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### Policy transfer and convergence within the UK

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## POLICY TRANSFER AND LOCAL GOVERNMENT PERFORMANCE IMPROVEMENT REGIMES

Sandra Nutley, James Downe, Steve Martin and Clive Grace.

### Introduction

There is a well established literature on intergovernmental and cross-national learning, which includes analyses of policy transfer (e.g. Bennett 1997, Dolowitz and Marsh 1996, 2000), policy convergence (e.g. Bennett 1991, Hoberg 2001, Holzinger and Knill 2005), policy diffusion (e.g. Berry and Berry 1990, Balla 2001, Walker 1969) and lesson drawing (Rose 1993). Much of the existing analysis, particularly in relation to policy transfer, is theoretical and evidence is often anecdotal or circumstantial (Bennett 1997, Pierson 2003). Empirical work is usually derived from either a small number of case studies, which use qualitative approaches to study policy transfer between one or two states, or large-N studies, which use quantitative methodologies to study policy diffusion and convergence across large numbers of countries (Cook 2008, Dolowitz 2001).

The creation of devolved administrations in Northern Ireland, Scotland and Wales, with their own increasingly distinctive public policy agendas, represents ‘a constitutional experiment of enormous significance’ (Shortridge 2009: 143) which provides a new arena in which to study processes of policy transfer. Recent studies have analysed policy divergence in relation to tuition fees in higher education, personal care for the elderly and the smoking ban (Jeffrey et al. 2006, Keating et al 2009, Cairney et al. 2009, Cairney 2009). This chapter focuses on the development and implementation of local government performance improvement regimes. The first section examines the concepts of policy

transfer, policy learning and policy convergence. The second and third sections analyse the evolution of local government performance improvement regimes in England (Comprehensive Performance Assessment), Scotland (Best Value Audits) and Wales (Wales Programme for Improvement) and what this tells us about the extent and nature of policy divergence between the three countries. The fourth section assesses the extent of and mechanisms for policy transfer and learning between the countries. The chapter concludes by highlighting the implications of this analysis for understanding of policy transfer more widely and for future research.

## POLICY TRANSFER

Policy transfer refers to the process by which knowledge about policies, administrative arrangements and institutions in one political system is used in another (Dolowitz and Marsh 1996, 2000). More recently, Dolowitz (2010) has refined this definition to include situations where the movement of information and knowledge from one system to another does not necessarily result in its direct use (i.e. does not result in policy change), but is stored for potential future use. A range of motivators drive the policy transfer process and although, in theory, it is possible to distinguish between voluntary transfer (as a result of lesson drawing), direct coercive transfer (the imposition of a policy on one country by another), and indirect coercive transfer (where functional interdependence creates externalities that lead to policy transfer, sometimes as a result of feelings of insecurity and fears about being left behind), policy transfer tends to result from a combination of these.

Policy transfer involves policy makers becoming aware of developments elsewhere, but they may not necessarily learn much from them (Dolowitz 2010). By contrast, lesson drawing involves significant levels of learning and implies a systematic and rational (or bounded rational) process whereby policy makers study developments in other systems and evaluate their potential applicability in the home system (Rose 1993, 2006). Lesson drawing may result in ‘soft transfer’, the transfer of ideas, concepts and attitudes, or ‘hard transfer’, the implementation of specific policy programmes (Dolowitz 2009, Evans and Davies 1999). It need not necessarily result in action and policy change. A policy or programme may be deemed inappropriate for the home system – a process which Rose (1993) calls ‘negative lesson drawing’. Indeed, policies that are successful elsewhere may be intentionally rejected because they are considered to be politically unacceptable (Rose 2004). In addition, because deliberative learning takes place at different levels within a political system, those who have drawn lessons from elsewhere may not be in a position to exert the influence on the decision making process needed for there to be a change in policy (Dolowitz 2010).

The related concept of policy convergence refers to increasing similarity over time in the policies adopted by two or more governments or administrative systems. Policy convergence does not necessarily indicate the existence of policy transfer (Bennett 1997). It may result from policy diffusion - the gradual spread of ideas (Rogers 1995) – or occur because countries facing similar economic, social and technological challenges independently arrive at similar solutions. Nor, for the reasons explained above, does the opposite trend (policy divergence) necessarily indicate that governments have not learnt

from each other. It is also possible for there to be convergence in some aspects of a policy process and not in others. Bennett (1991) who usefully differentiates between five kinds of convergence: (a) in policy goals ('a coming together of intent to deal with common policy problems'); (b) in policy content – 'the statutes, administrative rules, regulations, court decisions and so on which enshrine government policies'; (c) in policy instruments – regulatory, administrative and judicial tools; (d) in outcomes; and (e) in policy style – the way in which policy responses are formulated (for example whether processes of policy formulation are consensual or conflictual, rational or incremental, anticipatory or reactive, corporatist or pluralist) (1991:218). These categories have been extended by Dolowitz and Marsh (1996) to also encompass convergence in policy institutions and policy style.

It is important to recognise that policy transfer, learning and convergence are dynamic processes that need to be studied over time. Policy transfer and learning are normally iterative, rather than one-off, processes involving interactions between actors and institutions over the course of a policy cycle, and the extent and character of knowledge transfer and learning can vary at different stages in that cycle. In the same vein, cross-national similarities at one point in time are not necessarily indicative of sustained convergence (Bennett 1991).

Policy transfer, learning and convergence can be researched at a number of different levels. As noted above, most studies have focused on transfer between nation states. However, there is evidence of policy transfer, learning and convergence at sub-national

level between regions and local authorities (Kern 2010, Wolman and Page 2002) and the creation of devolved administrations within the UK, with wide ranging responsibilities for health, education, agriculture and other local services, has opened up the possibility of new kinds of policy transfer at sub-national levels between England, Scotland and Wales. The stop-start nature of devolution in Northern Ireland, and in particular the suspension of the Assembly between 2002 and 2007, make it a less useful and less directly comparable case study.

As well as seeking to identify whether policy transfer and convergence has occurred, researchers have also been interested in identifying why and how it happens. Dolowitz and Marsh (1996) suggest that convergence can usually be traced to similarities in institutions, ideologies and/or ideas, while Bennett (1991) identifies four possible mechanisms of convergence: emulation (where state officials copy action taken elsewhere); elite networking (convergence due to discussions within trans-national policy communities); harmonization (through international regimes); and penetration (by external actors and interests). The evidence suggests that geographical proximity, shared social and economic characteristics, similarities in institutional arrangements and strong cultural ties all help to facilitate policy transfer and convergence (e.g. Knill 2005, Lenschow et al. 2005, Hood 2007). And it might therefore be expected that England, Scotland and Wales would prove fertile ground for these phenomena. On the other hand, Dolowitz and Marsh (1996) identify several factors which can constrain policy transfer including: the complexity of a policy programme; time constraints – the need for a ‘quick fix’; past policy, which can influence where and what policy makers look for; the

political, bureaucratic and economic resources to implement lessons drawn from elsewhere; and institutional and structural constraints on the transference of policies. For these reasons, wholesale borrowing of a policy by one country from another is rare. In practice, policy makers tend to copy some but not all aspects of a programme or to create hybrids which combine elements of policies from several countries. Alternatively, studying familiar problems in unfamiliar settings may act a source of inspiration, helping to generate novel solutions to problems faced at home.

## THE DEVELOPMENT OF LOCAL GOVERNMENT PERFORMANCE

### IMPROVEMENT REGIMES

Performance auditing has become increasingly prevalent in many western democracies and must rank as one of the most significant public policy innovations of the last two decades. The 'audit explosion' (Power 1997) has been particularly evident in the UK (Hood 2007) where public services audit and inspection now plays a pivotal role in the management of a wide range of public services from schools, hospitals, social care providers to local government, fire and rescue, and the police (Davis and Martin 2008). The recourse to 'long distant mechanics of control' (Hoggett 1996) is symptomatic of a loss of faith in traditional forms of bureaucratic and professional control (Clarke and Newman 1997, Newman 1998, 2001) and a desire by policy makers to find new ways of regulating increasingly dispersed and fragmented networks of public service providers (Clarke et al. 2000). However, enthusiasm for performance monitoring has not been uniform, even in the UK. As the devolved administrations in Scotland and Wales became increasingly self confident, they have adopted distinctive approaches to central-local relations and the regulation of local public services (Laffin 2004, Gallagher et al. 2007).

Turning their backs on the 'English' model of public services reform through the top down imposition of targets, testing, league tables and star ratings, the devolved administrations have explicitly sought to work in 'partnership' with the local governments in their countries (Martin and Webb 2009).

These differences are reflected in the local government performance improvement regimes which have been developed in the three countries over the last decade. UK central government has exerted much tighter control over local authority spending (through capping council tax increases and the use of specific grants) than either the Scottish Government or Welsh Assembly Government. It has also placed much greater emphasis on performance targets – first through Local Public Service Agreements and more recently Local Area Agreements - and external inspection. To different degrees, ministers in Scotland and Wales have paid more attention than their English counterparts to local priorities and adopted a lighter touch approach to inspection and intervention. The existence of these contrasting approaches in three countries which share a common language, close cultural ties and very similar legal systems, fiscal frameworks, local government institutions and policy ambitions poses some important questions.

What is the extent of divergence across the three performance improvement regimes? How and why have differences arisen? Has development of the three regimes been informed by policy transfer and learning between countries? If so, what are the mechanisms by which it has occurred? And have different approaches produced different outcomes? In order to examine these issues we undertook a detailed analysis of the



development and operation of the local government performance regimes, focusing in particular on ‘whole authority assessments’. We gathered evidence from three sources: detailed analysis of policy documents, legislation and statutory and non statutory guidance; a series of in-depth semi-structured interviews with forty senior policy makers from central government, audit bodies and local government, all of whom had been closely involved in the development and implementation of the performance regimes in their countries; and a seminar with senior officials from central government departments, audit bodies, improvement agencies, and local authorities from all three countries to test out our emerging findings and observations. There is always the danger that elite interviewees exaggerate their own role in the design of a policy regime and thus play down the extent to which they transferred policies from elsewhere. The documentary analysis and the seminar aimed to counterbalance this. Interviewees were asked a range of questions about the assessment frameworks for local government in their country: how they had been developed; what factors had shaped their design; the extent to which policy makers and inspectors had learned from elsewhere in the UK; what (if anything) had inhibited or facilitated policy transfer; and what they believed the outcomes of the assessment frameworks in their countries had been. Interviews were taped and transcribed.

## POLICY DIVERGENCE ACROSS THE PERFORMANCE IMPROVEMENT REGIMES

The data gathered from the documentary review, the interviews and the seminar were analysed in terms of the main kinds of convergence derived from Bennett (1991) and Dolowitz and Marsh (1996). The results are summarised in Table 1 and are discussed

below (for a more detailed comparative analysis of the operation of these three regimes see Downe et al 2010).

*Insert Table 1 around here*

#### Policy goals and instruments

Policy makers in the three countries have had very similar policy goals and used almost identical policy instruments to introduce whole authority assessments of the performance of local authorities. In all three cases, assessments are intended to promote improvements in local government capacity and performance and were introduced through a combination of legislation and statutory and non statutory guidance. The 1999 Local Government Act repealed legislation requiring local authorities in England and Wales to submit a wide range of services to compulsory competitive tendering. In its place it introduced a new duty to achieve 'Best Value' (Martin 2000). The Audit Commission was charged with inspecting local authority performance in achieving this duty. However, it struggled to cope with the volume of work this created and revised guidance issued in 2003 effectively signaled the abandonment of the Best Value review programmes (Downe and Martin 2007). In their place, policy makers in England introduced Comprehensive Performance Assessments (CPAs) which rated each council's overall performance on a five point scale from 'poor' to 'excellent'. Their counterparts in Wales took the opportunity to introduce their own form of whole authority assessment which was named the Wales Programme for Improvement (WPI). From 1997 to 2003, local councils in Scotland adopted a Performance Management and Planning (PMP) framework on a voluntary basis as a quid pro quo for a continuing moratorium on compulsory competitive tendering. This was similar to, though less tightly specified than

the Best Value regime. Like their counterparts south of the border, Scottish councils agreed to review services and produce plans for improvement which were subject to external audit. The 2003 Local Government Act put this process on a statutory footing, introducing whole authority assessments known as Best Value Audits (BVAs) which evaluated each council's performance against ten 'best value' characteristics laid down in guidance (Downe et al. 2008).

In a short space of time all three countries therefore developed remarkably similar policies which shared the same objective - promoting improvement in the overall performance and capacity of local authorities. They were all overseen by the principal audit bodies in their countries - the Audit Commission in England, Audit Scotland working on behalf of the Accounts Commission and the Wales Audit Office (WAO). And they all focused on the overall management and leadership of local authorities because policy makers in all three countries believed that it was 'corporate capacity' – reflected in clarity of purpose, robust performance management systems, efficient use of resources, and effective partnership working – which in the long term determined a council's ability to achieve service improvement (Martin et al. 2010). Or, as the Audit Commission put it, a 'serious and sustained service failure is also a failure of corporate leadership' (Audit Commission 2002: 19). At first sight then whole authority assessments appear to be a striking example of policy convergence. Rather than developing distinctive policies following devolution, the three countries have adopted very similar policy goals and instruments. On closer examination however, there were significant differences and divergences in policy content, style and outcomes.

## Policy Content and Style

We found a number of marked differences in policy content and style. First, there were contrasting approaches to developing the frameworks. Whereas CPAs were imposed ‘top-down’ by central government and the Audit Commission on local authorities with relatively little discussion or consultation, both the WPI and BVAs were developed through consensual processes in which local government representatives played a prominent role. In Scotland, the ten Best Value criteria that underpinned BVAs drew heavily on the practices which councils had developed on a voluntary basis since 1997 and the guidance was formulated by a task force consisting of representatives of Audit Scotland, Scottish local authorities and the Scottish Executive. The WPI was also developed and then overseen by a tri-partite working group consisting of civil servants and senior representatives of the audit bodies and local government, with behind the scenes discussions between the Welsh Assembly Government and the Welsh Local Government Association (WLGA) playing a particularly important role.

Second, there were significant differences in the nature of the assessment methodologies. CPA applied a universal rules-based scoring system. The Scottish and Welsh frameworks were less prescriptive and gave far more scope for local priorities and self assessment. Best Value auditors in Scotland, for example, sought to judge whether authorities had the capacity to achieve the objectives they had set for themselves but did not second guess the appropriateness or otherwise of their priorities, and self assessments formed part of the evidence base which auditors drew on.

Third, the assumption in England was that local government required robust external challenge. CPAs were therefore designed to provide a 'shock to the system' and the resulting performance rankings used to 'name and shame' councils. The Scottish framework also included external challenge, but there were no performance rankings. The aim was to raise councils' awareness of their weaknesses, rather than to subject them to public humiliation. Welsh ministers adopted by far the most localist stance. They argued that whilst external assessment could help to highlight problems, it was local politicians who had responsibility for addressing poor performance. Improvement could not be imposed from outside; it had to 'come from within'. Here, local authorities prepared their own assessments of their strengths and weaknesses and these self assessments were on a par with auditors' views. The WAO conducted a parallel assessment and the two parties then agreed a 'joint risk assessment' which specified areas in which improvement was required. This document formed the basis of improvement and regulatory plans which were tailored to each council's 'improvement journey'.

A fourth important contrast was in the use to which assessments were put in the three countries. In England, the aggregate performance scores generated by CPA were used to place councils into one of five categories - 'poor', 'weak', 'fair', 'good', or 'excellent'. These scores and the inspection reports were published, making it easy for ministers, the media and the public to work out which councils were judged to be the best performers and which were 'failing' (Downe 2008). This paved the way for centrally orchestrated interventions in those languishing at the bottom of the performance league table. Interventions in failing authorities usually involved the replacement of existing

management teams with interim managers overseen by improvement boards. In addition, authorities could access, on a voluntary basis, support from the Improvement and Development Agency (IDeA) which provided a range of services including peer review, leadership training and organisational development work.

Because BVAs and the WPI explicitly recognized that needs and priorities vary between localities, the reports they produced were not amenable to making like-for-like comparisons of the kind needed to populate comparative CPA-style rankings. The WAO published annual reports on the overall progress being made by Welsh authorities, but assessments of individual councils were subject to bilateral confidentiality agreements between themselves and the auditors. Ministers and the public therefore had no means of knowing how well they were performing or of comparing authorities against each other.

BVA reports were published and could trigger intervention. Councils were required to produce detailed improvement plans explaining how they proposed to address weaknesses identified by auditors. Implementation of the plans was monitored by auditors and where insufficient action was being taken, the Accounts Commission could hold a public hearing or recommend to ministers that they take direct action. However, unlike CPAs, BVA reports were descriptive. They provided a narrative rather than a numerically based judgement and could not therefore be used directly to compare or rank councils' performance. In Scotland, an improvement service was established but it did not have the same level of resources or expertise as the IDeA. Interventions in failing

services in Wales were triggered by service inspections, rather than the WPI and were generally low key affairs orchestrated by the WLGA.

Finally, there were differences in the frequency and perceived intensity of the assessment processes. In England CPAs results were published annually for 150 unitary and county councils between 2002 and 2008. They had huge implications for councils' reputations and the career prospects of their senior managers. Welsh authorities also underwent annual assessments but these attracted very little attention because results were not published and there were no direct sanctions for poor performance. BVAs were seen as having more 'teeth' than the WPI because reports could trigger public hearings and external intervention. However, they were infrequent. Each Scottish council received just one assessment between 2003 and 2009.

### Policy Outcomes

It is difficult to compare the success of CPAs, BVAs and the WPI through statistical analysis because of the lack of baselines and counterfactuals and the absence of comparable performance data across the three countries (Andrews and Martin 2010). However, our interview data provided evidence about their perceived effectiveness. We assessed perceptions of outcomes using a framework derived from Marsh and Sharman (2009) who differentiate between: successful processes (the smoothness of policy introduction and implementation); programmatic success (the effectiveness, efficiency and resilience of a policy); and political success (the level of political support for and perceived legitimacy of a policy in the eyes of key stakeholders).

In terms of 'process success' the WPI scored highest. Not surprisingly given the role which their representatives played in its design, interviewees from Welsh local authorities regarded it as a necessary and welcome break with the Best Value regime that it replaced and the new framework met with little or no resistance 'on the ground'. BVAs in Scotland encountered more difficulty, particularly in the early stages. Some interviewees believed that the focus on corporate capacity was misplaced. They argued that more attention should be paid to services and processes of community planning. Some also felt that the BVA process was weighted in favour of larger councils that had the staff and other resources to manage the assessment process. And there were concerns about what was seen as a lack of co-ordination between BVAs and other forms of audit and inspection. CPAs met with considerable initial resistance in terms of rhetoric, especially from councils that were judged to be performing badly. Some threatened to take their cases to judicial review, and doubts were expressed about the statutory basis of CPA. Privately the Government and Audit Commission admitted that they had probably exceeded their authority and new legislation was therefore introduced to shore up the framework.

However, within two to three years of its introduction, English local government had largely acquiesced. Interviewees harboured doubts about its fairness; there were particular concerns about the lack of explicit adjustment of scores to take account of differences in deprivation. But by 2004 most authorities had seen improvements in their scores and many were rated as 'good' or 'excellent'. They therefore had good reasons to 'buy into' the system in spite of its perceived flaws.



The growing acceptance over time of CPAs also reflected its 'programmatic success'. Most of our interviewees in England and Scotland believed that CPAs and BVAs had achieved their overall objective of encouraging improvements in corporate capacity. Interviewees cited as evidence of success the steady improvement in CPA scores. By 2006, more than three quarters (78%) of authorities achieved 3 or 4 star rating and none were placed in the bottom (no star) category. There is also evidence that a large majority of senior council officers believed that CPAs has acted a significant driver of improvement in their services (Downe and Martin 2006). However, there were residual concerns about the costs of the CPAs and some interviewees believed that there had been diminishing marginal returns from successive rounds of CPA. Some believed that part of the improvement in CPA scores was attributable to gaming by authorities that had become more adept at 'playing the system'. Whilst it was argued that CPA had led to improvement in weaker authorities, it had little impact on the best performers.

As one of the architects of the assessment framework in England put it: 'CPA has undoubtedly raised the floor but it has not raised the roof'. In contrast to CPAs and BVAs, many interviewees were uncertain of the effectiveness of the WPI and there was widespread dissatisfaction with what was seen as a lack of 'hard' evidence of improvement by Welsh councils. Ministers and local authority officers in Wales lamented the secrecy which surrounded joint risk assessments. The former said that as a result they lacked the reassurance that they wanted, whilst the latter argued that the WPI did not do justice to the improvements which had been achieved. CPAs enjoyed the confidence of

ministers for several years, but failed to secure support from across the political spectrum; opposition parties continued to argue for its abolition. Initially, the WPI was popular with ministers and local authorities, although auditors harboured doubts about its robustness. As noted above, however, over time all parties expressed concerns about whether it was effective. BVAs achieved the most consistent political support among our interviewees and was strongly endorsed by a wide ranging independent review of scrutiny arrangements in Scotland (Crerar, 2007).

#### EXTENT AND MECHANISMS OF POLICY TRANSFER AND LEARNING

The literature identifies three kinds of policy transfer in the UK: transfer from the centre to the periphery; from the periphery to centre; and around the periphery (Cairney et al. 2009). Previous studies have suggested that centre-periphery policy transfer whereby policies formulated in England are adopted in Northern Ireland, Scotland and Wales is the dominant form of interaction in the UK (Cairney et al 2009, Keating 2007) and there are some good reasons for this view. Coercive policy transfer is rare because the division of competences between the UK government and devolved administrations is fairly clear cut. However, England has the greatest capacity for policy design and prior to devolution the role of the Scottish, Welsh and Northern Ireland Offices was often to implement policies conceived in London with relatively minor modifications, a process described by one of our interviewees in Scotland as ‘putting a kilt on’ English legislation.

In the case of the development of the local government performance improvement regimes, there were examples of the ‘periphery’ learning from developments in the ‘centre’. This tended to take the form of what the literature identifies as ‘soft transfer’ and

‘simple learning’ (Dolowitz 2009, Evans and Davies 1999), that is emulation, hybridisation and inspiration, rather than wholesale copying, and it was more evident in Scotland than in Wales. Scottish interviewees reported that BVAs had been influenced directly by experience in England. Audit Scotland recruited staff from England which enabled it to draw on lessons from the experience of undertaking CPAs. One interviewee from Audit Scotland explained that there was:

a very deliberate focus on looking at the way the existing audit mechanisms could be adapted and developed - mechanisms like CPA and the best value inspection work that took place in England – rather than looking at starting afresh .....we aimed to learn from both CPA and WPI, although ... CPA was further ahead than the WPI ....’.

They also told us ‘CPA was probably more influential and I think we learnt a lot from particularly the corporate assessment that was going on’. A second interviewee explained that Audit Scotland ‘had the advantage of looking at CPA a little way down the line... so I think there was a lot of “we can do it our way, we’ve got some clear principles, but also what are the good bits that we can use’.

However, the constraints on policy transfer identified by Dolowitz and Marsh (1996) were also evident. One interviewee from Audit Scotland explained that: ‘the bit that we deliberately chose to avoid in CPA ...was the area around the rules-based assessment and the application of particular labels for how well a council was performing’. According to another, the idea of making simple comparisons between the 32 councils in Scotland and ranking them was both unfeasible politically and impossible due to the lack of good

performance indicators including the absence of scored performance data from the inspectorates. The relatively small number of Scottish local authorities, the relationship between central and local government, and political aspirations to forge a distinctively Scottish regime seem to be the most important variables in explaining the emulation and hybridisation that occurred in the design of the Scottish regime.

Similarly, policy makers in Wales argued that what Hood (2007) describes as ‘English exceptionalism’ - top-down targets, performance measures and league tables – were not needed in the small and relatively close knit policy community in which they operate. This reflected both the long standing localist tradition in Wales and the statutory requirement placed on the Assembly to work in partnership with local councils. It was also indicative of the devolved administration’s limited capacity which left civil servants dependent on local government for policy input (Jeffery 2006). As a result the WLGA was able to wield considerable influence (Laffin 2004) and auditors found themselves in a weaker position than in England or Scotland. The documentary evidence shows that Welsh stakeholders did undertake an analysis of the Best Value regime and CPAs in England. However, interviewees played this down, emphasising the need to develop an approach that was ‘fit for purpose in Wales’ (Partnership Minutes, March 2006). An interviewee from the WLGA told us that they had used a: ‘fairly limited evidence-base to inform the design of WPI. (We) did not do any research across other countries’. And in contrast to Scotland, there is no evidence that policy makers asked the question: ‘Under what circumstances and to what extent would a programme now in effect elsewhere also

work here? (Rose 1991: 4). Rather, decisions were driven by the desire to be seen to take a distinctive approach. This was in part ideological - one interviewee from the WLGA described CPAs as an example of: 'the worst excesses of Blairite centrism'. It was also practical. There probably is little point in compiling performance league tables among 22 local authorities of widely varying sizes which serve very different kinds of areas. And it was linked to the desire to be seen to be acting independently of England.

The case for devolution rested to a large extent on the need for distinctive policies which addressed the particular needs of Scotland, Wales and Northern Ireland (Bradbury 2003). To continue to ape English policies in areas for which the Welsh Assembly was responsible therefore made little sense. The abolition of the Best Value regime was seized upon by Welsh policy makers as an early opportunity to put in place a distinctive 'home grown' approach consistent with the then First Minister's boast of the 'clear red water' that was opening between policies conceived in Cardiff and Westminster. As a result, the development of the WPI was more politicised than the equivalent exercise in Scotland, which was treated more as a technical exercise. In Wales the new assessment framework broke with the English model in the hope that this would provide an example of devolution in practice. The sub text was that this should help to build support for the fledging Welsh Assembly which was still uncertain of popular support in the wake of the wafer thin majority which voted in favour of devolution in the referendum just four years previously. There was also an element of 'pay back' in return for local government's support for the new institutions. As one interviewee explained, 'politically there was a mandate for Wales to do their own thing and construct their own improvement

framework' (Wales Audit Office). A Welsh civil servant explained that 'One of the aims of devolution was the need to be different, so a lack of policy learning is not so surprising'. And a Welsh local authority chief executive told us 'there is a huge amount of prejudice [against English policy instruments] ... it seems to be particularly strong within the Welsh Assembly Government. I'm sorry to say that it is easier in Wales to introduce an idea from Venezuela than London'.

As Duncan (2009: 151) notes 'policy making in a political context is not just about finding the most effective solution to a policy problem; it crucially involves finding solutions which fit particular political ideologies and which are seen to be innovative as well as effective'. While ideas and policies may be copied from elsewhere, these still need to be 'sold' to the political elite. In the Welsh context, the political strength of what interviewees described as the 'local government family' and the strong personal links it enjoyed with Assembly Members meant that it was able to argue successfully for a 'home grown' approach. Although Welsh auditors and their line managers in the Audit Commission's headquarters in London fought a rearguard action to insert some of the elements of CPAs into the new Welsh regime, it soon became clear that the odds were stacked against them. There was no appetite for lesson drawing based on a dispassionate assessment of the appropriateness to Wales of a CPA-type approach. Rather, this was a case of what might be called 'policy avoidance', driven by the political imperative to be seen to be taking a different approach to its neighbour.

There was no evidence of the second kind of policy transfer, from the periphery to the centre, and also little evidence of much policy learning in that direction. Given that CPA was introduced before the other two regimes, it is perhaps not surprising that there was little evidence of policy learning in its development. Although, a senior officer from the Audit Commission told us that they were tracking developments in Scotland and Wales, most of the other English policy makers and practitioners we interviewed knew very little about BVAs or the WPI. Many expressed surprise at the idea that they might have anything to learn from these regimes. One senior English civil servant for example told us ‘it hadn’t occurred to me to find out about what was happening in Wales and Scotland until today’. Similarly, the chief executive of a Welsh local authority reported widespread ignorance of the WPI among his colleagues in England ‘I talk to them about the Welsh system. And they all go “what?!”. I say, you know this is what’s happening just across the border from you and you don’t know’. This seemed to be related in part to a belief that the performance of public services in Wales in particular lagged behind those in England, though this was linked largely to the widely publicised failure to reduce hospital waiting times, rather than any analysis of local authority performance.

There was only limited evidence of the third kind of policy transfer (periphery to periphery). The representative bodies of local government in Scotland and Wales had exchanged information. As an interviewee from Scotland explained that ‘We kept quite close to Wales and followed what happened in England. Wales and Northern Ireland have been keen to work with us. In England, the Local Government Association is not interested in working with us’ (COSLA). Civil servants from the two countries reported

that they also met on a fairly regular basis, but there was little evidence that they had influenced each other's approaches to the development of their local government performance frameworks.

Dolowitz and Marsh (1996) identify seven channels by which transfer might take place: politicians; officials; political parties; bureaucrats/civil servants; pressure groups; policy entrepreneurs/experts; and supra-national institutions. The development of the local government performance improvement regimes in two of the three countries (England and Scotland) was determined largely by officials and civil servants. CPAs were designed by the Audit Commission with some input from civil servants. In Scotland, the BVA architecture was shaped by auditors and civil servants in consultation with representatives of local government. In Wales, the principal architect of the WPI was a special ministerial advisor to the First Minister, and although the detailed design still involved officials and civil servants, the process was more politicised than in the other two countries. Some studies have found that think tanks, policy entrepreneurs or transnational networks have played key roles in promoting policy transfer (see Stone 2000; 2004) but we found that they had almost no influence in this case. Nor was there evidence to support Cairney et al's (2009) suggestion that political parties in the UK act as powerful forces for convergence.

## CONCLUSIONS

Previous studies have concluded that convergence is often driven by international factors whereas divergence is rooted in national institutional factors (Heichel et al 2005). One might expect that in the UK 'similarity of problems, policy communities and parallel



trends in public opinion' would ensure that policy in England, Scotland and Wales does not differ radically (Cairney et al 2009: 10). Our analysis suggests that the local government performance improvement regimes in England, Scotland and Wales share similar goals and use similar instruments but there have been significant differences and divergences in policy content and style, as well as their outcomes. Faced with similar pressures and in pursuit of the same broad objective (improving local government performance), policy makers in all three countries have placed considerable faith in performance auditing and management. However, they have adopted different kinds of performance improvement regime. In spite of similarities in terms of their social, economic and legal frameworks, and their shared language and culture, there is only limited evidence of policy transfer and policy learning. There were high levels of what might be called 'policy awareness' in Scotland and Wales, and some lesson drawing and 'soft' policy transfer in Scotland. However, policy makers in England were uninformed and unconcerned about developments elsewhere, and the key actors in Wales pursued a path of determined policy avoidance.

Interviewees attributed policy divergence and the low levels of 'hard' policy transfer to two key factors: differences in the nature of the policy communities in the three countries, which were manifested particularly in relations between central and local government; and ideological differences which were manifested in contrasting theories of performance improvement. Interestingly though, in the recent past there have been signs of increasing willingness among the key actors in the three systems to learn from each other. As Scottish local authorities became aware of the more transparent rules-based system

embodied in CPAs, they have lobbied successfully for greater transparency in the second round of BVAs. In 2009, CPAs were replaced by a new framework known as Comprehensive Area Assessment (CAA) which was designed to assess the outcomes being achieved by all of the public service providers operating in a locality (including councils, health trusts, police forces and fire and rescue services). The second round of BVAs in Scotland which began in 2009 and the associated Shared Risk Assessments have moved in a similar direction by taking an area-based approach to assessment which goes beyond the performance of local councils. Meanwhile the Assembly Government passed a new local government measure which gives ministers powers to intervene directly in failing authorities and requires the auditors to publish performance data on each council in Wales, as was already happening in England and Scotland.

Interviewees indicated that as policy makers in Scotland and Wales have become more confident, they have become more open to learning lessons from their closest neighbours. An official from the WLGA commented that: 'if we were starting afresh today, we would probably try to learn from England'. Another interviewee from the WLGA who was very critical of CPA was open to learning from the experience of CAAs in England. He explained: 'I find the Comprehensive Area Assessment a much more interesting approach to reviewing services and reviewing improvement programmes and I think there are certain things that we could learn from that'. And the Assembly Government in Wales has also shown increasing interest in policies from Scotland, notably the duty on local partners to co-operate enshrined in Scottish law.

However, it is important not to over-emphasise these recent signs of convergence or to exaggerate the appetite for policy learning, and the evidence suggests that the nature of the policy-making process in all three countries means that the capacity for hard policy transfer is likely to remain limited. The three local government performance regimes are developing in parallel and while their architects may be paying more attention to developments elsewhere in the UK, they continue to be driven primarily by developments within countries rather than by systematic learning between them. As an Audit Scotland interviewee commented ‘although many aspects of public service audit and inspection in England and Scotland look as if they are converging, the overall feel of these regimes ... is different’.

There remains considerable pride in local policy development, and many echoes of the sentiment expressed in Maesschalck and De Walle’s (2006:1012) study of Flemish policy which found support for the rhetoric of ‘what we do ourselves we do better’. These findings have a number of implications for future research on policy transfer. They confirm the importance of studying policy developments in detail, over time, and from a range of different stakeholders’ perspectives, and they highlight the value of enquiring into different aspects of policy divergence, from goals through to outcomes. They also suggest that following devolution, the UK does provide a source of valuable empirical data for studying policy transfer and learning.

Echoing the work of a number of other researchers, including Evans and Davies (1999), Marsh and Sharman (2009) and Rose (1993), our conclusion that there has been only

limited lesson drawing and policy transfer but significant policy avoidance points to the need for more research on the reasons why learning between countries does not occur, even in apparently favourable conditions such as those offered by the UK. Our data suggest that policy avoidance is likely to be greatest, and policy transfer lowest, when there is an overriding political objective to demonstrate the need for and efficacy of devolution. Policy avoidance is also likely to be high when a policy area connects with a distinctive, meta-policy platform, such as the non-competitive philosophy of public services policy in Scotland and Wales. Finally, while we have made an initial attempt to compare the perceived effectiveness of the three frameworks, it is clear that there is far more to be done in this area. As Marsh and Sharman (2009) have suggested, scholars interested in policy transfer do need to give greater attention to understanding not just the reasons for convergence and divergence, but to its impacts on policy outcomes.

End Note

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Table 1 Local government performance improvement regimes: areas of convergence and divergence

	England (CPA)	Scotland (BVA)	Wales (WPI)
<b>Policy goals</b>	Improvements in local government performance as a result of strong corporate capacity	Improvements in local government performance as a result of strong corporate capacity	Improvements in local government performance as a result of strong corporate capacity
<b>Policy instruments</b>	<p>Primary legislation</p> <p>Statutory and non statutory guidance</p> <p>Individual assessments conducted by Audit Commission</p>	<p>Primary legislation</p> <p>Statutory and non statutory guidance</p> <p>Individual assessments conducted by Audit Scotland</p>	<p>Primary legislation</p> <p>Statutory and non statutory guidance</p> <p>Individual assessments conducted by Wales Audit Office</p>
<b>Policy content</b>			
Assessment criteria and methodology	Uniform implementation of rules based scoring system reflecting national priorities	Best Value principles tailored to local priorities	Joint risk assessment tailored to local circumstances
Frequency	Annual assessments of upper tier authorities	Five year rolling programme of one-off assessment	Annual assessments of all authorities
Reporting	Published performance scores and narrative report	Published narrative report	Confidential joint risk assessment
Support and intervention	Externally imposed by ministers on advice of Audit Commission Relatively large Improvement and Development Agency	Externally imposed by ministers on advice of Accounts Commission Small Improvement Service	Intervention as last resort and orchestrated by Welsh Local Government Association

<p><b>Policy style</b></p> <p>Design</p> <p>Stimulus for change</p> <p>Mode of operation</p>	<p>Designed largely by the Audit Commission and imposed on local authorities</p> <p>External challenge, support and intervention</p> <p>Explicitly competitive regime, 'naming and shaming'.</p>	<p>Designed by task force which drew on existing voluntary practice.</p> <p>External challenge and intervention</p> <p>Education and persuasion</p>	<p>Developed by tripartite group with powerful local government influence</p> <p>Local ownership of need to improve</p> <p>Collaborative - 'partnership Principle'</p>
<p><b>Policy outcomes</b></p> <p>Process success</p> <p>Programmatic success</p> <p>Political success</p>	<p>Initial challenges to CPA reports and doubts about statutory basis of CPA followed by widespread acceptance</p> <p>Credited with success in capacity especially in weaker authorities But concerns about susceptibility to gaming</p> <p>High level of support among ministers but opposition from other parties</p>	<p>Concerns about lack of attention to services and community planning but broad acceptance among most councils</p> <p>Credited with positive impact on corporate process in authorities</p> <p>Widespread political support - seen as legitimate by all of the key stakeholders</p>	<p>Widely welcomed by councils. Smooth implementation process</p> <p>Perception that regime has led to some improvement in capacity but lack of evidence to support this</p> <p>Concerns about lack of transparency and need for more 'teeth'</p>