



Office of the
Deputy Prime Minister

Creating sustainable communities

Working Paper 4: Evaluation of Local Public Service Agreements

Exploring the Sustainability of Local Public Service Agreements:
Findings from a Workshop of Local Government Practitioners



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The findings and recommendations in this report are those of the consultant authors and do not necessarily represent the views or proposed policies of the Office of the Deputy Prime Minister.

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1. BACKGROUND

- 1.1 ODPM has commissioned the Office for Public Management (OPM), the University of the West of England and the University of Cardiff to carry out the national evaluation of LPSAs. The evaluation which is still in progress includes research in 20 case study authorities; the evaluation will continue until 2007.
- 1.2 This workshop was designed to test some of the emerging findings of the national evaluation which have been set out in a discussion paper from the OPM research team written for the workshop. It was decided to begin by testing findings around 'sustainability' for 2 reasons. It is an important issue for stakeholders and the emerging evaluation findings suggest it is by no means certain that improvements achieved under the LPSAs will be sustained.
- 1.3 To help create a focus for the day, invitations were to lead service officers delivering LPSA targets around looked after children, and crime, as well as corporate lead officers.
- 1.4 LocalPSA.net, the national network for all LPSA local authorities, assisted with the workshop, and members of the ODPM research and policy teams, along with the research team from OPM, were present at the workshop to listen to the discussions.

2. THE EMERGING FINDINGS OF THE NATIONAL EVALUATION

- 2.1 Among the emerging findings are some trends which are likely to impact on the sustainability of LPSA-related improvements.
 - Sustainability appears relatively low down the agenda for many in the corporate centre of authorities. For them, the sustainability of improvement in an LPSA-targeted service needs to be weighed against competing claims.
 - The Government appears to have made a tacit assumption that improvements will be sustained.
 - It appears from the case studies that many improvements will only be sustained with continuing additional resourcing. These were described in full in a discussion paper provided as background to the workshop (See Annex).
- 2.2 The evaluation team identify three types of approach to LPSA targets which are likely to have differing effects on the prospects for sustainability.
 - (1) LPSA targets driving new working methods and some involving radical culture change – these have good prospects for sustainability.
 - (2) Targets leading to new working methods but where the new practices have direct or indirect resource implications – sustainability relying in part on the continuing availability of resources.
 - (3) Short term action using pump priming grant to do 'more of the same' – this may boost performance in the short term but is not sustainable unless a replacement for the pump priming investment can be secured.
- 2.3 The case studies also point towards a series of common themes about approaches to target selection, methods for target setting, possible determinants of success and sustainability, and use of pump-priming and performance reward grant.

3. AIMS OF THE WORKSHOP

3.1 The aim of the workshop was to test the national evaluation's emerging findings by asking LPSA practitioners:

- What do we understand by 'sustainability' and is it always a 'good' thing?
- What are the barriers to sustainability?
- What supports the research team's interim findings (or challenges them)?
- What could authorities or the Government do differently next time to improve sustainability?

4. WHAT DO WE MEAN BY SUSTAINABILITY AND IS IT A 'GOOD THING'?

4.1 The national evaluation takes sustainability to mean sustaining the improvements achieved under the LPSA beyond its lifetime.

4.2 Practitioners were in agreement that sustainability was a 'good thing' to aim for. However, it was clear in discussion that among practitioners there are a variety of interpretations. It was also clear that some practitioners felt unsure about what defines sustainability in practice.

4.3 There were interesting questions from officers about whether the Government expected to see councils maintain a level of service, or maintain the rate of improvement. Others suggested that the goal of sustainability must apply to improvements in working practices as much as improvements in service outcomes.

4.4 It was also suggested that sustainability should not always be viewed as starkly as meeting and maintaining the target in the LPSA. If a service has been improved through an LPSA – but not enough to meet the target – such improvements are still worth sustaining. It may also have been that a new approach to service delivery was being tested and that testing process in itself may have supported improvement. Similarly if in retrospect a target is seen to have been set unrealistically high then sustaining performance at that level (or continuing to try to reach it) might offer poor value for money.

4.5 Some participants suggested there was confusion whether sustainability referred to continuing with an activity or project beyond the life of the LPSA or, maintaining an improvement in outcomes. Some suggested along the lines of "...the main barrier to sustaining schemes was funding especially when projects did not fit in with local priorities. Now that LPSAs focus much more on local priorities it should be easier to sustain them." These seem to raise the question - "what if the LPSA focused on the 'wrong' problems" or perhaps not the most important ones. It may be that authorities chose to pursue improvement in service areas where performance was already satisfactory, or above average, simply out of convenience or because they were led towards those areas by Government departments.

4.6 Participants also raised more general questions about how much an LPSA can achieve on its own. If the changes that the LPSA seeks to embed require whole systems change, and a council is not able or willing to support such change, sustainability will be difficult to realise.

5. WHAT MIGHT BE THE BARRIERS TO SUSTAINABILITY?

5.1 A number of barriers to sustainability were identified by participants, some in-built to the LPSA process, and some about short-term versus long-term planning, and embedding culture changes which are more generic to wider public service improvement.

5.2 Barriers built into the LPSA process:

- The fast pace of the process meant some authorities worked out how to meet targets after they had agreed them. This doesn't necessarily mean a target cannot be sustained but it cuts into the time for achieving results within the LPSA lifetime. It might also encourage 'quick fixes' that are unsustainable.
- Multi-agency targets are common in LPSAs but these are very difficult to manage both in terms of service planning and performance management. It is likely there will always be difficulties in reconciling the competing priorities of partner agencies. Where these differences cannot be levelled there may be in-built limits on the level of progress that can be made, and improvements may be less resilient.
- The inclusion of financial incentives means the LPSA risks being seen as another short term funding stream by services or partners and therefore prone to the pitfalls inherent in other time limited funding. That is, where the focus is on activity and expenditure rather than making systemic and sustainable changes and where the implicit strategy for sustainability is to seek new sources of top up funding when the current funding runs out.
- Freedoms and flexibilities are a large part of the sustainability equation but if the impression develops among councils that delivery of freedoms and flexibilities by the Government has been limited, this could limit trust and commitment to the process among local authority officers.

5.3 Generic public service barriers to improvement:

- The need for systemic changes are often ignored at the front line because of time pressure, or because that's not how frontline officers are encouraged to think. Dialogue with frontline staff to engage them in thinking how targets will achieve change may help embed behavioural change and may also bring in grass roots ideas which in themselves may increase the chances of sustainable improvement.
- Different budgetary climates can lead to different attitudes to PPG and PRG. 'Cash-strapped' authorities cite the money provided by the LPSA as the primary reason for entering into an agreement; they consider freedoms, flexibilities and sustainable improvement as secondary attractions. In contrast, 'affluent' authorities cited their existing culture of setting aside thinking time to consider issues of sustainability saying the LPSA helped to extend that thinking time to look at new areas. It seems that affluent authorities may be more likely to have the right underlying cultural and managerial conditions to implement the LPSA as a transformational project. 'Cash-strapped' authorities, though they might understand and sympathise with the transformational aims, may be more concerned with the offer of much-needed 'funny money' to fill short term resource gaps and fire-fight. And in cash strapped authorities services can see the attainment of targets threatened by unexpected cuts in mainstream budgets which may far outweigh the additional resources of reward grant.

- There are underlying barriers to improvement which are about understanding the levers of change and determining factors of poor outcomes. For example, in delivering improved educational attainment many authorities have invested resources in recruiting and retaining more teachers - often through advertising campaigns – but in some areas the most significant long term barriers around recruitment and retention are to do with living costs and class discipline rather than low awareness of job opportunities.

6. THE ROLE OF THE CORPORATE CENTRE

6.1 There were findings about the corporate centre seeing the sustainability of individual improvements as low priority within the wider corporate picture. Some discussions about ‘targets no longer reflecting service priorities’ suggested an acceptance that priorities would change and when that happened effort would be taken away from the LPSA target even if there had been a logic to the target originally.

6.2 Many practitioners focused on the positive effect of a strong steer from the centre suggesting that sustainability is more likely to be achieved when this happens. They emphasised:

- Strong leadership from senior staff this had made clear to those at the operational level the importance of the LPSA which helped to drive the LPSA and maintain momentum.
- Visible leadership is necessary but there needs to be a balance between corporate leadership of the LPSA process and allowing more junior staff room to take decisions (and risks). The best examples of LPSAs in practice are where leaders have trusted, empowered and supported staff, by allowing them to be experimental and take risks, within a tolerant culture. If this managerial style can be fostered by the LPSA process and then maintained it is likely to have long term benefits for the capacity of the authority.
- Performance management is only a tool to link outputs and outcomes and performance management specialists do not always have a clear understanding of wider aims of the LPSA process. Some participants therefore raised concerns about ‘bean counting’ approaches working against more creative approaches to improvement. They suggested that senior managers need to provide a clear brief for performance management teams where they are tasked with co-ordinating the LPSA, to ensure the wider links are made.

7. ‘CINDERELLA’ SERVICES - CHANGING THE BALANCE OF POWER?

7.1 The discussion of so called ‘Cinderella’ services, where councils used LPSAs to raise the profile of services that were not previously in the spotlight raises interesting questions about the role of LPSAs in shifting the balance of power in the budgetary process. One explanation why such services are less prominent is that the centre does not view them as a priority in budget setting or in senior management or Executive oversight. Practitioners were concerned that after the LPSA Cinderella services ‘might fall back off the agenda’, and budgets reduced again. This suggests that if there has been a shift in influence it may only be temporary unless reinforcing steps are taken. Similarly practitioners discussed cases where service users’ expectations might have been raised by a successful LPSA target, making it politically unacceptable to let standards drop subsequently. This suggests that some LPSAs have been used to give service users

more influence - although this may not necessarily have been the conscious intention at the corporate centre.

- 7.2 This issue needs further work to uncover. Useful questions might be; do LPSAs really give power to interests outside the corporate centre i.e. are they a platform for contesting the status quo? if this has happened is this change 'irreversible'? is this a desirable for the LPSA?

8. WHAT HAS BEEN LEARNED?

- 8.1 Working in smaller groups a number of examples of lessons for sustainability were exemplified. Some examples suggested a more complex interpretation of sustainability concerned with building ownership for tackling a complex issue and building a viable partnership and cross boundary working . They suggest the role of some LPSAs has been (1) to bring partners together and then (2) to generate cultural changes that make that inter-agency working more likely to hold together.

- 8.2 More detailed notes on 'lessons for round 2' are included in the final section of this paper.

LPSAs can be a catalyst for cross-boundary working.

Example: Newham recognised that an element of sustainability is consensus and buy in from their partners. Their target around crime was a clear multi agency task that had to be jointly owned both to meet the target and to support the systems for lasting improvement. However, a number of different agendas and priorities existed, along with differences in organisational culture and working styles and Newham found these factors acted as barriers to sustaining the projects.

Councils and the Government should not confuse 'sustaining a LPSA related activity' with 'sustainable outcomes'.

Example: Newham's Respect campaign is an NRF programme tackling crime and disorder hot spots. The council's view is that Respect itself should not be a permanent campaign. The aim is that it should raise awareness and change behaviour, allowing the council to spend the resources on new campaigns and projects. It should also place the issues on the political agenda, and help to ensure that councillors take ownership of keeping standards at an acceptable level.

Councils will need to find ways to test whether changes in practice and behaviour are (a) sustained and (b) make a difference to services.

Partners' priorities can and do shift in response to changes in central government policy and priorities and this can make it difficult to determine what is the desirable outcome that should be sustained.

Example 1: If an authority sets a target around car crime and then government priorities shift to focus on burglary then several factors will be working against achieving the car crime target. The police will probably want to switch their attention, it may be more difficult to justify putting resources into car crime, and the council itself may question whether car crime is indeed worth pursuing if it is burglary that residents are more worried about.

Example 2: Reducing truancy; at the start of first generation LPSAs schools were encouraged to tackle truancy through preventative measures. In the lifetime of first

generation LPSAs the approach shifted to more punitive measures. This has undermined the preventative measures that were put in place to meet LPSA targets around attendance. The sustainability of improvements in attendance will not necessarily be affected – but the change of strategy may mean a loss of momentum or of staff buy-in.

Example 3: achievement of the preventative agenda of youth offending has been made more difficult by the more punitive approach underlying the new emphasis on combating anti social behaviour.

More generally, changes might be made to national priorities (new targets, new funding arrangements, amended inspection criteria, new White Paper messages) which could lead to inefficiencies rather than improvement – e.g. abandoned work, time-lag as service changes are agreed by executives or management teams, and possible damage to morale at the frontline.

LPSAs are often led by performance management/Best Value teams but some of these teams do not have the right mix of skills to make the most of the LPSA process.

Example: Newcastle felt it had benefited from doing its thinking about the ‘strategy of target setting’ at the corporate centre. Newcastle felt the learning from mistakes had been much better absorbed by the organisation than if it had been led by service performance teams.

Lessons from Kent

Kent cite the LPSA as bringing about a ‘can do’ mindset. They claim that staff became empowered to innovate and the culture surrounding the LPSA became less risk averse and more tolerant of failure.

What Kent learnt was that the LPSA gave the authority a focal point around improvement and more innovative thinking – what Kent cannot say for certain is whether this was to do with something intrinsic to the LPSA process or more about where Kent CC is in its own development?

Kent believe that sustained improvement was the right outcome to aim for, but:

- (1) constant pressure for improvement can be demoralising for staff, as it might look to negate past or present achievements; and
- (2) focusing improvement on specific areas runs a risk of losing sight of more urgent priorities that arise afterwards in the LPSA period.

The role of the corporate centre is key. It can bring core activities and services in to support LPSA targets; it can encourage and support multi-agency, partnership working; and it has some degree of budgetary flexibility. The full support and engagement of the management team and corporate policy centre were key factors in obtaining the other benefits Kent describe. One of the most notable benefits was that when the LPSA process encountered a problem key decision-makers made it their business to solve the problem; they saw it as their problem. The can-do approach was therefore closely related to senior officers taking ownership of the process.

The absence of rules restricting PPG expenditure, or requiring prior-approval, had a number of benefits – mainly that projects could commence quickly and be adjusted to changing circumstances. It also made the process feel empowering.

9. EXAMPLES OF THE THREE APPROACHES OUTLINED IN THE OPM PAPER

- 9.1 Returning to the three types of approach identified by OPM, the workshop yielded examples across the spectrum. Some examples show councils already succeeding in achieving sustainability, others show councils identifying what they need to do though not necessarily achieving it yet.

1 Radical change

Kent – Findings ways to meet their target to reduce the total number of children in care led to Kent making radical changes in the handling of kinship care. The result is that over a hundred children and their kinship guardians have been able to avoid going through formal fostering procedures. To achieve this, Kent Social Services had to challenge the long held (and incorrect) assumption among stakeholders, including their own lawyers, that the only route to kinship care was formal fostering – and they have shown that for a large number of children this was an unnecessary bureaucracy. Kent say the LPSA was a genuine catalyst and genuine change was achieved but have asked themselves whether these innovations would have been made without the LPSA. They suspect the will was already there and they would have found another catalyst or vehicle. But what they know is that the LPSA gave the whole authority a focal point around improvement, and was also used to promote risk taking and radical thinking. It is difficult to say for certain whether this was brought about by the LPSA process or a feature of Kent CC's approach to organisational development.

Staffordshire – An initiative to bring Connexions and Social services staff closer together led to more effective integrated service planning and delivery. This also led to other providers changing their own services to add to what Connexions was able to offer. But the key feature here was that it was the LPSA team driving the process and setting up the partnership groups that oversaw the initiative. Staffordshire believe the LPSA was unique and catalytic in the process and that the improvements would not have been made without it.

Kirklees' target to reduce burglary was based on services and systems already in place so the target was in many ways more of the same with the focus on 'stretch' rather than 'new'. But Kirklees were determined not to offer a stretch unless it was sustainable beyond the lifetime of the LPSA target.

2 New working through additional resources

Devon – *Parent Key Worker* initiative. This will be an ongoing service beyond the LPSA, and involved innovative developments that would not have happened without the PSA. However, Devon say much of their use of pump-priming grant was for 'more of the same'. Devon also stresses that radical change required thinking space at the delivery end – not the corporate centre - and the front line is where thinking space is hardest to find.

Enfield – the drugs treatment centre, as a means for addressing the Borough's crime targets, was borne out of cross agency discussions at the Enfield Strategic Partnership. The centre was built using a variety of funds including the pump priming grant, and has helped the development of a more proactive approach within the Borough, which is proving more effective. Involving the LSP in the LPSA process helped to facilitate these discussions and the Council identify this as an important factor for success.

Bracknell Forest – also used the pump priming funds to help them shift from a reactive approach, in addressing domestic violence, to a proactive one. This includes the recruitment of a Domestic Violence Worker to help facilitate a more co-ordinated approach between the Police and Social Services and develop more effective systems between agencies to help bring about sustainable improvements.

If the approach that is developed is built into systems then this could be an example of extra resources bringing changes that survive beyond the LPSA period.

Enfield – used pump priming grant to finance an initiative to improve its understanding of where crime was taking place. The Council has invested in data analysis software that helps the Police to identify crime hotspots.

Leeds CC – The Leeds Community Safety Partnership has secured additional resources from a range of funders and LPSA grant is part of this. However, the Partnership recognises that this approach is not sustainable, especially when 300 out of the 400 staff working for the partnership are grant funded. Whilst recognising the need to incorporate the current services into mainstream delivery, the LCSP is looking at other ways that it can generate its own income through the services it provides. This might include selling crime reduction equipment or offering consultancy services to businesses. However the LCSP decides to solve this, it considers the ability of the partnership to generate its own income as key to sustainability.

3 More of the same

East Riding give the example of a project to improve the quality of life for over 50s where it appears to have been the case that pump priming grant was just money that was conveniently at hand. Although they were not previously doing any work in this area their suggestion is that it might have happened anyway but with a different pot of money; i.e. that the LPSA provided the money but the idea came from a different process independent of the LPSA.

LESSONS FOR ROUND 2

Lessons for Government

The practitioners present identified issues they were keen for government to respond to and address. The discussions around 'lessons learned' set a number of challenges as much for ODPM/central government themselves, as for the relationship between central and local government.

- The revised round 2 guidance must clearly spell out the Government's intentions and expectations in relation to sustainability.
- To achieve greater coherence between local and central government, planning and inspection cycles need to become more aligned to ensure that local and central policies reinforce each other, rather than work against each other.
- The Government should engage more forcefully in pushing for good quality targets that are effective proxies for the improvements and changes being sought. But Government also needs to recognise that target setting is still a developing and imperfect science where some outcomes (such as life expectancy) are easier to measure with credible proxies whereas in areas like employment and culture the Government needs to be working with authorities in drawing up some credible proxies. The Government should also be aware of the risk of building perverse incentives.
- Some authorities wanted the Government to stop writing guidance for authorities even when councils begged for it. They thought it stifled innovation and local solutions which worked directly against those aspects of the LPSA process that seem to be making the most difference – that is the thinking through of issues

themselves and relating them to local needs. If authorities are able simply to follow guidance without thinking about the ‘Why’ this works against sustainable improvement.

- Some government departments have not been as willing to have the deeper involvement in the LPSA process that councils believe leads to lasting cultural change – i.e. involvement in policy discussion or freedoms and flexibilities. Instead they have chosen shallower involvement focused more on signposting funding pots such as PFI credits.

Lessons for councils

- Authorities should address how they intend to sustain the improvements they are seeking through the LPSA. This should be based on a dialogue within the authority. This will also enable authorities to ensure officers are able to make an intelligent distinction between aiming for sustainability of outcomes and the sustainability of projects.
- Authorities should ensure they have thought about the strategy for using the LPSAs as part of their improvement agenda. This will assist officers in thinking about sustainability issues in the short, medium and long term, and focusing them away from the 3 year time frame that might act as an artificial barrier to sustainability.
- Super freedoms - is there one freedom that would assist the sustainability of a number of outcomes? In light of round 1 experience it might be sensible to put efforts into the research and negotiation of a ‘super freedom’, instead of a number of smaller ones.
- There is scope for much greater involvement of LSPs. LSP members should be more involved in proposing targets and also thinking through strategies for sustaining improvement.
- Many of the issues around sustainability have parallels in the Neighbourhood Renewal Fund although NRF language tends to more about ‘mainstreaming’.

ANNEX

National Evaluation of Local Public Service Agreements

Sustainability

1. INTRODUCTION AND BACKGROUND

This paper is written as the starting point for discussion at a workshop to explore issues of sustainability in Local Public Service Agreements. The workshop forms part of a national evaluation of LPSAs, commissioned by ODPM and being undertaken by OPM, the University of the West of England and the University of Cardiff.

The objectives of the national evaluation are:

- To provide a robust and representative evaluation of the impact and outcome of LPSAs, and the extent to which they have delivered substantial improvements in key services over and above what otherwise would have been achieved; and,
- To evaluate the processes of negotiation and more particularly implementation of LPSAs, to enable central government and local authorities to better understand and, if necessary, modify their approaches to the ways in which they negotiate and implement LPSAs.

This paper draws on the experience of eight diverse case study authorities in the first and second years of their LPSAs, in each of which the research team interviewed target lead officers, partners and staff working on the delivery of targets, officers in the corporate centre of the authority and members. Work in these and further case studies will continue until the end of their LPSAs; the findings in this paper are therefore tentative and will be tested in our later research.

The purpose of the workshop is to get a wider perspective on the issue of sustainability from authorities outside our group of case studies, and to stimulate discussion about how sustainability can be ensured.

2. WHY DOES SUSTAINABILITY MATTER?

Sustainability was chosen as a theme for this workshop both because it is important to stakeholders, and because our findings suggest that it is by no means certain that improvements achieved under the PSA will be sustained in future years.

Particularly as authorities get further into their LPSA, the thoughts of service providers increasingly turn to ways in which hard-won improvements to which they are strongly committed can be maintained. Interestingly, sustainability appears to be much lower down the agenda of many in the corporate centre of authorities, where the resources required to ensure sustainability in one service may need to be weighed against competing claims. From government's point of view, although the reward grant is

justified on the basis of improvements within the LPSA period, there is an unspoken assumption that improvements will be sustained. The sustainability of improvements is of great significance in any assessment of the extent to which the policy has, overall, provided value for taxpayers' money.

Our research so far suggests that in many instances improvements will only be sustained with continuing additional resourcing, a finding which if it is confirmed will have important implications for local authorities and for future LPSA agreements.

3. POLICY ASSUMPTIONS

The research team have adopted a 'Theory of Change' (TOC) approach¹, to generate hypotheses to be tested in the research. A TOC approach seeks to understand the links between activities, outcomes and contexts, comparing what was envisaged when the policy was developed with what happened in practice.

The LPSA policy is based on the premise that focus on a limited number of specific targets over a three (or in some cases two) year period will bring about improvements. The policy was based on the implicit assumption within central government that the real barrier to improvement in local government is the will to improve, and that an incentive may succeed where exhortation has failed. For local government, a more important barrier was the lack of opportunity to think about new approaches and a lack of resources to fund their development. LPSA offered a potential solution.

The expectation was that short term improvements in performance against targets would lead to sustained improvement in local service delivery and outcomes. The mechanisms for sustaining improvement were not clearly articulated at the time policy was developed, but the team's work with central and local government stakeholders in developing the Theory of Change suggested that at least two factors might lead to sustained change. First, if in order to achieve short term improvements systemic changes (for instance in processes, structure or culture) are made, then these changes may be irreversible. Second, if community, service user and inspectors'/ regulators' expectations about service levels are raised, then a drop in performance to previous levels might become politically unacceptable. The existence and strength of mechanisms for achieving sustainability is being tested in our research.

4. FINDINGS FROM THE RESEARCH

We have encountered a range of approaches to improvements under the LPSA, even within the same target area - some more likely to lead to sustained improvement than others.

At one end of the spectrum, the LPSA is being used to introduce new working practices or processes, sometimes involving quite a radical change in culture amongst staff, but requiring no additional ongoing resources. Provided the changes are sufficiently embedded, these improvements should be sustainable. See box on next page for examples.

¹ See Theory of Change paper at www.odpm.gov.uk/stellent/groups/odpm_control/documents/contentservertemplate/odpm_index.hcst?n=5163&l=4

Examples include:

- Re-engineered processes for the maintenance of roads, changing from a reactive to a proactive process. Pump priming grant (PPG) covered the one-off costs of change which would otherwise have been unaffordable, but the new processes are already resulting in a net saving because they are more effective in preventing minor problems from escalating.
- A raft of policies designed to fundamentally change the ways services are provided to elderly people, helping them to remain independent in their own homes. PPG was used to kick start and coordinate a process of changes in attitudes and practice amongst staff in health and social services. The LPSA is deemed successful locally precisely because it has succeeded in bending mainstream funds. However, many other central government policies are pushing in the same direction – including ones with far more money attached to them. Whether the LPSA alone could have produced sustainable change in such a large system is doubtful.
- A re-design of the processes used to deal with benefit claims, in order to speed up the time taken to make decisions about entitlement and to issue payment. PPG has contributed to meeting the costs of these changes but has been only one source of finance, as other central government initiatives have also facilitated improvements. The LPSA has also made it easier to secure the co-operation of other parts of the local authority and achieve considerable improvements in performance. However, it is not clear that such extensive improvement would have been possible on the basis of the LPSA alone.
- Action to raise standards at key stage 2 in selected schools, which focuses on helping the school heads to understand the blockages to improvement in their schools, providing challenge and support for teachers, and improving the links between primary schools and middle schools. Consultant heads from successful schools in the locality play an important role in this process - an approach which will be adopted more widely in the authority. The intention is to raise aspirations of heads in poorly performing schools as well as addressing the specific barriers to improvement.
- A new approach to targeting school truancy involving re-organisation of ways of working of education welfare officers, e.g. employing them only in term time rather than throughout the year to enable more resources to be available at critical times.
- Rolling out a new approach to recycling and composting by investing in new capital infrastructure to manage organic waste and improve recycling facilities and supporting that with a change in household collection methods (one week ordinary waste, alternate weeks recyclable/organic waste) and an express limits on amounts that can be collected for free.
- Supporting the establishment of a comprehensive data base of the number and condition of 'empty properties' in the authority and developing new ways of working with private landlords to support the 'bringing back' of properties into use.
- Adopting a proactive approach to road safety by targeting attention and improvements on identified 'hot spots'. The authority now has available comprehensive data about 'hot spots' and is working with police and other partners to target resources (capital and revenue) at reducing risks associated with these sites.
- A partnership initiative with the private sector to introduce new bus services and congestion-reducing bus lanes and cycle lanes to encourage the public (business people and others) out of cars and onto public transport in key area of the locality.

In other targets new processes or practices have been introduced, but the new practices have direct or indirect resource implications.

Examples include:

- New processes to reduce the number of children in care by providing (amongst a range of other measures) additional financial support to the relatives who are caring for them. This measure will potentially result in an ever-growing group of carers requiring support (which may be offset by savings in the provision of residential or fostering care). This is a particularly interesting example because the authority is so committed to the approach that it is rolling it out across the authority from the small area which is the subject of the PSA target.
- New processes designed to streamline prosecutions of parents of children who truant; this process requires additional resources, but is proving so successful that if the Education Welfare Service's 'bid for growth' is not approved the service will find the money from existing budgets.
- The establishment of a persistent offenders unit to fight drug-related crime; PPG will fund this for one year, with the understanding that the police, health and probation services will pick up the funding thereafter. The expectation is that the costs of the unit will be offset by a saving in the costs of dealing with the consequences of persistent offending, though whether or not the latter savings will be realisable remains to be seen.
- Actions to reduce tenancy terminations amongst young people, where the service aims to secure sustainability by demonstrating the value to the council in terms of rent paid and reduction in eviction action and reduced levels of abandonment, and so secure ongoing funding for the post.
- Innovative approaches to the provision of support to children with special needs and their carers, including measures to enable parents to be key support workers and to promote the use of direct payments by 16-17 year olds; this will require sustained funding at a time when no new NHS money nationally is going into the growth of children's services.
- New approaches to waste management and recycling including improved provision of kerbside collection and other recycling sites. There is an ongoing requirement to fund publicity campaigns to raise awareness of the importance of the use of such facilities.
- A new approach to increasing the number of school children who can swim by involving school teachers and parents in swimming lessons, prioritising swimming lessons in the school curriculum and improving data collection about capacity and performance across the district. While this activity could become self sustaining over time, it is likely to need ongoing support in the short term to keep it on the agenda of schools and parents.
- An initiative to encourage adult participation in further education to improve literacy, numeracy and IT skills. A new way of working has been developed and a project worker has been employed, initially with PPG funds, to work with local employers to develop work-based learning and to develop new college-based provision for the target groups. The expectation is that the college will fund the project for the latter part of the LPSA and that the college's funder will support the continuation of the work as part of mainstream funding when the LPSA comes to an end.
- A project to increase the employment rates of people over 50, which aims to both benefit the local economy by drawing on the skills and experience of this group and to improve the financial situation of those over 50 who wish to work but are finding it hard to secure employment. The project has been successful in securing access to sources of finance, especially European funding, to pay for training for the target group. Those involved hope that it will be possible to use PRG to continue with the project beyond the end of the LPSA.

A third group of targets are being pursued by using pump priming grant (and sometimes additional resources from the authority itself) to do 'more of the same' or short term actions; any improvements achieved will only be sustainable with ongoing higher levels of resources.

Examples include:

- Additional staffing to provide support to help a particular target group into work. This is essentially a labour intensive process where money has been the main barrier. The expectation within the service is that work on the target will prove that there is a substantial demand for the service and so justify a continuing increase in funding.
- Improving the educational attainment of looked after children at key stage 4, by using PPG to employ additional educational support workers to provide intensive and flexible support to the children. This is highly resource intensive, and while it may make a crucial difference to the lives of the target cohort, will not directly benefit future looked after children.
- Reducing teenage pregnancies, through a variety of measures to change the attitudes and behaviour of young people. While the measures taken may have a permanent effect on the cohort concerned for the remainder of their teenage years, sustained action will be needed to produce the radical change in norms required to bring about long term improvement in teenage pregnancy rates in this deprived locality.
- Improving attainment at key stage 2 in one locality. The PSA was 'parachuted in' on top of an existing action plan aimed at longer term change. In contrast to the pre-existing plan, which aimed to embed effective learning practice across the whole school, the actions under the PSA are tightly focused on a specific small cluster of children within the target cohort. The nature of the target forced schools into short term measures which may be counterproductive in the long run. This example is interesting because the LEA expressed confidence that changes were sustainable, while front line staff were much less optimistic – a pattern repeated in other education targets across our case studies.
- A leaving care scheme to improve access of care leavers to education, jobs and training. The new approach provides dedicated support to care leavers and includes the development of peer support networks to address issues of lack of confidence etc and the building of relationships with service providers that can provide education, training and jobs. The ability of care leavers and service providers to identify with a single co-ordinator has enabled this approach to be effective. While the aim is that systems and processes established by the co-ordinator become mainstreamed, there is concern that without a dedicated resource the impact of the care leavers' scheme will be diminished.
- An initiative to improve levels of take-up of drug treatment from amongst BME communities. This involves targeted activity to develop links with key local communities that are known not to access services and to facilitate their entry into treatment. If successful, it is likely to produce an ongoing demand from BME communities that will need to be resourced by mainstream providers. It may also produce a situation where demand outstrips supply of services which presents another problem in terms of waiting times for service provision.

5. COMMON THEMES

Looking at the experience of our case studies, there are some common themes.

Targets where the actions taken do not address the underlying barriers to improvement. Education is an interesting example, where commonly identified barriers to improvement include low aspirations amongst parents and pupils and poor teaching, but where actions often focus on remedial teaching of a small group of pupils just before key exams. Similarly an important barrier to increasing bus use was identified in several case studies as local parking policies, but the political will to change these was lacking. *Point for discussion: Can/should PSA be used to help determine the real barriers to improvement even if that means short term change is less positive than it might otherwise be?*

Targets where the new approach should result in a net saving because costly consequences are prevented; however the savings may not accrue to the service concerned and so issues of joint funding by partners arise, savings may be difficult to identify or may not be quick and easy to realise. Examples include preventing teenage pregnancies, preventing domestic violence, and reducing the number of LAC. *Point for discussion: Do local authorities need support in identifying and estimating the savings resulting from their new practices? How far does the ability to pass on some of the reward grant to partners help?*

Targets where sustained improvement requires changes in attitudes and behaviour either by the public or by staff. While most target leads consider three years the right time period to bring about change, some people query whether it is possible to bring about fundamental change in working practices or public attitudes in such a short timescale. The PSA can be seen as an add on rather than being integrated into normal working practice, and the focus on hitting the target in a particular year can lead to short termism. (LPSA2 opens the possibility of targets over a longer period.) *Points for discussion: Can pressures for short termism be avoided by the way in which targets are defined? Or do local authorities need to ensure that short term measures are complemented by a longer term plan? Are there some target areas that LAs should be particularly cautious about because of the nature of the attitudinal change that is required, e.g. in relation to public transport where the PSA is attempting to reverse a trend?*

Use of PPG for staffing. Government has discouraged authorities from spending PPG on short term staff, on the grounds that this will not be sustainable. However, it appears from our case studies that funding a dedicated post to focus on planning, re-engineering services and coordinating the approach across partners can often be an effective way of bringing about a step change in performance; without such focussed attention the temptation is to do 'more of the same'. A distinction must be made between such a role and using PPG to pay for front line services. *Point for discussion: Can we develop pointers to good practice in using PPG for staffing?*

Targets which focus on a particular cohort of service users (for instance targets for educational attainment, looked after children or young offenders). It is this type of target where sustainability appears to be most doubtful since the temptation is to focus efforts on the target cohort rather than bringing about systemic change. However as the examples above indicate, measures in these target areas can be designed with sustainability in mind. *Point for discussion: Would a target expressed in terms of average performance over a period reduce the sometimes perverse incentives of this cohort effect?*

Targets in discretionary services which had previously not been in the spotlight, where the LPSA has been used by the service concerned to make the case for additional funding either in the short term (to ensure the target is reached) or once the LPSA is over to sustain the measures once their success has been demonstrated. This raises issues about the nature of the resource allocation process within authorities, and how such needs are balanced against the requirements of other services. *Points for discussion: Does LPSA raise particular issues, or is this just a normal part of the budgeting process? Will the focus on priorities in LPSA2 mitigate against improvement in 'Cinderella' services?*

Targets where PPG is being used to introduce new or expanded services, as part of a cocktail of special funding. The sustainability of the initiative will depend on whether

projects are mainstreamed. But currently in some areas the reverse is happening, with special funds being used to prop up mainstream services. There is a wider issue here about the way in which activities to tackle certain issues (notably health inequalities) remain the domain of 'special projects' while mainstream providers (health and social care) remain focused on service provision because that is how their central government targets are expressed. *Point for discussion: what gets in the way of mainstreaming, and how can these barriers be overcome?*

Targets where achievement and sustainability is vulnerable to change in central government policies, priorities and targets. This is most acutely true of crime targets. The priorities of the police are strongly influenced by national drivers; changes in national priorities have put attainment of some crime targets at risk in some localities and put a question mark over sustainability in all areas (this is part of a more general issue about changing priorities which will influence sustainability – see below).

Frequently service departments did not think about how they would achieve the target until after the agreement was signed. In some cases, where the first step was to appoint a co-ordinator, it could be many months into the PSA before detailed thinking started. Late thinking does not necessarily correlate with unsustainable approaches, but it means that the chance of either central government or the corporate centre of authorities being able to influence the thinking in the direction of sustainability is much less.

In most of our case studies the corporate centres of authorities did not become involved in decisions on approach, which is seen as a matter for the service area concerned. *Point for discussion: What role can and should corporate performance management play in ensuring that actions are sustainable?*

In addition, as a matter of policy, central government does not pursue the approach to improvement in the negotiations. *Point for discussion: Would an approach that involves discussion of how targets will be achieved be more effective? Or would this bring the danger of civil servants stepping outside their sphere of competence or trying to impose solutions?*

6. HAVE THE ASSUMED MECHANISMS FOR SUSTAINABILITY OCCURRED?

In most of our case studies it is too soon to say whether the LPSA has brought about long lasting systemic changes in structures, processes and culture. In many target areas there are encouraging signs that such changes are occurring, and this should help to ensure sustainability. In others it seems that the PSA was too limited an intervention to bring about change on the scale required. Of course the new processes and practices may be more costly than the old ones, albeit more effective, and in these cases sustained improvement will only be achieved if funding is made available. *Point for discussion: What factors help to ensure that changes in culture are embedded?*

It is also too early to say whether public pressure will ensure that improvements are sustained. Some targets focus on quite small and un-influential groups (e.g. children with special needs, the disabled), or on issues which are not popular concerns (e.g. domestic violence, teenage pregnancy). This helps to explain why these services had been previously neglected. There is also a lack of evidence about how far the public are aware of trends even in indicators of concern to many such as educational attainment, crime or street cleanliness. While a failure to achieve LPSA targets may well attract adverse publicity locally, we are not convinced that – in many target areas –

failure to sustain improvements would attract comment. However, political pressure may not be contingent on public pressure, e.g. in terms of recycling where Europe plays an important role in setting the pace, in which case sustainability may depend on how the relationship between resourcing and outcomes is understood. *Point for discussion: what would public reaction, and the reaction of politicians, be if improvements are not sustained?*

7. IS MONEY REALLY THE MAIN BARRIER TO IMPROVEMENT, AND IF SO WHAT ARE THE IMPLICATIONS?

The basic premise of LPSAs was that availability of resources was not the main barrier to improvement, and that with an initial investment to overcome the one-off costs of change, improvements could be achieved at no net ongoing cost. Our research so far suggests that, on the contrary, many if not most target owners perceive money to have been the main barrier to improvement. (This does not necessarily mean that money really was the main barrier or that cost-neutral approaches do not exist.)

Points for discussion:

- *Is the basic premise of LPSAs – that ongoing levels of resourcing is not the main barrier to improvement – wrong?*
- *Has pump priming grant actually been unhelpful in bringing about sustainable improvement in that it enabled some authorities to ‘buy’ improvements in an unsustainable way? If so, should it be abandoned?*
- *How can authorities ensure that the approaches to service improvement are cost-neutral or that ongoing financial implications are clear from the outset?*

Many target lead officers believe that sustaining the improvement will require continuing injection of a level of funding higher than before. Often we were told that the PSA provided the opportunity to demonstrate the success of new approaches and that this would be the basis for making a case to the corporate centre of the authority for more funds. Sometimes authorities have deliberately used the PSA to put the spotlight on areas which had hitherto been neglected – though not necessarily with the expectation that a continuing increase in funding would be required. But in other cases the potential demands on funds seem to have been an unforeseen consequence.

Some target leads are hoping to use performance reward grant to sustain resource levels, on the basis that they ‘will have earned it’. However most councils have made no commitment on how PRG will be spent; some authorities may well wish to invest any reward grant in improvements in other service areas, particularly given that because of the requirement in LPSA1 for a minimum number of national targets and the desire to choose targets that were measurable and achievable, not all targets were the highest local priorities. (In contrast, in LPSA2 the targets should reflect local priorities.) In such cases the justification for continued higher funding of target areas may be at best unclear. However, particularly where services are targeted not on a specific cohort but on a group of service users with continuing needs and newly raised expectations, authorities may find it politically difficult to cut funding back to previous levels after the PSA.

Point for discussion: How can authorities best deal with the situation in which the LPSA may create a moral and political imperative to continue to invest in the target areas, potentially resulting in a diversion of resources from other service areas?

8. IS SUSTAINABILITY ALWAYS APPROPRIATE?

There may be circumstances in which sustainability is not appropriate, particularly if this is at the expense of achieving other outcomes:

- If the target no longer reflects priorities because circumstances have changed and new demands have arisen
- If the target was wrong in the first place - either because the outcomes were not priorities or because the indicators were badly specified and a poor measure of desired outcomes
- If the level of the target was set unrealistically high, so that the marginal cost of improvement is very high and the target can only be attained with large injections of resources, then trying to sustain it may not offer good value for money (indeed, in such circumstances the value for money of attempting to hit the target in the first place would need to be questioned).

Decisions will always have to be made about which service areas gain and which ones lose resources. It may make sense to accept some loss of performance in some areas in some circumstances. The important thing is that such decisions are taken in a conscious and considered way.

9. CONCLUSION

This paper has raised many more questions than it answers, reflecting its intended role as a stimulus to discussion and a way of testing out our emerging conclusions at this early stage in the research. We would like to end with a final question, which relates back to the rationale for LPSAs and our theory of change. We hypothesised that one of the intended outcomes of the LPSA policy was to increase the capacity of local systems to achieve their priorities. An assumed mechanism for this was that the LPSA triggered a system-wide learning process, leading to changes in organisational structure, culture, processes and policies beyond the immediate target areas. So our final questions are – *How should local authorities and their partners seek to learn from the LPSA experience in terms of sustainability? And how can they ensure that the lessons are fed into policy, regulation and performance management?*

