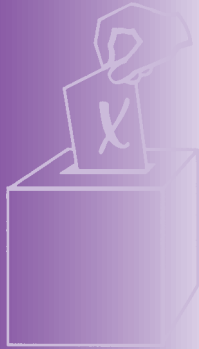




Service Quality



Participation



Finance



Management



Structure

LOCAL GOVERNMENT RESEARCH PROGRAMME



Newsletter 1998-99

Introduction

Welcome to the 1998/99 Local Government Research Programme Annual Newsletter. The Programme contributes information for policy development and evaluation on the major elements of local government such as participation, service quality and delivery, finance, management and structure. The programme has continued to expand since its start in 1988/89. The budget for 1998/99 is £800,000.

This newsletter provides details of new projects to be commissioned in 1998/99 by the Local Government Research Unit and updates on current projects and recent research findings.

We are keen to generate interest amongst research contractors and welcome expressions of interest both from those who have worked for us in the past and those who are new to the programme. If you wish us to consider you when drawing up short-lists for invitation to tender, please complete and return the attached form to us at the address opposite as soon as possible.

We are continually updating our mailing list for the Newsletter and other research communication. If you wish to remain on this list, please complete and return the relevant sections of the form, even if you do not wish to be considered for invitation to tender.

New projects for 1998/99 include . . .

1. Innovation and best practice within local government;
2. Laws relating to the functions of local government: an overview of the statute book and current cases / interpretation in law;
3. Citizens' attitudes towards and knowledge of local government finance;
4. The attitudes of business towards local government finance;
5. Making the most of local authority assets;
6. Single "pot" capital allocations;
7. Process evaluation of the Capital Challenge pilot scheme;
8. Evaluation of the operation of companies and partnerships;
9. Lessons learnt from intervention;
10. Evaluation of experimentation in local government decision-making;
11. Research on voting / electoral procedures;
12. International experimentation in local government;
13. Local government programme evaluation.

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Contacting the Research Unit

If you are interested in being considered for invitation to tender for this year's projects or would like to receive future copies of the Newsletter or other research communication, please return the enclosed form to:

*Paul McCafferty,
Local Government Research Unit,
Department of the Environment,
Transport and the Regions,
Room 5/B4, Eland House,
Bressenden Place,
London SW1E 5DU*

Fax: 0171 890 4099

E-mail: lg3.doe@dial.pipex.com

On our Internet site . . .

This Newsletter is available on the DETR local government internet site at <http://www.local.detr.gov.uk>

This web site contains comprehensive information on a range of local government issues including research, finance, structure and sponsorship as well as the latest consultation papers.

To receive notification of recent updates to the Local Government Internet site please e-mail: direct2lg@dial.pipex.com

This service is free and is available to anyone interested in local government in England.

You can e-mail members of the Local Government Research Unit at lg3.doe@dial.pipex.com



New Projects for 1998/99

If you would like to express an interest in tendering for any of these projects, please return the enclosed form to the address listed on page 1 as soon as possible.

Governance in General

1. **Innovation and best practice within local government:** This project would look at how best practice or good practice is promulgated in local government. What motivates local government most effectively, either to perform better or to conform with minimum requirements or standards? Is it primarily through carrots or sticks, exhortation or rules and frameworks, and are there different effects depending on the policy area and on the local authorities concerned? The project would also seek to identify the conditions that foster innovative practice and its spread within local government. How do ideas develop, spread and become implemented? How do innovative ideas come up to the national policy-making level? How can/are local authorities prompted to change, how do they learn and what sources do they depend upon for their innovative ideas?

2. **Law relating to the functions of local government: an overview of the statute book and current cases/interpretations in law:** There are numerous pieces of legislation relating to the functions of local government. This research exercise would seek to examine the practical constraints, gaps, obscurities and difficulties presented by overlapping and, in some cases, dated legislation. It would also investigate what cases involving challenges to the statutory basis of local authority actions are currently or have recently - over the last five years - been held in County courts or the High court. In particular, this would focus on the interpretations of law and decisions that had been made upon the legislative framework. This study would be carried out mainly through a desk research exercise, but might involve some interviews with representatives of legal departments in authorities. It would need to be conducted by someone with a detailed knowledge and practising experience of local government law. The purpose of the project would be to look at ways in which current legislation might be consolidated and simplified.

Local Government Finance Policy

3. **Citizens' attitudes towards and knowledge of local government finance:** A key concern of this government is how to make the relationship between local expenditure and tax raising more simple and readable to the electorate, taking account of its dependency on the grant distribution framework. Detailed qualitative research is needed on citizens' understanding of local government finance, their knowledge of how spending is related to assessed need and the consequences of fiscal decisions for service delivery. Little is also known about how they respond to information presented on local government finance annually by authorities as part of council tax demands. A more detailed understanding would help in providing guidance to

authorities in approaching the difficult task of engaging ordinary citizens in the budgetary process. This research will also investigate how local authorities currently present information on budgetary and fiscal decisions to members of the public and the ways in which some have carried out consultation exercises with citizens. The main output will be good practice guidance to authorities on how to present budgetary information so that it is noticed, read and understood and is more useful to citizens.

4. **The attitudes of business towards local government finance:** Last year, the Department published research on local authorities' statutory duties to consult with business. This included consultations on local government expenditure plans and concentrated upon the operation of this annual process. It is proposed to build on this study by looking in detail at the underlying attitudes of business towards local government finance - which types of business want to become involved and in what ways, what are their key concerns, to what extent does business understand the budget process fully and how do they see the link between expenditure and policy? The "Duty to Consult" study could also be built upon through a literature review plus some case-study visits of international examples of ways in which the business community is engaged in mainstream policy and decision-making on local government finance. The views of representative bodies, such as chambers of commerce, federations and trade organisations would also need to be sought.

5. **Making the most of local authority assets:** This research would look at how far authorities have compiled registers of assets; what registers reveal about the extent of LA property holdings; how far property is effectively used; whether registers have changed authorities' attitudes to property management practices. DfEE have proposed a requirement for education authorities to produce formal Asset Management Plans: what should asset management plans consist of; how can they be adapted to encompass all local authority assets; which is better, a corporate or "service by service" approach? How can performance in asset management be measured; what performance indicators or other measures are available or could be developed? How can asset management be best integrated into a "best value" approach to service delivery? (Research would need to refer to: DfEE; the HIP process; the Audit Commission study of property management; and, CIPFA on accounting for capital.)

6. **Single "pot" capital allocations:** One option arising from the local government finance review is the allocation of a large proportion of capital resources by a single funding mechanism covering the main local authority services. Allocations would be made partly on the basis of a relatively simple "needs" formula and partly on the basis of an assessment of service and corporate strategy and performance. HIP is one example of such an approach. The research would examine how such approaches might best be applied to the full range of services. In particular:

- i. How might an appropriate needs formula be created; what problems might a formula such as that used in Wales have if used for English authorities; how might any problems be addressed?



- ii. How might a corporate assessment system operate; what would be the most appropriate indicators of a good capital strategy and good performance? (There are links with the research on asset management mentioned above.)
- iii. How can performance on the capital programme be best integrated into a “best value” approach to service delivery?

7. Process evaluation of the Capital Challenge pilot scheme: By October 1998 successful Capital Challenge authorities will be midway through their three-year programme. A process evaluation might seek to establish: how well local authorities were delivering their plans; what problems had typically occurred; whether partnerships were working as promised; whether private sector leverage was being delivered; how useful was the “capital strategy” proving - had it been forgotten or was it now part of the council’s framework for decision-making? To what extent had the constraints imposed by Capital Challenge - annual funding to an agreed profile and “capital” only - proved a barrier to effective investment? What has been the role and effectiveness of GOs in encouraging partnerships to achieve a corporate strategy towards their delivery plans, and has this led to greater emphasis on cross-cutting issues and working in local government? How far had GO concerns/predictions about bids proved correct? How did individual GOs differ in their ongoing approach to schemes; how far did they take an interest; what difference did this make to the operation/delivery of schemes. The research would follow on from the previous York Consulting study. A final phase of research evaluating the programme as a whole might start in Summer 2000.

Local Government Policy

8. Evaluation of the operation of companies and partnerships: Encouraging closer collaboration and joint working between local government and the private sector is a consistent theme of government policy. Research recently published by the Department described the nature and extent of local authorities’ involvement in companies and good practice in setting them up. It did not cover the full spectrum of public/private partnerships local authorities are currently involved in, nor did it attempt to evaluate success and failure in the operation of companies and partnerships. The aim of this research is to complete the picture by conducting a survey of local authorities to establish the extent of their involvement in different types of partnership from short-term contracts to mutual equity holding. The survey would look at the purposes of these partnerships and their sources of funding. It would be supplemented by a literature review of published and unpublished material relating to public/private sector partnerships. This would lead on to a full-scale evaluation of a case-study sample of local authority companies and partnerships focusing on their operation, cost-effectiveness, impact in delivering service outcomes, reasons for success or failure and long-term sustainability.

9. Lessons learnt from intervention: The Government is committed to providing for external intervention in the worst cases of failure by local authorities to obtain best value. Intervention must be designed to have a beneficial effect quickly and should not be sustained for long periods; there will need to be a clear exit strategy. The form of intervention, moreover, is often crucial. This research project would seek to draw upon the theory of intervention and practical lessons learnt from interventions across a range of public and private sector delivery settings to establish: basic principles of success and failure; good practice in setting up frameworks for intervention/ operationalising intervention and achieving sustainable exit strategies; which forms of intervention are most appropriate in what circumstances and related issues, such as teams or individuals, graduated or instant, one-off or regular. The research could be carried out mostly through a literature review and case-study interviews. Outputs from the project would contribute to the development of policy and practice on best value.

10. Evaluation of experimentation in local government decision-making: Given the lack of detailed knowledge about the precise nature and potential effects of experiments in the way that authorities take decisions, such as second chambers, more formal cabinet style executive government and executive mayors, they will need to be properly evaluated and reviewed. What, for example, will be the impact upon the working arrangements of officers and members of different executive models? How will the division of responsibility between the council and executive and between the executive and lead members work out in practice? Clearly, evaluation of experiments must not be imposed externally on authorities, but must be something they are committed to and have requested. The Department in conjunction with the LGA and LGMB can set aside research resources for such evaluations on a rolling contract basis. Those process and impact evaluations carried out by the Department would be funded in the 1999/2000 and 2000/2001 Local Government Research budgets. Preliminary work would, however, need to be funded from this year’s budget on a feasibility study to establish the research methodology and to review what experimentation is already taking place (as far as it can within the existing framework).

11. Research on voting/electoral procedures: This research would examine the relationship between different electoral procedures, particularly annual elections, and voter turnout. It would involve secondary analysis of data held by the LGC Elections Centre, University of Plymouth, on all local election turnout figures since 1973, and through analysis of the 1998 local government module of the British Social Attitudes Survey. In particular, it should be possible to compare election by thirds authorities with all out elections authorities, single member versus multi-member wards and authorities where there have been specific campaigns on registration and voter turnout with those where there were no campaigns of this kind. It should also be possible, through a small number of case-study authorities, to investigate the accuracy of registers and carry out full modelling work on the effectiveness, cost and time implications of different approaches to mounting registration and turnout campaigns.



12. International experimentation in local government: This research project would aim to draw together lessons learnt and findings from all of the various kinds of experimentation in local government powers and duties carried out in other countries. For example, 'free commune' experiments that have existed in Scandinavian countries for several years. These experiments have been monitored and have been the subject of evaluations within these countries. The project would involve a review of published and unpublished literature generated within this country and within the experimenting countries themselves. It would also involve some case-study visits and interviews with researchers and officials. The project would contribute to policy development on a new duty of economic, social and environmental well-being that is being proposed for local government.

Programme Evaluation

13. Local Government programme evaluation: In 1998/99 the Local Government Research Programme will undergo a research evaluation exercise. All of the Department's research programmes are evaluated on a 5-yearly basis - the LG Research Programme was last evaluated in 1993/94. The programme being assessed is normally expected to commission and pay for its review out of the programme budget. The review involves an outside researcher/consultant examining the achievements of the programme in terms of what policy customers required from it over the 5-year period and how its managers achieved these targets. These targets and requirements are set out in the ROAME (Rationale, Objectives, Monitoring and Evaluation) statement for the programme. It will be necessary, therefore, for one of the projects in the 1998/99 programme to be this research evaluation exercise.

Guidance for Potential Contractors

This section gives general guidance on the way contractors are selected for research projects.

Expressions of Interest

Expressions of interest are very welcome, but they do not guarantee inclusion on the short-list for invitation to tender. The information that contractors provide on the enclosed form will be used in drawing up a short-list, usually of between 3-6 names depending on the nature of the project and extent of expertise amongst potential contractors.

Invitations to Tender

Formal invitations to tender will include:

- the specification of the project outlining the objectives, relevant details and what contractors are expected to provide in the tender;

- the standard contract conditions;
- the date for receipt of tenders;
- the expected timing for the announcement of the award;
- a guide to preparing research reports and summaries.

Four weeks is the usual period for submitting tenders, although for urgent projects that period may be shortened.

Tender Documents and their Assessments

A tender assessment panel will examine the tenders. The panel will look at the appropriateness, quality and cost of contractors' proposals, and they will take into account:

- understanding of the issues being addressed;
- familiarity with previous relevant research;
- the experience of the research team;
- the proposed costs.

Interviews may be held to assist with this assessment. Normally these will involve the tenderer making a short presentation and discussing the proposals more fully, including responding to the questions of the interviewing panel.

Awarding of Contracts

The assessment of tenders normally results in the selection of a preferred tender, although the Department is not bound to accept any tender. All tenderers are informed of the outcome. The successful tenderer then agrees a programme of work with the Department for inclusion in the formal contract.

Evaluation System

An evaluation system has been designed in consultation with previously-used contractors and the Programme's policy customers. All new projects within the Local Government Research Programme are evaluated on completion.

The purpose of the evaluation system is to improve the workings of the programme, by informing future research and enabling the process to run more smoothly and effectively in future. It will also provide contractors with formal comments from the Department on their satisfaction with both the management of the research and the quality of the outputs and will give contractors the opportunity to offer feedback to the Department. Involvement within the evaluation process will be a contractual requirement.

Publications Guidance

Most projects involve the publication of a full report and stand-alone summary. We have produced for contractors a guide to preparing research reports and summaries. The guidance clarifies different dissemination strategies and the



audience for local government research. The main stages of the publication process are outlined, and the core requirements of a report or summary defined. We would welcome feedback from those of you who have received the guidance on how it can be improved.

There may be an opportunity for producing further publications by contractors although this is not a contractual requirement. If you have the capacity to publish reports and would like to do so, please indicate this on the form enclosed.

Summary of Current and Recently Completed Projects

This section describes the current and most recent research that has been funded under the programme. For studies underway at the moment, reports are likely to be published during the course of 1998/99.

Research on the Delivery and Quality of Local Services

Best Value Pilot Scheme Evaluation

The Government proposes to replace Compulsory Competitive Tendering (CCT) with a duty on local authorities to obtain best value. The new approach is being piloted among 37 English and 3 Welsh schemes involving local, police and fire authorities. The Welsh Office are also undertaking their own pilot involving Welsh authorities. The Department has commissioned a team based in the Local Government Centre at Warwick University's Business School to evaluate the pilot programme. The aim of the project is to monitor and evaluate experience in developing best value as part of the pilot scheme and to identify successful approaches to delivering good quality and affordable services in line with local demands and aspirations.

There are four key elements to the evaluation: first, to support the work of a Panel advising the Minister on the selection of the authorities to participate in the pilot programme (October-December 1997); second, to establish baseline conditions in each pilot and the measures by which progress can be assessed (January-June 1998); third, to monitor the implementation of best value in the pilot authorities (April 1998-April 2000); fourth, to provide an overall evaluation of the final outcomes of the pilot programme (April-September 2000).

It is vital that the lessons from the pilot programme are communicated as widely as possible. To date, the research team has produced a compendium of the of the pilot schemes and further analysis of the English pilot bids. To this end the research team will produce a series of thematic good practice papers on aspects of the best value process, including:

- effective service review & delivery;
- competition, benchmarking & performance networks;

- involving users and the community;
- partnership & stakeholder perspectives of best value;
- using accreditation & quality assurance networks;
- developing performance indicators.

First drafts of the working papers should be available towards the end of 1998 and will be updated throughout the evaluation process. Copies of all papers will be available through the Department's web site (<http://www.local.detr.gov.uk>).

For further details about this project, please contact Richard White on 0171 890 4124.

Monitoring Changes in White Collar Service Provision

In late 1995 the Department commissioned Newchurch & Co to monitor changes in white collar service provision in response to CCT. The study design focused on preparations for competition and the outcomes of the competition process, in terms of both service delivery organisation and management. Since that time the study has evolved to reflect and explore the changing policy environment and the final project fieldwork has now been completed. The study findings will offer both an interesting perspective of the CCT regime and some useful indicators as to the issues likely to dominate service delivery under best value. A full report of the findings will be available in early summer.

For further details about this project, please contact Richard White on 0171 890 4124.

Research on Local Authorities' Relationships with the Business Community and Private Sector Funding

Local Authority Involvement in Companies

Encouraging closer collaboration and joint working between local government and the private sector has been a consistent theme of government policy; the objective is to improve the quality and cost-effectiveness of public services. As a consequence of government policy, but increasingly as a result of deliberate choices made by local authorities, the involvement of the private sector in delivering services has increased over recent years.

This study, which has been carried out by Coopers & Lybrand, has investigated the nature and extent of local authorities' involvement in companies and has sought to establish principles of good practice which could be disseminated more widely. A report of the findings of the study was published in October and the Good Practice Guide in November 1997.

The study found that, of those authorities which responded to the survey, two out of five used companies. Companies are more popular amongst larger councils, with all the London Boroughs and around nine out of ten county and metropolitan councils using companies, compared with a





quarter of districts. Most (84%) councils which use companies had less than five companies.

Where a local authority believes it appropriate to become involved in companies, the action identified for authorities from the research is to develop support for partnership working by:

- encouraging elected members to regularly meet major private sector organisations;
- promulgating best practice through the application of the principles of good practice contained in the Good Practice Guide;
- establishing staff secondments between the local authority and private sector organisations;
- provide training programmes for local authority officers and elected members.

Similarly, the study identified actions for the private sector. Partnership working could be encouraged within the private sector by:

- developing a better understanding of local authorities;
- assigning good people to build relationships with local authorities;
- empowering managers to create partnerships.

For further details about this project, please contact Joe Biskupski on 0171 890 4125.

Attitude survey of local authorities' perceptions of private funders and the private funding community

The Department is jointly funding with the Local Government Management Board (LGMB) a piece of research to gauge the attitudes of local authorities in England and Wales towards private finance funders and the private finance community. FB Consultancy have been commissioned to carry out the study.

The research fieldwork involves a questionnaire survey of all local authorities in England and Wales. The questionnaire addresses relationships with and attitudes towards the 'City', as well as training needs within local authorities. The project is part of an LGMB programme of research aimed at producing guidance to local authorities on ways of successfully approaching and negotiating with potential private sector funders.

For further details about this project, please contact David Purdy on 0171 890 4122.

Research on Cross-cutting Issues

Cross-cutting Issues Affecting Local Government

This study will draw together, through case studies, interviews and literature reviews, any generally applicable lessons emerging from joint working in tackling cross-cutting issues, such as social exclusion, disaffected youth, community safety and sustainable development. The aim of the study is to provide information to guide: central

government policy formation, initiatives and programmes; and local partnerships and cooperation. Methodologies will be developed for moving beyond a short-term, single issue and separate programme/agency approach to wider outcome setting and evaluation.

The Department has commissioned two projects to conduct this research. One will focus on specific initiatives/schemes and is being taken forward by the University of Birmingham, School of Public Policy. The other will focus more on authority-wide approaches and is being taken forward by a joint research team of the University of the West of England and the Office for Public Management.

The study findings and guidance should be published by the end of summer 1998.

For further details about this project, please contact David Purdy on 0171 890 4122.

Research on Local Authority Finance - Capital and Revenue Expenditure

Challenges to Local Authority Accounts

With the publication of Lord Nolan's report on standards in public life, and the recent publication of the ethical framework green paper, the issue of probity has become a central part of the modernising local government agenda. To help inform the debate, this study examines the challenges made by local electors to local authority and parish accounts in England and Wales, and the role of the District Auditor in this process. The survey was based on a postal questionnaire of all District Auditors, and asked about the 1994/95 accounts. The study was conducted by the Institute of Local Government Studies (INLOGOV) at the University of Birmingham, and the fieldwork was undertaken during the summer of 1996.

The study found that less than 3% of all the principal and parish authority accounts audited by survey respondents were subject to questions; however, this breaks down as 34% of principal authorities and just 1% of parish authorities. Members of the public with no direct involvement were the largest single type of questioner (27%), while 30% of questioners had asked a similar question in previous years. Auditors were able to answer 80% of questions: just 3% of questions were considered vexatious or frivolous. In the auditor's view, one third of questions assisted the audit, while the median cost of dealing with an issue was £500.

During this time the accounts of 34 authorities attracted objections from 88 objectors concerning 56 different issues. As with questions, the majority of objectors were members of the public with no direct involvement (41%), while 20% of objectors had previously raised a similar question or objection. Twenty seven per cent of the objections received assisted the audit, according to auditors, while the median cost of dealing with an issue was reported as £1,620.

The study also asked auditors to consider possible reforms of the challenge process. Sixteen auditors suggested



clarifying the powers of the auditor for the general public and 10 suggested giving auditors powers to bar trivial challenges. Further, when asked whether the challenge process served any purpose beyond assisting the audit, 48 auditors (81% of those responding) pointed to the benefits of the process in assisting accountability and democracy, or in giving a forum for raising concerns.

For further details about this project, please contact Richard White on 0171 890 4124.

Capital Challenge Pilot Scheme Evaluation

During May 1996 the Department of the Environment announced that it intended to proceed with proposals for a pilot 'Capital Challenge Fund'. The purpose of the pilot was to explore how best the challenge concept could be applied to the mechanism for distributing Government support for local authorities' capital spending. Before deciding whether to proceed to a fuller application of challenge principles to capital allocations, a careful evaluation of the pilot bidding round, and the projects resulting from it, was needed. As part of this evaluation process the Department commissioned a research study of authorities' experience of the pilot bidding round.

The survey was based on a postal questionnaire of all authorities eligible to bid for capital challenge funds and 30 in-depth case studies with a range of authority types. The study was conducted by York Consulting Ltd, an independent research consultancy, and the fieldwork was undertaken during October and November 1996 (prior to the announcement of the successful bidders).

The study findings were published during July 1997. The study found that only two authorities out of the 386 which completed the questionnaire positively expressed support for the concept of Capital Challenge. Although the pilot scheme objectives were generally regarded as being appropriate, around half of authorities felt that local need should be the most important criterion for any capital allocation system. The research found that two-thirds of bidders succeeded in attracting financial support for their bids from the private and/or non-public sectors, while four-fifths of bidders stated that the implementation of their Capital Challenge projects was dependent in whole or in part on securing funding from other sources. Three-quarters of bidders included partners in their bids.

Just over half of principal authority non-bidders cited wanting to become debt-free as the most important reason for their decision. In addition, insufficient officer time and the tight bidding round timescales were common reasons for not submitting a bid.

For further details about this project, please contact Richard White on 0171 890 4124.

The Use of Section 137 by Parish Councils

This study, undertaken for the Department by Aston Business School, has been instigated in response to a recommendation made by the House of Commons Environment Select Committee. This called on the Government: "to review section 137 of the Local Government Act 1972 at the next opportunity, with particular regard to the

cap of £3.50 per taxpayer which is unnecessarily restrictive".

The aim of the research is to obtain an up-to-date picture of the financing and expenditure of local councils in England to help establish the extent to which they use their power under section 137 of the Local Government Act 1972 and the purpose for which that expenditure is incurred.

The research found that only a small proportion of local councils spend close to (or over) the current financial limit on s137, and that the s137 arrangements are generally regarded as satisfactory by the vast majority of local councils. The small number of councils that indicated that the current limit on s137 had restricted their activities tended to be long-standing s137 users, representing populations of 10,000 or above, and be predominately urban in type. However, the main activities on which such councils indicated that they had been restricted during the last five years (community transport, crime prevention and traffic calming) have been largely covered by the introduction of specific powers in the 1997 Local Government and Rating Act.

A report of the findings of the research will be published in summer 1998.

For further details about this project, please contact Joe Biskupski on 0171 890 4125.

Local Authority Use of Their Section 137 Powers

There is no comprehensive picture of the use of the s137 power by local authorities to incur expenditure in the interests of their areas or inhabitants. The aim of this project, undertaken for the Department by York Consulting, is to investigate authorities' perceptions of this power and perceived inadequacies in it, in particular as a means of facilitating community leadership. The study has also sought to provide basic data on the nature and extent of local authority use of their s137 power.

This research will assist the Department in taking forward the Government's commitment to give local authorities the duty to promote the economic, social and environmental well-being of their area, by examining authorities' perceptions of their s137 power as a means of providing benefits to their local area and its residents.

The study has involved two key elements: qualitative interviews of key officers in 46 case study authorities followed by a postal survey of all local authorities in England. Over 70% of authorities responded to the survey.

A report of the findings of the research will be published in summer 1998.

For further details about this project, please contact Joe Biskupski on 0171 890 4125.



Research on Local Authority Finance - Taxation

The impact of Empty Property Rates on Business and Business Decisions

There is concern that empty property rates may be having a negative impact on the viability and business behaviour of some firms. This research project is investigating the existence and nature of any impact on businesses in terms of the relative effect on different types of firms, the influence on business viability and on decisions to maintain, acquire and dispose of property.

This first stage of this two-stage project has been completed by Gerald Eve Chartered Surveyors and the Department of Land Management at the University of Reading. The scoping study has reviewed the available data sources, and considered their relevance and robustness and advised on the most appropriate methodology for the second stage of the research. The second stage will commence in May 1998.

For further details about this project, please contact Joe Biskupski on 0171 890 4125.

Appeals to the Valuation Tribunal Service

The Department commissioned BMRB International to undertake a study to assess users' views on the Valuation Tribunal Service, which deals with appeals against local taxation assessments. This project focuses on the views of unrepresented appellants who have appealed against either council tax ratings/liability, or against the national non-domestic rate (NNDR) and their experiences of the hearing process. The project, which is expected to report in full in summer 1998, has contributed to a five-yearly review of the Valuation Tribunal Service.

For further details about this project, please contact Paul McCafferty on 0171 890 4103.

Research on Local Authority Finance - Standard Spending Assessments

Specific Cost Approach to the Area Cost Adjustment

This research is concerned with the Area Cost Adjustment (ACA) used in the calculation of Standard Spending Assessments (SSAs) relating to local authorities. The purpose of the study is to devise an approach to the calculation of the ACA known as a 'specific cost approach', building on the work undertaken to inform the 1996 ACA Review. This involves looking across authorities from different regions and determining what they would actually spend on delivering various services if they provided a similar standard of service with similar efficiency.

Work to date has involved developing a conceptual model to guide thinking on those elements of labour and non-

labour (primarily rates, rents and utilities) costs to include within any adjustment, and how to control for differences in inter-authority service quality and efficiency. The next stage of the work will be to identify suitable data sources to populate the conceptual model. The findings will feed into the debate concerning the most appropriate method of calculation and level of aggregation of the ACA. A full report will be available in late summer.

For further details about this project, please contact Richard White on 0171 890 4124.

Labour Market Areas

The aim of this research was to identify a suitable set of zones for the Area Cost Adjustment element of Standard Spending Assessments. The project was building upon the work of the Review of the Area Cost Adjustment in 1996, which recommended a Regional Pay Premium based on regressions of earnings.

Two contractors were commissioned to carry out this work. The Centre for Urban and Regional Development Studies at Newcastle University sought to implement the Review method by ascribing a separate dummy variable to different areas of the country. They looked at a range of alternative methods for dividing the country into areas for which dummy variables could be reliably calibrated. Professor David Bell of the Department of Economics at Stirling University also sought to implement the Review method through an approach which, rather than fitting independent dummy variables for each area, aimed to fit a three-dimensional surface over the existing geography to represent the regional cost differences. The CURDS research found that a "moving window" approach to defining areas with overlapping rather than fixed zones was possible, but presented a new set of strengths and weaknesses. Amongst strengths, it smoothed most, but not all, "cliff edges" in the distribution of the ACA. Amongst weaknesses, it required a high number of unreliably estimated RPP values for it to become operational. The Bell research investigated both polynomial and non-parametric surface fitting. The latter approach considerably reduced the problem of "cliff edges" in the distribution of the Area Cost Adjustment but, equally, had some disadvantages which outweighed this possible outcome.

Labour Costs Survey Data

This project was set up to consider the validity of using data from the Labour Force Survey between 1993 and 1996 and, potentially, other datasets, such as the New Earnings Survey, as an indicator of regional wage differentials in 1990/91. Professor Machin of the Department of Economics at University College London was appointed to carry out the research and it was completed in summer 1997. This research showed that the LFS 1993 - 96 was the most comparable dataset with indicators of regional wage differentials in 1990/91.

Preparation of Labour Force Survey Data

The Department commissioned the Office for National Statistics to undertake a small-scale exercise to prepare specially edited databases from the March/May 1996 and



September/November 1996 Labour Force Survey to be used in SSA analysis and calculations. This were carried out in May/June 1997. A similar exercise will be necessary to incorporate data from the 1997 LFS.

Area Cost Adjustment Research: Relationship to Market Evidence

A major issue in the debate about the ACA has been the interaction between national wage scales and wage differentials derived from general labour market evidence notably in relation to teachers, firefighters and the police. Some have argued that the variation in pay allowed by these scales for regional variation is less than the variation found from general labour market evidence. The aim of this research is to consider the validity of producing ACA factors based on earning differentials from the general labour market which take account of any limitations that national wage scales for public sector workers might impose on the ability of authorities to provide a standard level of service; and to implement any proposed methodology. Maxwell Stamp plc have been commissioned to conduct this research.

For further details about these projects, please contact Paul McCafferty on 0171 890 4103.

Standard Spending Assessments

Two projects looking at alternatives to the current regression methods used in calculating SSAs have been let during the year. One study, being undertaken by Leslie Hepple of Bristol University, is examining the possible application of the statistical technique of multi-level modelling in SSA calculation. The other study is looking at the possible use of non-expenditure measures of need in SSA regression analysis. This project is being carried out by Glen Bramley of Heriot-Watt University.

Both studies are seeking to identify which local government services would be particularly suitable for each method, as well as the data which would be required for each approach to work effectively.

The studies are expected to report in June 1998.

Area Cost Adjustment Research: Fixed Effects Modelling

Research carried out last year on the location of zones for the Area Cost Adjustment element of SSAs contained a preliminary investigation of a "fixed effects model" approach to calculating ACA factors. This is essentially a statistical method which uses panel datasets where the same set of individuals is sampled at regular intervals - in this case, the New Earnings Survey - to produce alternative regression co-efficients to cross-sectional datasets. This research will seek to examine the application and reliability of this statistical technique to the creation of ACA factors through a small panel of academic experts.

For further details about these projects, please contact Joe Biskupski on 0171 890 4125.

Research on Participation in Local Democracy

The Impact on Employees of Releasing People for Council Duties

The current modernising local democracy debate has highlighted how important it is that people from a wide range of backgrounds are encouraged to stand for election as councillors and, once elected, remain as councillors. This study investigates the impact on councillors and their employers of the present arrangements for releasing people for council duties. It is based on two research surveys, one with councillors and the other with their employers, and both were carried out by Social and Community Planning Research (SCPR) between May and August 1997.

Employed councillors (excluding the self-employed) made up approximately one third (35 per cent) of local councillors. Eighty per cent took time off work, including time which was subsequently made up, in order to carry out their council duties. Hardly any stated that their employer did not allow them to take time off and, similarly, permission for time off was rarely refused by employers. However, thirty eight per cent said that fitting in duties with work was often a problem and 16 per cent said that they often missed meetings due to work commitments.

Over half the employers (54 per cent) did not set a limit on the amount of time off councillors could face for their council duties. When time off was limited, the limit was generally set at about 3.2 hours a week - approximately half a day. That over half the employers allowed unlimited time off suggests that, for some at least, the conflict between their employee's council and work duties was not a major problem.

Having a councillor employee involved both costs and other problems for some employers. Costs were mentioned by 28 per cent of employers, and generally involved staff costs. Other problems were mentioned by 42 per cent and focused mainly on the need for other staff to work harder and on problems for team work. However, a majority of employers acknowledged that there were benefits in having a councillor on their staff (59 per cent). Benefits accrued mainly from the increased knowledge of local issues and the political awareness brought to the organisation by the councillor.

Overall, then, most employed councillors do not experience great difficulties, and generally a workable balance is struck between the demands of council duties and those of the employer. As only a small proportion of a councillor's time is taken from working hours, such costs as are incurred tend to be borne by the individual councillor. This accords entirely with the tradition of lay voluntary service on which Britain's local public life has historically been based.

For their part, employers take on some cost and inconvenience in having councillor employees and claim some benefit for themselves. Many of them have formal policies and there appear to be few disputes between them and their councillor employees. The relative absence of





conflict owes much to British employment law, which provides for a high degree of flexibility in taking into account the needs of both the employer and the local authority. The emphasis is placed on achieving a fair balance.

For further details about this project, please contact Richard White on 0171 890 4124.

Enhancing Public Participation in Local Government

The purpose of this study is to gauge the full nature and extent of innovation by authorities in public participation, in effect, a census of local authorities. The research will address the scope of methods used by local authorities and, the elements of policy open to discussion. The research will also examine, through case studies, what local authorities want, and, indeed, what people want from their local authorities and how they would feel about new innovations. The overall aim is to provide guidance material for local authorities on how they (or others on their behalf) can evaluate ideas after or during experimentation.

The Department has commissioned a joint research team of De Montfort University and the University of Strathclyde to conduct this study. A postal questionnaire survey of all local authorities was completed in March and case studies in 11 authorities are now underway. The final report and guidance to local authorities should be available by the end of Summer 1998.

This project forms part of an overall programme of research including projects by the LGA and LGMB. It is anticipated that this research will be followed, in future years, by further projects on evaluation of local authority experimentation.

For further details about this project, please contact David Purdy on 0171 890 4122.

Local Government Research Programme

Dissemination Review

During 1997 the DETR Research Unit undertook a review of the dissemination of research findings. The review covered both internal communication for policy colleagues and external communication for local authority practitioners and other interested parties, notably the academic community. The primary objective of the review was to assess the effectiveness of current research dissemination practice and to identify areas for, and means of achieving, improvements. The review had two key elements: an analysis of studies completed as part of the 1996/97 research programme; and a series of 22 short, semi-structured interviews with DETR officers involved in the research dissemination process, officers from other government research departments, other local government research sponsors and local authority practitioners.

The review identified a range of action points to help ensure effective communication of findings. These focused on publicising the research programme and individual projects as well as developing the Unit's role in providing briefing and information on external research on local government issues.

The action points included placing the research Newsletter and summaries of findings onto the Internet, publicising the programme and individual projects through inserts and articles in the press, and better targeting of the Newsletter and research summaries through reviews of the mailing list. Local authorities are a key audience for the Unit's publications and developing communications with them was seen as important. A key action point was to send multiple copies of the Newsletter to each local authority Chief Executive. These could then be distributed amongst officers with an interest in research issues.

Measures aimed at developing the Unit's briefing role include producing comprehensive research digests in key policy areas as well as producing abstracts of findings to enable officers to draw on material when needed. The Unit should also continue to run an annual series of lunchtime research seminars and should consider ad hoc presentations of the findings from major Departmental studies.

For further details about the Dissemination Review, please contact Richard White on 0171 890 4124.

News

DETR/ Joseph Rowntree Foundation Lunchtime Seminars

Over the last two years, a series of lunchtime seminars have been held jointly by the Department and the Joseph Rowntree Foundation. Invited speakers present findings from JRF funded and non-JRF funded research on key topics relevant to local government policies, such as taxation or democratic participation. The seminars are targeted at officials, from within the Department and other organisations, and offer them the chance to hear and discuss with researchers a wider range of research than the Department itself can fund.

The Department and JRF are in the early stages of organising further seminars for this year. It is likely that one seminar will cover the many pieces of work being undertaken by JRF under the broad theme of democratic renewal and the other seminar will bring together current and past work on local government finance. Attendance at the seminars is by invitation.

British Social Attitudes Survey 1998

The Local Government Research Unit has funded a set of questions in this year's British Social Attitudes Survey. The survey, which is undertaken annually by Social and Community Planning Research, is designed to monitor and explain trends in public opinion towards a range of social, economic and political issues.



The Department's questions focus on two key areas: how might civic participation in local government be improved, and how might local government be encouraged to deliver best value in the provision of services.

Interest in those areas stems from the Government's desire to modernise local democratic government. One element of this is the desire for democratic renewal: how can local government engage with and more effectively lead their local communities? The recently published DETR consultation paper, *Modernising Local Government: Local democracy and community leadership* considers what needs to be done in a number of areas: modernising electoral arrangements, community involvement, council working and community leadership. The BSA questions reflect a particular interest in the potential of a range of possible reforms. These include directly elected mayors, weekend voting, annual elections, voter registration, use of citizens' juries, deliberative polling and focus groups as well as community participation plans.

Data from the fieldwork will be available to the Department at the end of this year. The BSA Sixteenth Report, containing the findings of the 1998 Survey will be published at the end of 1999.

For further details about this project, please contact Joe Biskupski on 0171 890 4125.

Local Government Research Programme Mid-year Consultative Meeting

To start the Department's 1998/99 local government research planning cycle the Local Government Research Unit held a mid-year consultative meeting in autumn 1997. The meeting was attended by representatives from local government organisations, local authorities, academic institutions and other non-governmental bodies. The meeting had two overall aims: firstly, to consider how researchers and funders of research might work more collaboratively to ensure the challenging research agenda, created by the Government's manifesto proposals for local government, could be fully addressed; secondly, to provide a forum for early discussion on potential areas for the Department to fund research and possible overlaps with the plans of other organisations.

Suggestions for research discussed in this meeting covered a wide range of local government issues. These ideas were then used by the Department in developing and prioritising potential research projects for this year. Copies of the notes from this meeting are available on request. There will be another mid-year consultative meeting for the 1999/2000 Local Government Research Programme. Attendance will be by invitation.

Economic and Social Research Council (ESRC) Programme on Democracy and Participation

ESRC has recently agreed to fund a five year programme of research on democracy and participation.

This programme will examine citizen participation in voluntary activity in Britain, and addresses a number of key concerns about the state of democracy and participation at the present time. The aim of the research is to inform the debates surrounding the ambitious programme of constitutional reform and policy innovation undertaken by the government. The core questions for the research are:

- Is there a crisis of participation and democratic legitimacy in Britain?
- Why do some people participate when others do not?
- What are the effects of a changing environment, particularly constitutional and political changes, on participation?
- What are the links between participation, governance and democratic accountability?
- What participation is taking place?

The programme involves a series of linked studies looking at different aspects of democracy and participation. It will examine citizen participation in the institutions of state such as in elections, local government and Quangos, as well as participation in non-state institutions such as political parties, interest groups, and campaigning and protest groups of various types. The centrepiece of the programme will be a large scale survey of citizen participation and citizen attitudes to democracy and the state, in effect a citizenship audit. It is anticipated that the programme will also include some evaluation of experiments in local democracy by local authorities.



Local Government Research Programme Publications

Delivery and Quality of Local Services

"Competing for Building Maintenance: Direct Labour Organisations and Compulsory Competitive Tendering", B Walker, HMSO¹ 1993.

"Competition and Service: The Impact of the Local Government Act 1988", K Walsh and H Davis, HMSO¹ 1993.

"Competitive Tendering for Local Authority Services - Initial Experiences", K Walsh, HMSO¹ 1991.

"Direct Labour Organisations", Institute of Public Finance, DoE³ 1992.

"CCT: The Private Sector View", BMRB International Limited, DoE 1995. (Full report³ and summary² available).

"Analysis of Local Authority CCT Markets", Ernst & Young, DoE 1995. (Full report³ and summary² available).

"Provision of White Collar and Professional Services by Local Authorities: voluntary exposure to market forces", K Desai and J Sealey, KPMG, DoE 1996. (Summary only²).

"The Exposure of Professional and White Collar Services to CCT Phase 1: Preparations for Competition among London Boroughs and Metropolitan Districts", R Taylor, B Setchell, R Pinto, Newchurch & Co, DoE June 1996. (Summary only²).

"The Exposure of Professional and White Collar Services to CCT Phase 1: Preparations for Competition among Non-Reorganised Shire District Councils and County Councils", R Taylor, B Setchell, R Pinto, Newchurch & Co, DoE November 1996. (Summary only).

"CCT Non-Bidders: A Report on a survey of the views and awareness of non-bidding firms", BMRB International Limited, The Stationery Office 1996. (Full report¹ and summary² available).

"CCT and Local Authority Blue-Collar Services", Austin Mayhead & Co Ltd, DoE³ 1997.

"Local Authorities' Involvement in Companies: Findings of Research", Coopers & Lybrand, DETR 1997. (Full report³ and summary² available).

"Local Authorities' Involvement in Companies: Good Practice Guide", DETR 1997. (Report³ available).

Local Democracy

"Identification with Local Areas", A Hedges and J Kelly, DoE² 1992.

"Parish and Town Councils in England: A Survey", S Ellwood, S Nutley, M Tricker and P Waterson, HMSO¹ 1992.

"Public Perceptions of Local Government: Its Finance and Services", P Lynn, HMSO¹ 1992.

"Roles and Activities of Parish and Town Councils in England: Case Studies", M Tricker, J Collingridge, P Gosling, J Green, L Hems, L Mills, S Soni and P Waterson, HMSO¹ 1993.

"Explaining Election Turnout", C Rallings and M Thrasher, HMSO 1994. (Full report¹ and summary² available).

"Public Access to Information about Local Government: preliminary postal survey findings", A Maidment and J Steele, Policy Studies Institute, DoE 1995. (Summary²).

"Public Access to Information: an evaluation of the Local Government (Access to Information) Act 1985", A Maidment and J Steele, Policy Studies Institute, BEBC Distribution Ltd 1995. (Full report⁴ and summary² available).

"Faith in Local Democracy", K Young and N Rao in British Social Attitudes the 12th Report, SCPR 1995. (ISBN 1 85521 606X).

Finance

"The Relationship between Rates and Rents", Institute for Fiscal Studies, DoE 1995. (Full report³ and summary² available).

"The Impact of Rates on Businesses", IFF Research Ltd, DoE 1995. (Full report³ and summary² available).

"Local Authorities Statutory Duties to Consult with the Business Community: preliminary postal survey findings", N Corble, Newchurch & Company Ltd, DoE 1995. (Summary²).

"An Alternative Geographical Classification for use in the ACA", M Coombes, C Wymer, CURDS University of Newcastle, DoE 1995. (Available on request²).

"Sparsity and Local Authority Costs", J Twomey, K Padmore and N Topham, Salford University Business Services Ltd, DoE 1996. (This is the first part of a two part project - summary available²).

"Local Partnerships: A Research Review of Local Authorities' Statutory Duties to Consult with Business", Newchurch & Company Ltd, DoE 1995. (Full report³ and summary² available).

"Evaluation of the Experience of Authorities during the Capital Challenge Pilot Scheme Bidding Round", York Consulting Ltd, DETR 1997. (Full report³ and summary² available).

"Challenges to Local Authority Accounts", B Walker and S Delay, University of Birmingham and A Marsh, University of Bristol, DETR 1997. (Full report³ and summary² available).

¹ The Stationery Office/HMSO publications are available from (mail, telephone and fax orders only):
The Stationery Office Publications Centre
PO Box 276, London SW8 5DT.
Telephone orders: 0171 873 9090
Fax orders: 0171 873 8200
General Enquiries: 0171 873 0011.

² These DETR publications and research summaries are available from:
Local Government Research Unit
Department of the Environment, Transport and the Regions,
5/C5 Eland House, Bressenden Place,
London SW1E 5DU.
Telephone: 0171 890 4123.
Fax: 0171 890 4099.
E-mail: lg3.doe@dial.pipex.com

³ These DETR publications are available from:
Department of the Environment, Transport and the Regions,
Publication Sales Centre, Unit 8,
Goldthorpe Industrial Estate, Goldthorpe,
Rotherham S63 9BL.
Telephone: 01709 891318, Fax: 01709 881673.

⁴ This publication is available from:
BEBC Distribution Ltd
PO Box 1496
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