather their need for additional resources at a time of financial restraint. The pervading ethos highlighted by all of the interviewees was one of professional accountability. This can be seen in their views on how they and schools should be held accountable, and for what aspect of performance. All LEAs felt that they should be accountable both for the educational process in schools and the outputs of the education service. However, there was concern as to how output should be evaluated. Whilst most LEAs accepted the publication of exam results, they expressed reservations about their suitability as a measure of performance. There was a unanimous view that the results should not be published in league table format. One politician expressed this by stating that 'the sooner they are burned the better!'. The dislike of league tables had two aspects to it. The first was the view that the results needed to be 'value added' to have any validity. All interviewees argued that results should take account of social and economic circumstances. The second was disquiet over the way the results are used: 'the danger is that you go from actually giving information to publishing league tables and putting one school against the other, and of course, the way that the examination results are presented gives the impression that that's all schools are about' (Director of Education). Thus the LEAs were not against performance indicators but were concerned about the way they are currently used. For example, one officer suggested that there was a 'need for targets and performance indicators but these should be agreed with the school and not set too high'. This reinforces the partnership ethos promoted by LEAs with schools.

Two LEAs had developed their own value-added data, and others were considering doing so. One Director described how the LEA:

mounted a research project last year by putting GCSE results into context. We have compared schools with similar catchment areas and actually drawn up a table of schools that have done well when considering their catchment area and schools that are underperforming . . . we have shared that with our schools so that they know whether they are underperforming in terms of their socio-economic factors.

The emphasis of this approach was on the provision of information for schools in order to help them improve their performance, rather than for parents or politicians. One authority ensured trust and co-operation in the evaluation process by keeping this 'value added' information on each school from councillors, even the Chair of the Education Committee. The

data was provided to individual schools, and politicians may see it only if they sit on that school's governing body. All LEAs identified the importance of this co-operation in the evaluation process. One director for example, talked about the need to 'secure the agreement of all the heads' before deciding which socio-economic characteristics should be included in the value-added exercise. This illustrates the existence of the professional, or non-market, approach to accountability as the information is used internally but not made available to parents in a format that would enable them to make comparisons, and subsequently choices, between individual schools.

All LEAs stressed the important role that their advisors played in evaluating the service. One director described their approach as follows: 'we began to work with schools to set up a process of LEA evaluating exercises where we visited schools . . . and developed supportive self-evaluation'. Whilst LEAs have lost responsibility for school inspection, many have successfully bid to undertake OHMCI inspections. The role of the advisory service was seen to be one of support to schools, particularly before and after OHMCI inspections. One director outlined that 'we continue to have a monitoring role in all schools . . . that is largely done in consultation with our schools as part of the partnership'. Some expressed reservations about the resulting conflict between the support and inspection roles within LEAs. However, the dominant view was that of little conflict in which LEAs and schools worked together in partnership to achieve a common set of goals.

(d) Market values? The example of the nursery voucher

The interviews highlight the universal support for professional accountability both within and between LEAs across Wales. These views are held by a number of groups in the educational policy community in Wales, not only the LEAs. This is shown by the response of the policy community to the introduction of a number of developments which have promoted market accountability, including GM schools, the popular schools initiative and the nursery education voucher. To illustrate, the nursery voucher, explicitly concerned with the promotion of a quasi-market in education (Le Grand and Bartlett 1993), was widely rejected in Wales – for example by the National Association of Headteachers, the National Union of Teachers, the Federation of Primary Schools' Headteachers, Members of Parliament (Labour and Liberal Democrat), the Welsh Joint Education Committee, together with LEA associated organizations, including the Society of Education Officers in Wales. There is evidence that LEAs themselves attempted to persuade school governors and parents to continue to support LEA provided nursery education in the post-voucher era. For example, in its bulletin to school governors, one LEA in Wales argued that

it is hoped that governors will give serious consideration to the question of how they can help support education for the under fives. If parents begin to disperse their vouchers away from our schools, what may be a

boon for the private sector may turn out to be a considerable burden for the rest of us' (South Glamorgan 1995).

With the election of the Labour government in May 1997, nursery vouchers were enthusiastically abolished in Wales in advance of this policy in England. The reaction of the policy community to the voucher policy illustrates the existence of a shared set of values which served to undermine the development of more market-oriented initiatives.

SUMMARY

The reforms have changed accountability relationships and mechanisms for LEAs. They have imposed a market-oriented mechanism of accountability, reduced the role of public and professional accountability and, with the withdrawal of LEA powers, undermined hierarchical accountability. Whilst operating within the legislation, LEAs in Wales have reacted to the education reforms by attempting to minimize the impact of the market on schools and hence the imposition of market accountability. The evidence from the interviews indicates a consensus on accountability between officers and politicians both within individual LEAs and between LEAs in Wales. This reflects their shared values on both the purpose of education and the mechanisms that should be used to improve it. The widespread opposition to the nursery voucher provides evidence that these values extend to the wider policy community in Wales. These values contrast sharply with those underpinning the reforms. The strategy of one LEA, described by the Chair of the Education Committee, is not unique: '... within the legislation, reducing the damage, as far as possible, by trying to reduce the influence of the market'. Welsh LEAs encourage a professional model of accountability, which includes a clear role for themselves in partnership with schools. The education reforms have introduced changes in accountability which threatened the traditional values of the politicians and officers whom we interviewed. Gray and Jenkins (1993, p. 65) suggest that other changes affecting accountability, such as the Financial Management Initiative, may have similar implementation problems as a result of a clash of values. They state that 'it is not surprising, therefore, if especially in social and education services, there has been resistance to implementing such schemes as acts of faith when they so forcefully challenge the professional values of those who provide the services'.

Both politicians and officers subscribe to a professional model of accountability. This may be as a result of the power of professional officers over local councillors who, particularly in Wales, tend to have lower educational qualifications (Widdicombe 1986). However, councillors clearly have their own sources of power, for example, all of those interviewed had extensive experience and in most cases had been Chair of the Education Committee for many years. These findings were consistent across all of the LEAs in Wales. This may be a feature of the close professional networks that exist in Wales, for example, all the Directors of Education meet on a regular basis

to discuss professional issues. The consensus on the inappropriateness of the nursery voucher highlights the fact that professional networks extend beyond LEAs. Our interviews with LEA officers and councillors indicated a shared perception that a combination of institutional, cultural and environmental factors made Wales different. These factors are clearly important, for example, the rural nature of much of Wales does not facilitate market approaches to accountability. In addition, none of the authorities in Wales were Conservative controlled, or indeed had significant numbers of Conservative councillors. At the time of the research there were six Conservative MPs out of a total of 38. Hence politicians, officers and the general public had many reasons to be hostile to the introduction of the reforms. The introduction of market approaches to accountability was unlikely to succeed given this set of circumstances.

CONCLUSION

The educational reforms have introduced a market-based approach, whereby accountability is to the consumer for the outputs of the education service. This represents a shift from the traditional concentration on professional accountability for the education process. Whilst aspects of the hierarchical, professional and public models were evident from the interviews, it was clear that the primary perceptions and preferred practice of accountability within LEAs in Wales is that of professional accountability. Politicians and officers, although operating within the legislative framework of market accountability, are attempting to prevent its successful implementation. They have used their position as implementers of policy and their membership of the educational network to effectively interpret, rather than execute, policy. This finding supports the arguments of Fitz and Halpin (1994) that those responsible for policy implementation can mediate the impact of the policy itself. This is not unique to legislative change in education – the case studies in Marsh and Rhodes (1992) show that policy communities have hindered policy implementation in a range of service areas.

This reaction by politicians and officers is largely because the values behind the reforms do not fit with their own. The focus of LEA activity is partnership and shared responsibility with schools for education. LEAs encourage partnership rather than competition between schools, and stress inspection and self-evaluation, rather than examination results as measures of performance. There is a shared commitment between both officers and members to professional accountability which has served to undermine the development of market-oriented reforms. The case study of nursery vouchers indicates that this commitment extends well beyond LEAs to the wider policy community. Effective change in accountability evidently requires more than legislative reform, as accountability depends on the values and beliefs of those concerned. The values of politicians and officials in Welsh LEAs are 'professional', and it is this model of accountability that they seek

to maintain. This model is further supported by the policy community in Wales which has resisted market-oriented changes in accountability. As recognized by Poulson (1996, p. 591), 'discursive practices relating to accountability are constrained by the historical and social contexts within which specific utterances occur' and this is certainly the case in Wales.

A uniformly hostile approach to the reforms promoting market accountability emerges from this research. This may be a function of the particularly close professional networks that exist in Wales or the political composition of the LEAs. It is also possible that the imposition of market based accountability has been undermined by a reluctance on behalf of LEAs to do anything which challenges the shared consensus on the high value of education in Wales. Further, market-based notions of accountability may not have fitted easily in Wales where neither its wealth, nor the rural nature of its population, facilitated their development. The effect is that whilst legislative changes promoted market accountability in education, in Wales the response to the post-1988 reforms has been, where possible, to reject the market model, and to continue to operate on the basis of the professional model of accountability.

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Accountability and Annual Reports: The Case of Policing

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Abstract

One of the features of the New Public Management is the increased use of Annual Reports as a mechanism of accountability. The aim of the paper is to assess whether the annual reports of the Chief Constable and the Police Authority provide appropriate information for Police Authority members to hold the Chief Constable to account. As intermediate users, the members of the Police Authority require information on efficiency, effectiveness and for 'intelligence gathering'. However, the evidence suggests that although the reports have improved over time they do not contain the information necessary for accountability. These findings raise concerns over the proposed role of the local Best Value policing plan in securing accountability.

Introduction

In recent years the public sector has undergone a range of reforms which are commonly described as the 'New Public Management' (NPM). This term describes 'a way of reorganising public sector bodies to bring their management, reporting and accounting procedures closer to (a particular perception of) business methods' (Dunleavy and Hood, 1994). The issue of accountability has been central to many of these reforms. Political accountability involves the public holding their elected representatives to account for their performance. In order for this to work, the representatives must be able to hold those delivering the service to account. This can be described as internal accountability. Stone (1995) argues that the NPM has led to increased use of agency self-evaluation and reporting as a key mechanism of accountability. An example of this is the use of annual reports, which have a long history in the private sector and are now produced by many public sector organisations such as local authorities, school governing bodies and executive agencies.

This paper identifies the role of annual reports in securing the accountability of the police service. In particular it examines whether the information contained in them allows the police authority to exercise internal accountability. The police service is unusual in that the requirement for the chief constable to produce an annual report has existed since the 1964 Police Act. However, new reporting requirements were introduced in the Police and Magistrates Courts Act 1994 (PMCA). This specified that the police authority has to publish both a local policing plan and an annual report to evaluate performance against the targets included in the plan. The chief constable also continues to produce an annual report. The Local Government Act 1999 introduces new requirements in terms of reporting on performance. From April 2000 police authorities will have to produce a local best value policing plan.

The aim of this paper is to evaluate the content of the annual reports of the chief constable and the police authority and to examine whether they enable the police authority to hold the chief constable to account. Section one analyses the concept of accountability and identifies its specific characteristics in the police service. Section two examines the information required for police authority members to exercise accountability and section three evaluates whether the reports provide this data. Conclusions are drawn on the implications for the introduction of local best value policing plans.

Accountability in the Police Service

The issue of accountability is central to a democratic system of government. Simey (1984, p.17) states that 'In a democracy it is only by the consent of the people that authority to govern can be delegated and that consent is given on one condition, that all those who then act on our behalf will hold themselves accountable for their stewardship'. For accountability to be effective, elected representatives must be able to hold the service deliverers to account. This can be described as internal accountability (Birch 1974, Day and Klein, 1987).

Accountability involves giving an account of performance. Stewart (1984, p.26) states that information is the 'raw material for the account. This means that while information is of critical importance, it does not constitute the whole of accountability'. Accountability also requires the justification and explanation of that information. A further element is what Stewart (1984) calls the holding to account – the capacity for action or ability to impose sanctions. This paper is concerned with the quality of the account that members of the police authority have. In particular, whether they have enough information to evaluate performance and exercise accountability.

The issue of the accountability of the police was raised in the early 1980s when civil disorder broke out in a number of cities, and riots in Brixton led to the setting up of the Scarman inquiry. It was further questioned during the miners' strike of 1984/85. A central part of this debate was the extent to which police forces were accountable to police authorities and through them to the public (Spencer 1985). The 1964 Police Act created the tripartite

structure of chief constable, Home Secretary and police authority, which has led to multiple and potentially confusing systems of accountability (Connolly et al, 1996). Police forces are accountable to the Home Secretary and also to their police authorities. In addition, chief constables are operationally independent and accountable only to the law for their actions (Oliver, 1987). This has led to what has been described as explanatory and co-operative, rather than subordinate and obedient, accountability (Marshall, 1978)

Reforms associated with the NPM were introduced to the police service in the early 1990s. These types of reforms hit the police service relatively late, possibly because the Conservative government recognised the value of a loyal police force during the industrial strikes of the early 1980s (Loveday, 1997). The NPM has led to a managerial emphasis to accountability. The focus of accountability, both internally and externally, has shifted towards the setting of targets and the measurement and public reporting of performance. In 1994 the PMCA created a freestanding, precepting police authority with a responsibility for securing an efficient and effective police force. It also introduced a requirement for the police authority to produce a local policing plan (in conjunction with the chief constable) and an annual report. The development of local policing plans and evaluation of subsequent performance is seen as 'a main plank in strengthening accountability' (Audit Commission 1994, p.13). There is a legal requirement for the local policing plan to contain the authority's priorities for the year, the financial resources expected to be available and the key objectives for policing set nationally by the Home Secretary. It must also include any additional local objectives that the police authority wishes to set and performance targets set by the authority for the key and local objectives. In contrast, the only requirements of the police authority annual report are that it contains an assessment of the extent to which the local policing plan has been carried out and that it is published. From April 2000 Best Value will apply to the police force. This rational management approach (see Boyne, 1999) further develops that introduced by the PMCA. The police authority will be required to produce a local best value policing plan, setting out targets and measuring performance against those targets.

Central government has clearly favoured annual reports as a mechanism of accountability in the police service, as well as other public services. In fact, Annual reports have been a feature of police accountability since 1964 when they were first produced by chief constables. These early reports have been criticised for two reasons. Firstly, the poor quality of the information included in them and secondly, the extent to which the content can be controlled by the chief constable (Lambert, 1986, Spencer, 1985). The limited evidence available to date on annual reports from other public organisations also suggests that they do not provide useful information. For example, Hyndman and Anderson (1995) found that 42% of agencies did not report a single measure of efficiency in their annual report. Similarly Boyne and Law (1991) found that the annual reports on performance produced by Welsh district councils in the 1980s were generally of poor quality. In theory

annual reports are an important mechanism of accountability for police authority members, however in order to be effective they need to contain appropriate information.

User Needs Models and Police Annual Reports

The studies described above highlight the inadequacies of some types of annual reports. However, what information should police annual reports contain? User needs models attempt to define the users of general purpose financial statements and their information needs (see for example Rutherford 1992, Lapsley 1992). Two approaches to user needs models have been developed: normative and positive. Whilst the normative approach builds up a theoretical model of users and their needs, the positive approach empirically analyses the extent to which different categories of information are actually used by potential user groups. This study applies a normative approach to the annual reports (rather than the financial statements) of the chief constable and the police authority. A positive approach was not used as it involves identifying users and asking them what their information needs are. Many police authorities have adopted a largely passive role (Spencer, 1985). It is likely that this role would influence responses to questions on their information needs.

The first stage involves an identification of potential users of the annual report. The user needs studies for financial statements have tended to distinguish between internal and external users. External groups include taxpayers, voters, service recipients and investors (Rutherford 1992). Internal users in local government include elected councillors and officers (Lapsley 1992). Rutherford (1992, p.271) however, argues that in the public sector the dichotomy between internal and external users is less marked than in the private sector. Users are 'spread along a spectrum with fully internal, managerial users at one end and fully external users at the other. In the middle are a variety of intermediate users, internal from some perspectives, external from others. One of the characteristics of such groups is that while in principle they are able to obtain any information they choose in practice they are severely constrained'.

Some police authorities can be seen as internal users, due in part to a good relationship between them and the chief constable. However, in general, police authorities rely on chief constables to provide them with information, the content of which they have very little control over. Whilst in principle they are able to request reports from the chief constable, they may be refused if it is argued that the issue is an operational one, or is not within the remit of the police authority. The PMCA reforms are unlikely to resolve this problem. For example, although it is the responsibility of the police authority to produce the local policing plan, the chief constable may 'depart from the LPP if it is deemed necessary for operational reasons to do so' (Home Office 1994 cited in Loveday, 1994, p.78). Police authority members can therefore be defined as intermediate users. In addition, many police authorities have a

passive relationship with their chief constable and tend not to request such reports. Loveday (1996b) suggests that some police authorities appear happy to leave the local policing plan to the chief constable and simply endorse what that officer produces. However, this does not necessarily imply that they feel that enough appropriate information has been provided. Day and Klein (1987) found that police authority members felt that the statistical information available was fairly limited and irrelevant to service evaluation. What, then, are the information requirements of police authority members?

Until 1994 police authorities were responsible for the provision of an adequate and efficient police force. Since then they have had the additional responsibility of securing effectiveness. Hence, as a minimum the reports should contain information on efficiency and effectiveness. The police authority reports are statutorily required to evaluate performance against the targets in the local policing plan. This was to be the central mechanism by which the police authority could hold the chief constable to account. It follows then, that the annual report of the police authority should contain indicators that assess performance specified in the local policing plan.

Councillor members of the authority may be held to account, through their constituent authorities, to the public. However neither they nor the other members are able to exercise direct control. Their lack of powers and information puts them in a situation of intermediate, indirect control. Rutherford (1992) suggests that the complexity of indirect control means that it is difficult to provide a full specification of information required. Instead, accounting information 'could be' viewed as intelligence to be used to build up a picture of the entity's activities' (Rutherford 1992, p.273). The argument for a wide range of performance indicators in the annual report can also be made because external groups, such as the electorate, may wish to use the reports. This may lead to 'increased political pressure being placed on elected and appointed representatives on governing boards' (Smith 1995, p.137). Citizens may be interested in wider aspects of performance such as outcomes, consumer satisfaction and equity. Hence if police authority members are to be held to account for these aspects of performance, they require appropriate information. They need a wide range of performance indicators that measure aspects of service provision that they are clearly responsible for, such as efficiency and effectiveness, and others where responsibility is not so clear cut, such as equity and quality. In addition the annual reports of the police authority should include indicators of performance as specified in the local policing plan. These are the criteria by which the annual reports of the chief constable and the police authority will be evaluated.

The Concept of Performance

The measurement and evaluation of performance is a central part of the process of accountability. However, performance measurement is complex. Weatheritt (1993, p.24), for example, argues: 'in many public services, perhaps particularly in the police service, the technical problems involved in

measuring performance are daunting'. Inputs are defined as staff and equipment and can be subdivided into a number of dimensions such as volume and quality. The allocation of inputs across gender, race and geographical area can also provide a useful performance measure. The issue of equality, particularly in relation to gender and race, has been an important issue in policing. A definition of economy incorporates some of these issues, and refers to the price paid for service inputs of a given quality (Jackson 1988). The definition, and hence measurement, of the output of service industries is more complex (Flynn 1986), but in situations where the measurement of output is difficult a measure of the throughput, or rate of activity, may provide a useful proxy.

Efficiency can be defined as the ratio of inputs to outputs (for example cost per hour of policing). Again, the ratio of input to throughput, for example the cost per arrest made, may provide a useful proxy. Effectiveness is concerned with the relationship between the intended and actual results of service provision. Its measurement is particularly problematic because of the difficulty of disentangling cause and effect. For example, the American Police Foundation found that 'there was no clear relationship between the recorded property crime rate and the number of marked patrol cars per square mile. There was no apparent relationship between the recorded property crime rate and the level of police expenditures per inhabitant. There was no clear relationship between the rate of violent recorded crime and police expenditures per officer and only a 'tendency' for cities with high levels of recorded property crime per officer to have smaller numbers of sworn officers per square mile' (cited in Loveday (1994, p.16). Factors outside the organisation will also affect performance. Boyne (1997, p.11) suggests that performance may be influenced by 'social and economic conditions in the local area, the needs and demands of local residents for specific services, and the behaviour of other organisations in the public and private sectors'. In policing for example, it has been argued that factors such as employment levels are closely linked to criminal behaviour (Loveday, 1994). The measurement of effectiveness is further complicated by the scarcity of clear objectives, and the fact that many organisations in the public sector have multiple objectives (Carter, 1988). The potential for conflict in policing can be seen by examining its objectives, which include for example, crime prevention, crime detection, order maintenance and public reassurance.

One aspect of performance that has been emphasized throughout the 1980s and 1990s is quality. Aspects of quality can be subdivided into the quality of process and output of the service provided (Boyne and Law, 1991). Indicators of access and speed of service reflect some aspects of the quality of the process. Information on reliability, for example the number of complaints upheld, assist judgements about the quality of the output. An increasingly important measure of quality is consumer satisfaction. If the consumer approach to public services is taken seriously, then consumer perceptions of service quality are the most important measures of the success of a local authority's activities (Boyne and

Law 1991). The nature of the consumer in public services, perhaps particularly so in services such as the police, is complex. In addition to being consumers, the public are also citizens who may be interested in criteria of performance such as equity and equality. Equality is based on the idea of 'equal shares'. This may be related to various stages of the process, for example, equality of input, output or outcome. The concept of equity is concerned with the fairness of distribution of output and outcomes. Performance on criteria of equality and equity can be assessed by the allocation of services between genders, areas, ethnic groups and income groups. In theory annual reports enable the police authority to hold the chief constable to account by providing information on performance. However, does the information contained in the reports meet the user needs of police authority members?

Methodology and Empirical Results

This paper examines the information provided to police authority members by annual reports. In particular, the research attempts to examine whether the NPM has led to improvements in the quality of performance information that the reports contain. These issues are illustrated by undertaking a longitudinal case study of one police force between 1969 and 1997/98. This means that caution should be used in generalising from these findings, which are intended to be illustrative rather than necessarily representative. An analysis was undertaken of all the annual reports publicly available. This consisted of the chief constable reports for 1969, 1970, and 1978 to 1997/98 inclusive. It was not possible to obtain reports for the years 1971 to 1977, however table 1 shows that there is little difference between the indicators contained in the report for 1970 and that for 1978. The first report for this force was in 1969 and the most recent available was 1997/98. The new police authorities took over in April 1995 hence only reports for 1995/6, 1996/97 and 1997/98 have been produced. The police authority also reports on performance in a free supplement (The Indicator Special) published in a local newspaper. This is also analysed for the years 1995/96, 1996/97 and 1997/98. The reports of the chief constable (CC) and the police authority (PA) were examined to identify and categorise the measures of performance that they contained. The analysis included both narrative content and statistical data. The information was evaluated in order to determine the measures of performance that were provided and how many there were in each category.

The annual reports of the chief constable provide vast amounts of data, some with over one hundred pages of narrative and statistics and over 800 performance indicators. The reports of the police authority are much briefer. In 1996/97 for example, there are only 14 indicators of performance. The comparatively high number of 53 in 1995/96 occurred only because most of the indicators were quarterly data whilst those for 1996/97 were annual. Table 1 shows the percentage of indicators in each performance category in every chief constable report studied. Table 2 provides the same information for the Indicator Special and the reports of the police authority.

Table 1: Percentages of performance indicators provided in the Annual Reports of the Chief Constable

| | 1969 | 1970 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 94/95 | 95/96 | 96/97 | 97/98 |
|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|-------|-------|
| Input | 11 | 6 | 6 | 5 | 5 | 4 | 5 | 2 | 6 | 1 | 6 | 4 | 4 | 3 | 3 | 3 | 2 | 0.6 | 11 | 9 | 2 | 1 |
| Input (Quality) | 3 | 9 | 6 | 6 | 7 | 5 | 5 | 7 | 3 | 3 | 3 | 4 | 11 | 2 | 14 | 11 | 13 | 0.3 | 6 | 2 | 0 | 0 |
| Input (Equality) | 56 | 64 | 62 | 61 | 55 | 56 | 67 | 58 | 56 | 68 | 49 | 44 | 49 | 28 | 29 | 58 | 32 | 0 | 6 | 0.8 | 0 | 0.4 |
| Economy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 0 | 0.4 | 0 |
| Throughput | 8 | 7 | 23 | 11 | 11 | 8 | 10 | 12 | 15 | 12 | 15 | 17 | 13 | 21 | 19 | 10 | 17 | 22 | 6 | 14 | 73 | 33 |
| Output | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.1 | 0 | 0 | 0 | 0.1 | 0 | 0.1 | 0 | 0.1 | 0.1 | 0 | 0.4 | 0.8 | 0.4 | 0 |
| Input: throughput | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.8 | 0.8 | 0 | 0 |
| Effectiveness | 17 | 12 | 12 | 16 | 18 | 23 | 10 | 15 | 14 | 11 | 23 | 25 | 20 | 28 | 25 | 19 | 27 | 41 | 63 | 38 | 16 | 52 |
| Equity | 0 | 0 | 0 | 0 | 3 | 3 | 0.1 | 3 | 3 | 3 | 1 | 1 | 4 | 2 | 12 | 2 | 8 | 10 | 6 | 25 | 0 | 9 |
| Speed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1.2 | 3 | 3 | 2 | 2 |
| Reliability | 4 | 0.8 | 0.3 | 0.5 | 0.5 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.8 | 2 | 0.4 | 9 | 0.5 | 0.4 | 0.3 | 20 | 0.2 | 3 | 3 | 0.6 |
| Access | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.6 | 0.8 | 0.8 | 0 | 0.2 |
| Consumer Satisfaction | 2 | 1 | 1 | 1 | 0.5 | 0.1 | 1 | 0.3 | 0.5 | 1 | 0.1 | 0.3 | 0.4 | 0.3 | 0.2 | 0.4 | 0.2 | 1.2 | 0.8 | 1.6 | 2 | 0.4 |
| Cost Effectiveness | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.6 | 0 | 1.6 | 0 | 0.6 |
| Total number of indicators in each report | 300 | 487 | 505 | 664 | 572 | 560 | 583 | 577 | 552 | 581 | 641 | 588 | 676 | 656 | 676 | 699 | 802 | 326 | 254 | 120 | 218 | 449 |

1. The figures do not always add up to 100 per cent, as some have been rounded up

2. There are no indicators of efficiency in the Chief Constable reports.

Table 2: Percentages of performance indicators provided in the annual reports of the Police Authority

| | 1995/96 | | 1996/97 | | 1997/98 | |
|--|---------|------|---------|------|---------|------|
| | AR* | IS** | AR* | IS** | AR* | IS** |
| Input | 6 | 7 | 21 | 8 | 0 | 5 |
| Economy | 0 | 0 | 0 | 0 | 7 | 3 |
| Throughput | 0 | 5 | 14 | 5 | 33 | 11 |
| Output | 0 | 2 | 0 | 3 | 0 | 0 |
| Effectiveness | 57 | 57 | 29 | 48 | 20 | 45 |
| Speed | 19 | 14 | 14 | 15 | 13 | 16 |
| Reliability | 0 | 5 | 7 | 3 | 7 | 3 |
| Access | 0 | 5 | 0 | 5 | 0 | 5 |
| Consumer satisfaction | 0 | 2 | 0 | 8 | 7 | 5 |
| Cost-effectiveness | 19 | 7 | 14 | 8 | 13 | 8 |
| % of targets in LPP measured in the report | 57 | 86 | 71 | 71 | 70 | 60 |
| Total number of indicators in each report | 53 | 44 | 14 | 40 | 15 | 38 |

* Annual report of the Police Authority

** Indicator Special.

1. There are no indicators of Input (Quality), Input (Equality), Input/throughput, Efficiency or Equity in the reports of the Police Authority or the Indicator Special.

Performance information contained in the annual reports.

Section two suggests that the annual reports should as a minimum, contain indicators of efficiency and effectiveness. The reports of the police authority are also supposed to measure performance against the targets specified in the local policing plan. In addition, police authority members require a range of performance information to inform their 'intelligence gathering'. Tables 1 and 2 illustrate the indicators contained in the chief constable and police authority reports respectively. The chief constable reports include indicators of input, input (quality), input (equality), economy, throughput, output, input:throughput, effectiveness, equity, speed, reliability, access, consumer satisfaction and cost effectiveness. They do not include a measure of efficiency. The police authority reports provide measures of input, economy, throughput, output, effectiveness, speed, reliability, access, consumer satisfaction and cost-effectiveness. They do not contain indicators of input (quality), input (equality), input:throughput, efficiency or equity.

Efficiency

Although the police authority members are responsible for the efficiency of the force there are no measures of efficiency in any of the chief constable or

police authority reports. There are only 3 indicators of the ratio of input to throughput. Examples include the number of persons arrested/reported for notifiable offences per 100 police officers, and the number of calls per 100 officers. There is no indicator of input:throughput in the Indicator Special or the PA reports. The lack of efficiency measures may result from the limited reporting of both inputs and outputs in the reports. Output measurement improves slightly in later years, but there were still only two indicators in the reports. These are the numbers of hours of operational searching that the explosives detection dogs were engaged in, and the percentage of uniformed constable time spent outside police stations and in public view. Output was measured in the Indicator Special, but not the PA reports. Given the problems of measuring output, indicators of throughput may provide a useful proxy. The number of throughput indicators in the chief constable reports has ranged between 6 and 33%. Typical measures are the number of arrests made, number of school visits made and the number of scenes of crime marks identified. Throughput was measured in two PA annual reports and all the indicator specials.

Effectiveness

Police authority members are also responsible for effectiveness and hence require information on this criterion of performance. Effectiveness measures make up between 10%–63% of all indicators in the chief constable annual reports and between 20% to 48% of all the indicators in the police authority reports. Loveday (1996a, p.75) argues that the government, aided by the Audit Commission has reified 'the crime rate as the core indicator of police effectiveness and crime control as the core function of the police'. If one accepts that the objectives of the police are both to reduce crime and solve crime, then the number of crimes reported and the number of crimes detected measure their effectiveness. These are the only two types of effectiveness indicator in the reports. The high number of these indicators in the reports may well be because they are routinely collected for other purposes. For example, almost all the effectiveness measures in the police authority reports are those specified in the national key policing objectives.

There are major problems with these measures of effectiveness, as indicated in the previous section. One problem is that it is difficult to determine the extent to which police can deter crime. However, this did not prevent a number of claims of success being made in the reports. For example: 'burglaries of dwelling houses were reduced by 11.7% and there is a reduction of 14% in respect of other premises. This improvement can be attributed to the CID and uniformed officers who directed their efforts towards this objective' (Annual Report, 1985). There are also a number of problems with detection rates as a measure of police effectiveness, as the ability of the police to apprehend offenders is highly dependent on a victim or witness being able to provide identification of the offender. Improved indicators of effectiveness, which try to overcome some of these problems,

measure the percentage of crimes detected by primary means. As Loveday (1994, p.12) argues, when 'police forces are requested to classify crime cleared up by primary means then clear-up rates can be expected to fall dramatically. Where, for example prison visits are ended, police clear-up rates can be expected to substantially decline'. Further improvements made in measuring performance are attempts to assess cost effectiveness. A proxy for cost-effectiveness is provided by indicators such as number of burglaries detected per 100 officers. This is included in the chief constable reports of 1993, 1995/96 and 1996/97 and in the police authority and Indicator Special reports for 1995/96 to 1997/98.

Reporting on the Local Policing Plan

One of the aims of the police authority annual report is to report on performance targets specified in the local policing plan. The annual report of the police authority measured progress against 57% (95/96), 71% (96/97) and 70% (97/98) of the indicators in the local policing plan, whilst the Indicator Special reported on 86% (95/96), 71% (96/97) and 60% (97/98). The lack of provision of information on all the targets specified in the plan is not uncommon. Weatheritt (1997) states for example, that one third of police authorities failed to report their performance against two of the five nationally set key performance indicators.

Indicators for 'intelligence gathering'

Police authority members may also use the information in the reports for 'intelligence gathering' (Rutherford, 1992) about the organisation's activities. The categories of performance information that could be used for this purpose are considered below, the most frequently reported first. There are some measures of equality and equity in the reports, but these are largely based on geography, rather than gender or race and reflect the territorial divisions of the force. Examples of these indicators are the number of staff and the detection rate across each division.

Indicators of inputs are provided in each chief constable report. The percentage varied slightly across the years with a minimum of 0.6% and a maximum of 11%. Input is also measured in all but one of the police authority and Indicator Special reports. These refer most frequently to the number of staff available. There are also measures of the quality of input. This ranges from 0.3% to 13%, but is not included from 1996/97 onwards. The specific indicator is the number of training courses that staff were sent on. All other things being equal, the more training provided the higher the quality of the staff. However, the indicators specified only the number of staff attending particular courses, and a figure for the percentage of all staff attending training courses may reveal more about the quality of the staff.

Coverage of economy is extremely sparse, and does not make an appearance in the Indicator Special and PA reports until 1997/98. Examples of these measures are the pay and allowances of constables, civilian staff and

ranks above constable per head of the population, and other costs per head of the population. Even these indicators do not provide clear information on economy as they make no comment on whether quality of inputs is held constant. There are almost no financial statistics in any report up until 1992. The early reports do not even include a figure for the total expenditure of the police force. The move towards reporting over the period of the financial year in 1994/95 reflects this increased emphasis on measuring costs.

Indicators of reliability are included in each chief constable report, although the percentage is small (from 0.2% to 9%). Reliability is also measured in two police authority annual reports and all indicator specials. This information is normally limited to the number of complaints by the public which were substantiated. There are some measures of policing quality in the reports. Each chief constable report, for example, shows the number of letters of satisfaction from the public and outside agencies. These are also included in the Indicator Special, but in only one police authority report. However, these are the only measures of consumer satisfaction provided in the reports and comprise as little as 0.1 to 2% (CC reports), 2.2 to 7.5% (IS) and 7% (PA AR) of all indicators. A consumer survey had not been undertaken by 1994/95, although there was an explanation that this was as a result of the serious financial problems facing the force. This was later undertaken and reported on in 1996/97. Another indicator of quality concerned the speed of service provision. This is included from 1993 onwards in the CC reports. There are a number of measures and they make up between 1.2% to 3% of all the indicators for that year. These include for example, the percentage of calls and incidents responded to within target, and the number of files sent to the Crown Prosecution Service within the target. In contrast, measures of speed are the second most frequently reported category in the PA annual reports and the Indicator Specials. The Indicator Special proves better on this category of indicator simply because it publishes the Citizen's Charter indicators for example, the percentage of letters answered within the target time.

Access is reported in 1993 and makes up 0.6% of the indicators in that report. The indicators are the number of buildings open to the public, and the number of public areas with disabled access. This is reported in the Indicator Specials but not in the police authority annual reports. The quality of the information provided is generally better in the Indicator Special than the police authority annual report because the Citizen's Charter indicators are published in this free supplement.

Summary

Overall, the annual reports of the chief constable have clearly improved over time. The reduction in indicators provided by 1993 has reduced the 'information overload'. There is also an increased range of quality indicators, although these still make up a minority of those included in the reports. This improvement appears to be driven by national, rather than local

factors. Almost all of the indicators recommended by the Quality of Service Sub-Committee of the Association of Chief Police Officers (ACPO) are included in the latest report. Savage et al (1996, p.103) confirm the importance of the ACPO stating that 'with its 'new corporacy' (it) wields significant influence as a central agency shaping policing policy'. In addition, the chief constable recognises the influence of the Citizen's Charter on the annual report stating that 'these initiatives which are linked to performance review and accountability, are likely to change the format of future annual reports. I suspect that traditional indicators such as reported crime and road accidents, which have for many years provided the platform for organisational accountability, will be supplemented by a new range of performance indicators, such as measurable service standards and public opinion surveys'' (Annual Report 1992, p.10). The police authority has only published three annual reports; hence it is impossible to make any clear statements on improvement. However, the range of performance information provided compares badly to the reports of the chief constable.

The content of both types of report is substantially different from district councils (Boyne and Law 1991) and Executive Agencies (Hyndman and Anderson 1995). The executive agency reports of 1991/92 provided measures of outputs in 58% of those studied, and inputs in 56%. They included measures of efficiency in 58% and effectiveness in 86% of the reports. The district council annual reports concentrate largely on measures of input and process, and little on issues of effectiveness and service quality. In contrast, the chief constable annual reports studied include an extremely high number of measures of effectiveness, a few measures of equity and equality, only two measures of output and no indicators of efficiency. The improvement in the chief constable reports over time is consistent with those of executive agencies, in that there are more measures of quality. The annual reports of the police authority have only been produced for three years and concentrate almost exclusively on indicators prescribed by central government. They also concentrate on indicators of effectiveness, but contain few indicators of quality and none of efficiency. Critically, they do not report on performance in meeting all the targets specified in the local policing plan.

Conclusion

The annual report of the chief constable is a mechanism of accounting to a range of organisations and individuals, internal and external to the police force. One important partner in the tripartite relationship of policing is the police authority. Its position in that relationship and its powers mean that it may be termed an intermediate user of information. Until the PMCA in 1994 the police authority was responsible for securing an adequate and efficient police service. The Act gave them the additional responsibility for ensuring effectiveness. They are also required to agree a local policing plan and publish an annual report. As intermediate users the members need

information on efficiency, effectiveness and the extent to which the targets specified in the local policing plan were met. They also require a range of additional PIs which can be used for 'intelligence gathering'.

The chief constable annual reports studied were poor, particularly in the early years – they contain no indicators of efficiency and only two measures which may be used as a proxy for efficiency. There are a large number of effectiveness indicators, but these are fraught with technical problems which are rarely explained. The reports studied do not provide the information needed for police authorities to exercise indirect control. Of course police authorities may receive this information from another source such as verbally from the chief constable. The standard and variety of information in the chief constable annual reports has improved over time. In particular, the report of 1994/95 shows a marked improvement, including for the first time indicators of economy, input/throughput, access, speed and economy. This improvement reflects the role played by national organisations in developing indicators.

The police authority annual reports contain measures of effectiveness but none of efficiency and very few of quality. In addition, they do not assess performance on all the targets laid out in the plan. The analysis in this paper suggests that the reporting requirements of Best Value will pose a number of difficulties for the police service. For example, the best value local policing plan will need to be more thorough in reporting performance against targets, and include indicators on aspects of performance for which the authority is statutorily responsible. The evidence from the piloting of best value shows that many organisations lacked the key skills and the information they needed to report on performance (Boyne et al, 2000, Martin, 1999).

Even if all the appropriate information is provided, the ability of the police authority to hold the police force to account through the local policing plan depends on the police authority exercising that power. Weatheritt (1993, p.41) suggests that 'police authorities on their present showing may well turn out to be diffident consumers of performance information'. Loveday (1996b, p. 19) also states that 'it is clear that the ability of the police authority to bring the chief officer to account by reference to performance has proved to be difficult. Comparative performance indicators are dismissed by Chief Officers as misleading while Audit Commission data is often rejected by them as naïve'.

The evidence from these annual reports indicates that the reforms described as the 'New Public Management' are associated with an improvement in the quality of the information available to the police authority. The first chief constable annual report studied was produced in 1969, well before the emphasis on performance measurement. The quality and range of indicators had improved by the 1994/95 report and this has enhanced the potential for the police authority to secure accountability. The police authority produced its first report in 1995/96, which contained only limited information. The best value local policing plan will need to contain improved measures of performance if it is to be 'the principal means by

which an authority is held to account for the efficiency and effectiveness of its services' (DETR, 1999). Appropriate information is a pre-requisite for effective accountability. It provides the 'raw material' for the account. As Jackson (1995, p.11) has argued performance indicators are a 'means and not an end. Their value arises from the use to which they are put'.

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PLANS, PERFORMANCE INFORMATION AND ACCOUNTABILITY: THE CASE OF BEST VALUE

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The current UK government emphasizes the importance of mechanisms of accountability that involve the planning and public reporting of performance. One example of this is the Best Value performance plan. However, there has been little evaluation of the quality of the information provided in this type of document. This paper draws on literature on stakeholding and user needs to identify the data required for accountability. It then assesses whether the plans produced by Best Value pilot authorities in Wales provide appropriate information. The analysis shows that very few of the plans contained the relevant material. Interviews in the pilot authorities highlighted two key reasons for the poor level of data: a lack of performance indicators prior to Best Value and limited staff expertise in performance measurement. The evidence suggests that documents such as performance plans currently make little contribution to the accountability of public organizations.

INTRODUCTION

The accountability of public bodies has long been a source of concern in the UK: see for example Barberis 1999; Rhodes 2000. A significant, but to date under-researched issue, is the quality of information provided by public organizations and the extent to which this information is used by stakeholders to hold them to account. Day and Klein argue that information is 'the lifeblood of accountability' (1987, p. 243). Their study of members of five public services led them to suggest that research should concentrate on assessing the quality of information. Similar arguments have been put forward by those examining the implementation of the 1993 Government Performance and Results Act for federal agencies in the USA. Wholey (1999), for example, argues that we need to know whether such legislation has strengthened accountability and asserts that the key issue is the use of performance information.

Although the provision of performance information is only one mechanism of accountability, it is the approach highlighted by most OECD countries in recent years (Lane 1997). The New Public Management (NPM) has led to significant changes in the nature of accountability. One element of this has been the introduction of market mechanisms of accountability. This

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relationship between those who delegate responsibility (principal) and those who are entrusted to perform the delegated function (steward) (Gray and Jenkins 1985). The steward is obliged, as part of the relationship, to give an account of performance. It has been widely argued that accountability requires an explanation or justification of performance (see, for example, Stanyer 1974; Day and Klein 1987). However, research on accountability varies in the emphasis it places on the giving of account and the holding to account. The evaluation of performance 'forms an intrinsic element of the accountable relationship: performance in the task is assessed according to established standards' (Ranson 1986, p. 78). Stewart (1984, p. 26) states that information is the 'raw material for the account. This means that while information is of critical importance, it does not constitute the whole of accountability'. Once the account has been given, the principal makes a decision on the 'extent to which the steward has properly discharged his responsibilities and on the basis of which the relationship is confirmed, modified or terminated' (Gray and Jenkins 1985, p. 139). Stewart (1984) argues that this capacity for action, or ability to impose sanctions, is central to accountability.

A number of different models have been developed which attempt to identify the basis for accountability and the mechanisms used. These include, for example, models of legal, professional, political, consumer and managerial or internal accountability (Law 1999). One of the complicating factors in the public sector is that these models may operate at the same time and be in conflict with each other. For example, teachers may feel accountable to their peers (professional accountability) and to their governing body (internal accountability). An additional difficulty is that the nature of performance in the public sector is contestable. Different stakeholders may disagree, for example, over the objectives of services such as education and over what counts as 'good' performance (Thomas and Palfrey 1996; Kanter and Summer 1987).

Even if there is agreement over the objectives of services it is often difficult to define and measure performance. Although it is comparatively easy to measure the inputs to a service it is much more difficult to provide indicators of output and outcome (Flynn 1986). Stewart and Walsh (1994) argue that this means that accountability must involve debate over purposes, practice and performance. In practice, the process of giving an account will involve a form of dialogue, whereby the steward explains and justifies performance. This account may be questioned and debated by the principal as part of the process of holding to account.

External accountability

This form of accountability operates when public organizations give an account to, and are held to account by, external individuals or agencies. This may involve accountability to members of the public or to different levels of government. In a representative democracy, accountability to the

involves a shift to accountability through contracts (for example, Compulsory Competitive Tendering – CCT) and also an increase in both information for customers and opportunities to make choices (for example, the publication of examination league tables and the right for parents to express their choice of school). In many parts of the public sector the focus has shifted away from political to managerial mechanisms of accountability. Stone (1995) suggests that NPM has led to a number of changes in accountability: an emphasis on control through performance indicators rather than rules and procedures; a greater role for agency self-evaluation and reporting, as well as periodic formal external evaluation; and an assumption that objective indicators can be set which allow an assessment of performance.

The Labour government in the UK has emphasized mechanisms of accountability which involve the planning and public reporting of performance, and has even produced its own annual report (HM Government 2000). It has, for example, increased the focus on both performance management and enforced external regulation (Hood *et al.* 2000). A recent example of this approach to accountability is the requirement that local authorities, police and fire authorities must secure best value (BV) in the provision of their services and produce an annual performance plan (PP). This is to be the primary instrument through which local communities hold best value authorities to account. The PP is also intended to enable authorities to plan and publicize their current performance as well as their strategies for improvement to both internal and external stakeholders.

The aim of this paper is to assess the impact of documents such as the BVPPs on accountability. Section one analyses the concepts of external and internal accountability. Section two identifies the information requirements for accountability on the basis of stakeholder theories and user needs models. Section three outlines the official interpretation of the role of the PP in Best Value. Section four explains our research methodology, evaluates the content of the PPs produced by BV pilot authorities in Wales and examines some of the problems that managers have identified in developing performance information. Finally, we draw conclusions on the contribution that documents such as BVPPs make to accountability.

ACCOUNTABILITY AND INFORMATION

In order to evaluate documents such as performance plans, it is important to clarify the concept of accountability and to consider the wide range of accountability relationships and mechanisms that operate in the public sector.

The concept of accountability

Accountability operates in many different ways and 'is sought through a multiplicity of approaches, activities and techniques, some of them far more visible than others' (Thomas 1998, p. 348). Accountability involves a

public typically operates through the requirement for politicians to give an account to citizens who may then offer rewards or impose sanctions through the ballot box. This example of a mandatory mechanism of accountability is just one of the many ways in which organizations are answerable to the public. In addition, agencies may wish to build their relationship with the public by voluntarily giving an account and explaining their performance. Dissatisfaction with the system of representative democracy has led to a number of recommendations for reform (Pratchett and Wilson 1996). Many suggest, for example, that representative democracy could be enhanced by including practices based on deliberative democracy (Phillips 1996; Stoker 1996). The concept of deliberative democracy involves dialogue and discussion in order to arrive at an agreed judgement. This could involve deliberation by citizens or representatives, or between both groups (Stewart 1996). Mulgan (2000) argues that although the concept of accountability necessarily involves dialogue and deliberation, it cannot be equated with the dialogue between citizens that is included in the concept of deliberative democracy. He points out that deliberative democracy implies a dialogue between equals, whereas accountability involves a relationship of authority. The different models of democracy lead to very different information requirements. Participants in deliberative mechanisms such as citizens' juries require a wide range of 'balanced' information reflecting different and opposing views (Smith and Wales 1999). However, in a system of representative democracy, information is required so that the public may judge the performance of their representatives.

Public organizations are accountable to external bodies as well as the electorate. For local authorities, the main organization that they account to is central government, although local businesses and voluntary agencies may be seen as increasingly important stakeholders. It has been argued that the focus of performance management introduced in the UK is on top-down central control (Sanderson 2001). Local government is accountable to central government through a variety of mechanisms such as performance indicators (PIs), audit, inspection reports and budgetary controls (Power 1997).

In terms of local government, there is some debate about the effectiveness of these mechanisms of external accountability because of low voter turnout and the absence of effective party competition (Stoker 2001). More broadly, public organizations, including local authorities, have been criticized for being inward looking and not communicating with the public. Hughes (1998, p. 192) points out that 'any relations which did exist with the press and public were more often exercises in damage control than genuine attempts to persuade the wider community in which the public organisation existed'. In the past, the public have had access to some performance information through documents such as local authority annual reports. In general, these did not provide useful indicators of performance (Boyne and Law 1990). There is also evidence that these were not actually

used by the public. Butterworth *et al.* (1989, p. 83) concluded that 'we are left with the distinct impression that the Annual Report in particular is not playing the vibrant role of a mechanism of accountability in an active local democracy that was envisaged for it'.

In terms of central government, one of the problems that has been identified in holding public organizations to account is obtaining relevant data. Ashworth *et al.* (2000) examined six types of public organizations in Wales and their accountability relationship with central government. They found that in half of their case studies, the data required to measure performance were often not available. Those who used the data were often critical of its quality. For example, the accounts of local authority direct service organizations were recognized by Welsh Office officials as being simply a 'version of performance as presented by the authority, rather than "real performance"' (Ashworth *et al.* 2001, p. 200). In addition, in the two local authority case study services surveyed (housing and social services) they found that the information provided was not used. Plans were 'received' by the Welsh Office, but there was no evidence that they were read.

Internal accountability

Internal accountability concerns 'the relationship between superiors and subordinates within an organisation' (Stewart 1984, p. 18). Traditionally, this would involve accountability for applying rules in a hierarchy, but this is giving way to accountability for outputs and outcomes – often in new structures such as business or devolved units (Law 1999). In the UK, executive agencies are one illustration of this trend. Internal accountability may be exercised by managers over other managers, and also by politicians over managers.

There have been calls for some time to move towards a system of internal accountability in local government based on indicators of performance. For example, the Maud Report (1967) suggested that local authority members should set the objectives of the authority and review performance, whereas officers should deal with the day-to-day administration. Reforms such as the Financial Management Initiative (FMI) in central government were also designed to improve internal accountability through the provision of information (Gray and Jenkins 1986). One of the essential elements for effective internal accountability is the 'right' information. Keen (1996), for example, argues that a consensus has emerged that appropriate, timely and relevant information is central to the success of devolved management. There is some debate about the quality of information provided by organizations such as executive agencies. Hyndman and Anderson (1997) argue that agencies are providing more information on aspects of performance such as efficiency and effectiveness. However, Talbot (1995, p. 23) finds that there is an absence of basic data that relate outputs to agency objectives, with the result that 'it is almost impossible to derive really meaningful infor-

mation about "performance" from agency annual reports or from anywhere else'.

Although initiatives to manage performance have existed for some time, their implementation has been patchy across the public sector (see for example Ball and Monaghan 1996). In many cases, public organizations collected performance information as a matter of routine, but it was not embedded in their management processes (Lawton *et al.* 2000). In the past, performance information has not been used extensively. Day and Klein (1987) for example showed that politicians and board members typically did not use performance information to control service deliverers. Similarly, Thomas (1998, p. 283) points out that 'the experience of Australia and New Zealand reveals that even when quite sophisticated performance information is published, little use is made of it by parliamentarians'.

Summary

Information is essential for the effective operation of both internal and external accountability. Previous research suggests that although there are many ways in which public organizations present accounts, there are often problems with the data. However, it is difficult to come to any firm conclusions because there is little consideration in the literature of the information that is required for accountability. An explicit model of the performance information that would strengthen external and internal accountability has not been identified. In the next section of the paper we develop such a model which we then use to evaluate the information contained in Best Value performance plans.

STAKEHOLDER THEORY AND USER NEEDS MODELS

Public organizations may give an account of performance in different ways for different purposes. Organizations may wish to give an account to groups who do not have the formal authority to hold them to account. In addition, they may wish to give an account more regularly than they are formally required to. This approach illustrates the use of information for developing what Gray and Jenkins (1985) describe as the relationship between the steward and the principal. Wholey and Hatry (1992, p. 605) argue that performance information can be used to 'communicate the value of public programs to elected officials and the public'.

We need, therefore, to identify the groups that local authorities may wish to account to, and assess the information that these groups wish to receive. There are also individuals or agencies who have a formal authority relationship with the organization, and are in a position to hold it to account and apply either rewards or sanctions. It is important therefore to consider the information that different bodies need in order to make those decisions. Although the literature on accountability recognizes the central role of information, it seldom specifies any detail on what information is required. The work by Stewart (1984) is a rare example which suggests that infor-

mation should be provided on inputs, outputs and outcomes. Two literatures provide guidance on the information necessary for accountability: theories on stakeholding and user needs.

User needs models and stakeholder analysis both assess information requirements using either positive or normative approaches. The normative approach builds up a theoretical model of individuals and agencies and the information they require, whereas the positive approach involves empirically assessing the information that groups say they need. Both methods are valuable in determining the information required for accountability. One of the benefits of the positive approach is that it does provide empirical evidence; however, the gathering and analysis of those data are complex. Firstly, in the case of external users in particular, it is difficult to identify the user and to aggregate their preferences equitably. There will be a range of users, some more visible than others (Fountain 2001). A second difficulty lies in the ability of customers to be the best judge of their own interests (Hood 1986). They may find it impossible to distinguish between their 'real need' and their 'felt need' (Bradshaw 1972). Bryson (1995) argues that building a model of information requirements is valid because stakeholders may not be completely honest. He gives the example of council members, who may not own up to being concerned with the criterion of whether the performance of the authority enhances their re-election prospects. The present study applies a normative approach to the BVPPs of the Welsh local authorities studied. In other words, we attempt to build a model of the internal and external bodies and the information they need.

It is often argued that a concern for stakeholders is essential to organizational success (see for example Campbell 1997). Bryson (1995) argues that the first steps in stakeholder analysis are to identify the organization's stakeholders and to assess their criteria for judging performance. Although there is a substantial literature on stakeholders (see for example Mitchell *et al.* 1997; Stoney and Winstanley 2001), there is little information on the aspects of performance that are of concern to different stakeholders. Kanter and Summers (1987, p. 164) for example argue that the ideal performance assessment system would 'acknowledge the existence of multiple constituencies and build measures around all of them', but they provide limited detail on the relevant measures. Much of the work illustrates what is described as '*likely linkages* between stakeholders and criteria' (Thomas and Palfrey 1996, p. 137, emphasis added). One exception to this is a study by Cullen and Calvert 1995, which indicates that there is a fairly high correlation in terms of the relevant dimensions of the effectiveness of academic libraries between different stakeholders.

We also draw on the literature on user needs which has been developed by professional accountancy bodies and academics (see for example Rutherford 1992; Lapsley 1992). Most of the studies attempt to identify the types of decision that individual users will make and hence the information that

they require. A key decision that users may make is whether they are happy with the account that they have been given, and whether they wish to continue the accountability relationship or amend it by applying sanctions – either ‘exit’ (where they have the option) or ‘voice’ (Hirschman 1970). However, there are limitations of this focus on decision making. Rutherford (1992) argues that the information that individual external users need to make decisions is too diverse to be produced in financial statements. Furthermore, ‘there are no rational reasons why such parties should wish to use these financial statements’ (Rutherford 1992, p. 270). Mayston (1992) also recognizes this and suggests that user needs models should be amended because information is a public good. There is no incentive for an individual to obtain the information, even though it is valuable to a group. ‘User Need’ should therefore ‘be interpreted more widely than the direct use of information by the individuals who may benefit from its use’ (Mayston 1992, p. 320). He argues that financial reporting can still produce information benefits to individuals if an external monitoring body operates effectively. In the case of the best value PPs, the external auditor is a monitoring body both for the public and for central government.

The users of BVPPs identified by the government are the public, local businesses, the voluntary sector, elected members and managers (DETR 1999; NAW 2000). Interestingly, central government does not include itself as a user. In terms of financial statements, the user needs studies have tended to distinguish between internal and external users. External groups include taxpayers, voters, service recipients and investors (Rutherford 1992). Internal users in local government include elected councillors and officers (Lapsley 1992). We therefore have two main categories of users (internal and external) that the organization may wish to account to. It is likely that all groups will have an interest in the full range of performance information, but there will be aspects that are especially relevant to some (Jackson 1989). What criteria of performance are stakeholders interested in, and what information do they need?

External groups

The public, local business, and the voluntary sector can be categorized as external groups. The term ‘public’ can be subdivided into users of services, taxpayers and citizens, all of whom may have differing information requirements. Users of services are likely to have a particular interest in issues of service quality and effectiveness (National Consumer Council 1987; Pollitt 1989). For example, research on quality in the private sector indicates that customers are most concerned with the reliability of services (Zeithaml *et al.* 1990). One of the distinguishing features of public services is that they are provided for citizens, not just consumers (Rhodes 1987). As such they may wish to judge performance not just by the standard of service they receive personally, but also by the responsiveness of services to the needs of other people (Thomas and Palfrey 1996). The public therefore require

information on the equity of service provision. Many citizens and users will also be local and national taxpayers. As such, they may have an interest in the cost and efficiency of services provided (Pollitt 1989; Thomas and Palfrey 1996).

Business and voluntary organizations have a range of relationships with local authorities. They may be users of services, they may deliver services in partnership with the authority, or they may be in competition with it. However, the literature on stakeholders has little to say on local businesses and voluntary organizations and the performance criteria that they may be interested in. One exception is the research reported by Provan and Milward (2001) which suggests that partners are interested in the criteria of cost and outcomes. Businesses and voluntary organizations do not have an authority relationship with local government and as such are not able to hold it to account in a formal sense. However, as users of services, they are able to utilize the sanction of 'exit' by relocating or by choosing an alternative supplier. For these purposes they require data on aspects of performance such as costs, customer satisfaction and quality. The PP may be useful in informing this type of sanction as data on 'competitors' in the form of other local authorities at least should be available. Both types of organization may also wish to make decisions on whether to enter into competition with the authority. In this case a range of information on costs, outputs and quality may be of interest.

Central government is another significant stakeholder. Bryson (1995) argues that particularly important stakeholders are those who influence the organization's resources. As such, authorities may wish to provide information to illustrate the institutional functions of resource attraction and legitimacy renewal (Kanter and Summers 1987). These include indicators that the organization is making 'progress' or 'improving'. In addition, as a funder of services, central government is likely to have an interest in economy and efficiency (Thomas and Palfrey 1996). Central government holds authorities to account in a wide range of ways and can also impose a variety of sanctions. One of the main mechanisms for holding local authorities to account is performance information, either collected directly, or through agencies such as the Audit Commission (Hood *et al.* 2000).

Internal groups

The main internal stakeholders in local government are managers, staff and councillors. The PP is intended as a 'high level' corporate document rather than a detailed service specific plan (NAW 2000). It is therefore likely to be used by councillors and senior managers to exercise internal accountability. There is limited evidence on the performance criteria that senior managers and councillors are interested in. Both groups, like central government, may play a role in relation to legitimacy and resource attraction, and hence information on 'progress' or the meeting of standards is important. Green and Welsh (1988, p. 293) also highlight the importance of targets, stating that a

'lack of clear standards, inability to accurately monitor and so forth can make cybernetic regulation infeasible' (1988, p. 293). Palmer (1993) argues that senior managers are concerned with keeping within budgets and with ensuring the goals of the service are being met. She suggests, therefore, that they value indicators of costs, quality and effectiveness.

Lapsley (1992) defines councillors as internal users, but this may be true only of those in the executive. The lack of power and information of 'back bench' politicians puts them in a situation of intermediate, indirect control. The new role of these members will largely involve representing their constituents and scrutinizing the executive (Welsh Office 1998). Rutherford (1992) suggests that the complexity of indirect control means that it is difficult to provide a full specification of the information required. Instead, accounting information 'could be viewed as intelligence to be used to build up a picture of the entity's activities' (Rutherford 1992, p. 273). Hence data which covers a variety of dimensions of performance is required for councillors to hold the executive to account.

Both user needs models and stakeholder theories contribute to an understanding of the information that is useful for accountability. The analysis discussed above suggests that a range of performance data should be included in a BVPP. The plans should contain information on inputs, efficiency, effectiveness, customer satisfaction, costs, outputs, quality, speed and equity. Both internal and external groups are likely to desire information on targets and an assessment of whether these have been met. It is also important for users such as elected members to have a broad range of information to operate as 'intelligence'. In addition, authorities are statutorily responsible for economy, efficiency and effectiveness and hence indicators should cover these aspects of performance. All groups have an interest in how the authority is performing in relation to others, as well as in its strategies for improvement. Indicators for all aspects of performance, therefore, should include comparative information. All of these categories of performance information can be used as criteria to assess whether the PPs produced by the Welsh BV pilots have promoted accountability to a range of stakeholders.

THE ROLE OF PERFORMANCE PLANS IN BEST VALUE

The statutory BV guidance outlines the role and content of the PP (NAW 2000, DETR 1999). It is clear that the purpose of the PPs is to ensure accountability, both externally and internally. The PPs are 'the principal means by which an authority is held to account for the efficiency and effectiveness of its services and its plans for the future' (DETR p. 16). This emphasis is also reflected in the Welsh guidance which states that the plan should ensure that 'people and other interests in the community, business, the voluntary sector and other groups – can hold the council to account' (NAW 2000 p. 10). The guidance indicates that the PP will contribute to accountability by providing information on performance. There is also an indi-

cation that the PP will facilitate dialogue with stakeholders. The English version of the guidance, for example, suggests that the PP will 'provide authorities with the opportunity to engage with local people, and others with an interest, around their record of delivering local services and their plans to improve on them'.

The guidance also implies that the plans will be useful to internal stakeholders. The PP forms part of the planning processes of the authority and acts 'as a bridge between the strategic objectives and corporate priorities of the authority and the service specific and financial plans which are required for resource allocation and other purposes' (DETR 1999, p. 16). Therefore the PP will be a mechanism for both planning and, subsequently, control. Politicians and managers may use the PP to hold individuals and groups to account against the targets specified in the plan.

The PPs will be examined by external auditors. The primary role of the auditors is to assess whether local performance plans conform to statutory guidance. Auditors are required to submit a report on the PP to the authority, the Audit Commission and if the plan does not meet statutory requirements, the Secretary of State or National Assembly. The 'intervention protocol' agreed between central and local government identifies the omission of any of the prescribed elements in a performance plan as a 'failure of process' and therefore a 'trigger for intervention'. This may include a recommendation that a special BV inspection of the whole authority or a particular service be carried out (NAW 2000).

The English and Welsh guidance both list the following information required in the plan: a summary of the authority's objectives; a summary of current performance; a description of the review programme; the key results of completed reviews; the performance targets set for future years and a consultation statement. However, only the Welsh guidance provides detail on what types of PI to include either on a service by service basis or a theme basis. The list includes inputs, outputs (quantity, quality, speed and efficiency) and outcomes (customer satisfaction, direct measures of progress and improved equity of service). Both English and Welsh authorities must include data to compare performance with audited data from the previous financial year. In sum, the performance information that is required in BVPPs reflects closely the arguments that are contained in stakeholder theory and user needs theory. In principle, then, BVPPs have the potential to make a positive contribution to the accountability of public bodies. However, do BVPPs actually contain information that is useful for external and internal accountability?

METHODOLOGY AND RESULTS

The 127 BV pilot services in Wales were expected to: publish a PP by 31 March 1998; undertake reviews between April 1998 and the end of November 1998; prepare action plans and begin implementation of these between November 1998 and April 1999; publish a second performance

plan by May 1999; and continue thereafter to implement the action plans. In both years they were requested to produce data on inputs, outputs and outcomes. Each of these aspects of performance was: (a) to have a target; and (b) be compared with the achievements of other organizations.

We analysed the narrative and statistical data in the PPs in order to identify and categorize the measures of performance they contained. Each of the 127 pilots produced plans in 1998, all of which were analysed. The figure for 1999 was 124. In addition, interviews were undertaken in all the pilot authorities with politicians and managers over the period February 1998 to December 1999. The section that follows draws on this material to identify some of the difficulties encountered by the pilots in producing performance plans.

The analysis of the plans

Table 1 lists the percentage of pilot services reporting on each category of performance in their PPs for 1998 and 1999. The table shows eight categories of performance indicator (PI) that correspond to the types of user need identified above. In general, the amount and quality of the performance information contained in the PPs improved over the pilot period. However, the percentage of plans including any single aspect of the relevant data rarely exceeds 50 per cent, and is often substantially below this.

The most frequently reported performance indicators are inputs and outputs. The level of detail provided varies substantially. For example, some plans measured input by the total level of expenditure, whereas others identified the number of vehicles and the number of members of staff. Indicators of quality, speed, efficiency and consumer satisfaction were each included in approximately one-fifth of the plans. Effectiveness and equity were the criteria reported least often. No uniform improvement across all categories of performance was reported between 1998 and 1999. In fact, the

TABLE 1 *Percentage of pilot service plans containing performance data*

| | Current performance | | Comparison with other organizations | | Performance against targets | |
|-----------------------|---------------------|----------|-------------------------------------|----------|-----------------------------|----------|
| | 1998 (%) | 1999 (%) | 1998 (%) | 1999 (%) | 1998 (%) | 1999 (%) |
| Input | 71 | 46 | 9 | 7 | 10 | 24 |
| Output | 43 | 33 | 1 | 3 | 9 | 13 |
| Quality | 21 | 22 | 3 | 5 | 12 | 18 |
| Speed | 21 | 24 | 5 | 6 | 17 | 31 |
| Efficiency | 19 | 26 | 6 | 10 | 1 | 21 |
| Effectiveness | 6 | 10 | 1 | 2 | 2 | 7 |
| Consumer satisfaction | 13 | 20 | 0 | 0 | 4 | 19 |
| Equity | 8 | 5 | 2 | 3 | 0 | 4 |

percentage of plans with indicators of inputs and outputs fell between 1998 and 1999. The biggest increases were in the percentage of plans with indicators of consumer satisfaction and efficiency. All pilot services should have undertaken an evaluation of consumer satisfaction in their reviews, so it is surprising that only 20 per cent reported this information. In some cases it is clear from the plans that a survey of consumer satisfaction had taken place, but the results were not reported.

The percentage of plans including comparisons of performance is extremely low. This limited use of comparisons is surprising because benchmarking was one of the key elements of the review. Some plans contained comparative data gained through benchmarking, but not all pilots who were members of the same benchmarking club included the data. Some PPs utilized the Citizen's Charter indicators published by the Audit Commission. Only a few pilots produced extensive comparative data in the PP. In some cases comparative data are provided, but are difficult to interpret as there is little or no information on the comparator organizations.

Between 1998 and 1999, the number of targets increased across every category of performance. However, many plans had no targets. In addition, the plans contain a number of problems with the targets. Many are not quantified: for example, one pilot service had the target of 'increasing the percentage of available direct home care hours'. Some plans include current performance without specifying a target. In other cases targets are provided for 1999/2000 but it is impossible to judge their appropriateness as there is no baseline data on current performance. In many cases the targets set did not relate to standards of service performance but to internal management processes. For example, one pilot service has a target to 'transfer the function to the facilities management board by April 2000'. Finally, some targets set for 1999/2000 were actually lower than current performance, which is hardly consistent with the BV ethos of 'continuous improvement'.

While the reporting of performance information improved in five of the eight categories of performance between 1998 and 1999, none of the plans included the whole data set, and in 1999 there were 34 pilot service plans which included no data at all. The majority of PPs did not contain the information identified in the section on stakeholder theory as of interest to external and internal groups.

Problems of developing performance plans

Welsh authorities experienced great difficulty in producing the full range of performance information. Two main reasons for this emerged from our interviews with officers and members: a lack of data and a lack of expertise.

One theme that was evident from the interviews was that managers lacked the information that is required to measure their current performance and to undertake comparisons over time or with other agencies. In fact, over three-quarters of pilot services had some experience of PIs prior to BV (Boyne *et al.* 1999). However, the majority of these had collected

national indicators for bodies such as the Audit Commission rather than developing and using their own local PIs. Few of the pilots operated a coherent performance management system. One manager stated that BV had 'shown up how poor the information base is' and many officers felt that the existing level of management information was the biggest problem they had in introducing BV. Another officer identified problems with the information system in Grounds Maintenance which did not distinguish between an enquiry and a complaint. A manager commented that 'we have been weak in setting up our own local indicators and still are'. The lack of relevant information was even more pronounced in pilots using a cross-cutting approach. One member of staff stated that 'we need to gather information about a client group, rather than simply the details of services that we provide'. Similarly another pointed out that 'getting the information has been a major problem. I cannot get the information that I need in terms of how many of the client group have concessionary fares. The system is not computerised so staff would have to look through piles and piles of forms to get the information'.

The pilots generally found it easier to produce indicators for some aspects of performance than others. For example, one pilot manager stated that 'we had a reasonable handle on some PIs before, but it was fairly basic and did not cover quality issues. We still do not have these indicators'. Another manager confessed that 'we have found definitions of output and outcome difficult'. One interviewee said: 'I like the idea of outcomes. I have never really thought about them before'. Another officer stated: 'we have found that the easiest measures are not particularly relevant, e.g. speed of service delivery. We are having difficulty in measuring outcomes and efficiency because it is hard to quantify these'.

Pilots experienced further difficulties when attempting to develop comparative data. Some pilots found it impossible to compare current with previous performance as they did not have data from previous years. Pilots also found it difficult to produce targets for services. Those included in the plans are often national targets, such as to process 80 per cent of planning applications within 8 weeks. Comparisons with other authorities were used least frequently. Staff identified a number of problems with the comparative information they obtained, both from the Audit Commission Citizen's Charter indicators and from local benchmarking clubs. Firstly, national PIs were not available for all the pilot services, an example being Community Halls. Secondly, the majority of managers had very strong reservations about the reliability of the data. Many cited the fact that there were 'wild variations' in the data, which suggested that authorities were not collating and presenting the data in the same way. One manager emphasized the problem of standardization, stating that 'the greatest shock to us was just how difficult it was to collect data – there is a paucity of knowledge. Prior to (local government) re-organization, information was collected in differ-

ent forms throughout the authority. We have had to focus on standardising collection processes prior to collecting information'.

There were also difficulties with obtaining information from benchmarking clubs. One interviewee commented that it had been 'difficult to collect benchmarking data simply because of the time involved in doing so. There were a lot of good intentions but we simply got into treacle'. Many pilot managers found it difficult to persuade others to provide comparative data, sometimes even from within their own authority. One manager said that 'the personnel and legal departments are refusing to give us costs per hour as they regard this information as commercially sensitive'.

The other difficulty that authorities faced in developing PIs for the PPs was that staff lacked the necessary skills. This was often because performance management was new to them. For example, one manager argued that 'we are not held to account for anything'. In another authority a senior manager stated that 'people here don't like data, especially cost data. They don't like doing anything about it'. Many people, chief executives in particular, identified a gap in staff skills. One said that he was 'shocked at the level of management ability here'. Another chief executive felt that 'skills and techniques need to be developed'. A chief executive from a different authority commented that 'It wasn't easy collecting data and in the end we had to rely on individual officers' experience. Initially officers thought that data collection would be easy, but they soon learnt that we are at the bottom of a very steep learning curve'. Another senior manager commented that when she asked staff to develop PIs she found that 'there was a lack of understanding of what, for example, was an objective, what is a target and how to measure efficiency and effectiveness'. One best value officer commented bluntly that performance measurement skills 'are needed for staff at the middle manager level. They have made a meal out of the service review and the performance plan'.

Discussion

Our evidence suggests that in general the BVPPs did not provide information that is useful to internal and external stakeholders. For example, of all the aspects of performance that were identified as of interest to the public, only efficiency was reported in more than a quarter of the BVPPs. This suggests that the BVPPs do not currently contain the information needed to strengthen either internal or external accountability. However, the percentage of PPs including data improved over the pilot period, and this will need to continue if these plans are to become useful mechanisms of accountability. The majority of authorities explained that they had experienced problems in developing and reporting PIs. This 'lack of capacity' is also evident in the English pilots (Martin 1999).

A further consideration is the impact that the increased use of 'evidence-based' and 'contractual' approaches will have on the existing relationships between managers, politicians and the public. There is some concern that

these approaches could lead to a decline in trust rather than an improvement in accountability (Thomas 1998). Coulson (1998, p. 32) argues that 'in order to succeed, an individual or an organisation has to be able to build and maintain relationships, and without trust this is impossible'. The production of a BVPP is an additional mechanism of accountability and its existence may reassure internal and external stakeholders. However, as Thomas (1998, p. 384) points out: 'creating new forms of accountability and new mechanisms to enforce accountability does not guarantee that public trust and confidence will grow'. One possible problem is that these new approaches will replace traditional relationships based on the public service ethos and trust between staff, councillors and the public. A PP may provide more information on performance, but its impact on accountability will depend on whether and how it is used. As Gaster and Deakin (1998) state, performance contracts and quantitative indicators can have either positive or negative consequences. Day and Klein (1987) found that where there was distrust between members and chief officers, members felt that performance information was being used to manipulate them. Managers and staff may also feel that being asked to work to targets set down in plans implies they are not trusted.

To what extent are our findings unique to Wales? Is the accountability of Welsh authorities any better or worse than, say, English local government? In Wales there has been a long tradition of one party (Labour) dominance in the majority of local authorities. This changed in 1999 as Plaid Cymru, the nationalist party, gained control of two previously Labour dominated authorities. However, this history suggests that it may have been difficult for the electorate to effectively apply sanctions. Recent work shows that authorities which have a strong majority in the previous election tend to have low levels of voter turnout (DETR 2000). In addition, politicians may have been confident of re-election and not felt the need to provide an account to their electorate. The close and usually informal relationship between central and local government in Wales is well established (see Boyne *et al.* 1991) and this may suggest a reluctance to actually use the sanctions available, which may not be true in England. There is also some recent evidence from the Audit Commission which shows that although Welsh authorities have received similar judgements about the quality of the service they provide, they were judged less likely to improve than authorities in England (Audit Commission 2001). Care should therefore be taken when generalizing from these findings and extrapolating from Wales to England.

CONCLUSIONS

Despite the increased emphasis that has been placed on the provision of performance information as a mechanism of accountability, there has been little research on its effectiveness. This paper aimed to address this gap in the literature by focusing on the BVPP and assessing its impact on account-

ability. The introduction of documents such as BVPPs has a number of potential implications. The plan provides local authorities with an additional mechanism for giving an account to external and internal groups. It may improve dialogue and develop and build the relationship between the authority and its stakeholders. Indeed, a recent report suggests that Best Value has helped to trigger debate over council services, although it is not clear whether this was a result of the production of a PP or an expansion of consultation (Audit Commission 2001). Elected members may use the information to debate performance and consider the direction of future policy development. The PP may also be used as a mechanism of holding to account. Elected members, particularly those with executive responsibilities, may use the information to steer the performance of the authority. For other members it may inform their scrutiny role. The DETR has indicated that BVPPs and action plans 'provide a prime basis for overview and scrutiny committees to monitor the executive's performance and evaluate its approach' (DETR 2000). Managers may use the information to hold their staff to account and may themselves, in turn, be held to account by politicians.

All of these potential benefits depend both on the quality and the range of performance information in the plans. In order to assess the quality of data provided, we developed a conceptual framework using theories of stakeholding and user needs. This enabled us to establish criteria which we used to evaluate the content of the performance plans. Our analysis indicates that the PPs do not provide the performance information that is a prerequisite of effective accountability to internal and external stakeholders. If the necessary data are not available then accountability cannot work. There may, of course, be debate about what the appropriate data are.

An alternative, positive approach to defining the information required may have different results. Additional research which provides empirical evidence would provide a useful 'test' of the validity of our model. Interview evidence shows that authorities faced difficulties in producing the data, which resulted from a dearth of performance indicators prior to Best Value, limited staff expertise and a lack of a performance management culture. As they currently stand, documents such as these do little to supplement, and certainly should not supplant, traditional mechanisms of accountability in the public sector.

Many OECD countries have adopted strategies to enhance accountability that closely resemble Best Value in their focus on planning and performance data. Our evidence suggests that in order to evaluate this type of reform we need to look beyond the mere production of plans and assess their content. It is essential to analyse whether the information provided will enhance accountability. Moreover, a significant behavioural element influences the 'success' of these new approaches to accountability. To what extent do people actually use the plans? Even if public organizations improve the range and quality of performance information, this will mean

little unless it is drawn upon by individuals and groups. To date, there has been little research on the use made by the public, managers or politicians of this type of performance report. Organizations such as the Audit Commission and District Audit may also play a significant role. Mayston (1992), for example, argues that information benefits may arise if there is an external monitoring body which is educated in how to publicize this information to the public.

Further research is therefore needed to assess whether these plans enhance accountability. Questions that remain to be addressed include: do monitoring bodies play an effective role in communicating this information to groups such as the public and politicians? Do organizations use this type of document to engage in dialogue with the public? Do politicians value this information as a method of monitoring performance? Do managers find this data helpful in holding their staff to account and explaining and justifying their performance to politicians? Answers to these questions would lead to more comprehensive judgements on the effectiveness of performance plans as a mechanism of accountability.

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