



OFFICE OF THE  
DEPUTY PRIME MINISTER

# Process Evaluation of the Negotiation of Pilot Local Public Service Agreements

## *Executive summary*



*Office for Public  
Management*

## **Introduction**

This report evaluates the process by which pilot Local Public Service Agreements (LPSAs) were concluded. It is a summary of the full version of the final report: 'Process Evaluation of the Negotiation of Pilot Local Public Service Agreements'.

The research was undertaken between November 2000 and May 2001, through a mixture of methods including:

- Observing a sample of negotiation meetings;
- Two waves of semi-structured interviews with representatives of all the key parties;
- Case studies in five of the pilot authorities and two government departments, and;
- Workshops with key parties in January and April 2001.

In general, those who participated in the pilot scheme found the experience positive. There were, however, several difficulties and frustrations. This is perhaps inevitable in a pilot scheme designed to test the viability of a complex process.

## **Aims and expectations**

Whilst the overall intention of the scheme (to improve the outcomes for local people living in the local authority's area) was subscribed to by all, different groups also had several other aims and expectations from the process.

At the policy level (ODPM (previously DETR, and DTLR) LGPSA and Treasury), the main intention was to improve the means by which local authorities deliver government priorities, to improve the communication and understanding between central and local government, to reduce 'micro management' of local authorities by departments, and to link an aspect of the funding of local government more clearly to outcomes.

Other government departments sought different outcomes from the scheme. These included ways of complementing existing arrangements through other schemes, or of trying out new ideas. Some departments found LPSAs more relevant to their fields of interest than others. As understanding of the scheme grew, departments became increasingly engaged in making use of it in support of their wider objectives.

Local authorities sought a closer relationship with government and the opportunity to remove some barriers to performance. Some were primarily interested in the

removal of obstacles to enhanced performance, while others saw the performance reward and pump priming grants as the primary motivators. The Local Government Association (LGA) sought to improve the relationship between central and local government and generate a greater appreciation of local issues in Whitehall.

Despite the variety of intentions, all agreed that improved relationships between central and local government is a key element of the LPSA process. In particular, it has proved possible to develop a more 'mature' relationship in many ways, and to develop a 'hands off' approach by government. This may help reduce some micro-management by central government. Both central and local government have also developed a mutual understanding of the issues confronting them.

The process was complex and demanding, and involved a wide range of people in several organisations including some non-government ones such as the Driver and Vehicle Licensing Agency, the Youth Justice Board and many local partner organisations who work with local authorities to achieve their objectives. Within local authorities and departments several individuals from a variety of teams were involved. The task of overall co-ordination (carried out by LGPSA in ODPM) was demanding. There was considerable potential for misunderstanding and friction.

### **The importance of relationships**

Despite its complexity, many of those involved in the pilot speak positively of their experience. The opportunity to build purposeful relationships between central and local government has been widely recognised as a key contributor to this sense of success. In particular, the capacity to build a more mature relationship with a hands off approach by central government has been welcomed. Areas with potential for future dialogue have been identified and the general capacity for mutual understanding is felt to have been enhanced. These matters are of crucial importance given the negative experience of some aspects of the scheme – the potential for misunderstanding, frustration at delay and other problems associated with negotiating processes such as differences in negotiating styles.

### **The experience of the process: local authorities**

Local authorities have had a mixed experience of the process. Their initial intentions and approaches varied considerably. Some agreements were reached quite quickly; others took several months. They did not always find it easy to understand the process, particularly when there were protracted periods of apparent silence from government followed by considerable activity. Local authorities sometimes found meetings helpful, especially when matters could be concluded, but at other times thought them unhelpful and time wasting. Bilateral informal contact between specialists was often more helpful. Some authorities worried that treatment was inequitable between them, others saw this as an

inevitable aspect of the requirement of the scheme to treat each authority individually.

In general, local authorities were disappointed with the freedoms and flexibilities they achieved, although the commitment to further discussions on matters of mutual importance has been welcomed. There are many reasons why freedoms and flexibilities requested could not be granted. In a significant number of cases, authorities were asking for freedoms, which they already had. In others, the practicalities of timescale precluded a definitive response from government within the LPSA negotiating period. There were also issues as a result of the requirement for departments to deal individually with local authorities – this created concerns about precedent. In some cases, local authorities felt that departments were reluctant to consider changes of policy. They also found discussions that required a ‘joined up’ approach from central government particularly difficult.

Authorities also had mixed feelings about targets: in some cases they saw these as a real incentive to improved performance in important areas; in other cases, they regarded them as a burden.

Some authorities would have wished to involve local partners much earlier in the process than was possible in the pilot scheme in order to gain ‘buy in’ to the scheme.

Local authorities adopted a mixture of management patterns. In general, the direct involvement of the chief executive has proved helpful, as has the formation of a small central team to co-ordinate the process. The role of the LGA has been extremely important throughout as a mediator and also in co-ordinating responses from the pilot authorities.

There was some collaboration between authorities, though this was largely informal. The LGA played a key role in orchestrating the local authority position to government. Government offices played different roles in their respective regions – some were involved in some detail, others very little.

### **The experience of the process: government departments**

Government departments (other than those directly involved in the management of LPSAs in ODPM and Treasury) also had a mixed experience of the process. Initial awareness and understanding was low and this meant that LPSA work often did not receive high priority. There were difficulties accommodating LPSA work alongside other work, both because it was new and unexpected additional work and because, for many departments, it was unusual to be engaging with

local authorities on an individual basis. As ministers' involvement increased, awareness of the scheme became much more widespread.

It was often difficult for civil servants to understand precisely what authorities were requesting. The language and culture of central and local government are different. Departments sometimes found individual requests 'vague' because they did not give detail which departments need to take decisions.

Wherever possible, departments attempted to respond positively to requests for freedoms and flexibilities. There were problems with these for several reasons: sometimes the request was not clear or was for something which the local authority was already able to do; sometimes there were concerns about precedent, sometimes there were implications for other schemes or for legislation which made agreement particularly difficult. Some requests would have required changes to primary legislation, which could not be accommodated in the time scale for LPSAs. There were cases where requests had wider funding implications, for example, for discretionary funding under other schemes. In several cases there was recognition that further discussion with local authorities to explore the implications of some requests further would be helpful to departments, and a commitment to undertake this appears in several agreements.

In general, departments did not see targets as a strong motivator for involvement. This may be because enhanced performance in one locality cannot have widespread influence on national performance. Sometimes departments felt that performance was adequately monitored and that incentives already existed in other schemes. In other cases the LPSA target was seen as a meaningful enhancement to targets set in other schemes.

Departments have their individual plans. LPSAs were not a part of these initially, so priority was not always given to them. This situation changed in the course of the pilot scheme as awareness grew and as senior involvement in, and endorsement of, LPSAs became more widespread. Departments, however, found the paperwork involved in the scheme onerous on occasions.

Departmental co-ordinators had a key role in the process, raising awareness, chasing progress and acting as a liaison point between the department and other parts of the process.

It was rare for extra staff time to be made available for LPSA related work and there remains some concern that it will be difficult to find adequate time to pursue the large number of agreements likely under a rolled out scheme.

### **The experience of the process: the 'policy centre'**

In ODPM LGPSA and Treasury (the parts of government centrally concerned with managing the process) the scheme has been experienced as a success and the policy objective that closer relationships should be established between central and local government has been achieved. The achievement of all 20 signed agreements is a success in itself. However, the administrative process has sometimes seemed onerous, especially during December 2000 when a large number of meetings was scheduled in a short period. There was, in particular, a great deal of pressure in the lead up to signing events, and also to ministerial briefings.

It was not always easy to mediate the relationship between authorities and departments, particularly in areas where several policy 'owners' might be involved. In particular it proved difficult to handle more than about six cases at once with the staffing levels in LGPSA for the pilot scheme, so a staggered approach was adopted from early 2001. Some Government Offices and the LGA, however, assisted, by playing key roles in supporting the orchestration of the process.

A pragmatic approach was necessary throughout in order to keep on top of the workload and to ensure that agreements were reached by target dates. LGPSA found themselves explaining to both local authorities and government departments why particular approaches were adopted. They also found themselves needing to do a great deal of chasing up. They have also held a central role monitoring the level of targets set in agreements.

In general there is a requirement for more detailed planning of the administrative process and perhaps a higher level of influence across Whitehall for LGPSA. It may also be helpful if some of the staff of LGPSA are drawn from other departments involved in LPSAs.

### **Relationship to other schemes**

There has been general concern about relationships with other schemes including Best Value and Local Strategic Partnerships. It is felt to be important that LPSAs work alongside and enhance other schemes rather than becoming an additional process. This is important for the implementation phase of the scheme where authorities will be working to their LPSA targets alongside other planning requirements, which may have different schedules and reporting and inspection arrangements.

### **Process design issues**

Lessons were learned about the most productive use of meetings, which became less significant as the pilot exercise progressed, and also about documentation. A standardised form of draft agreement was adopted and found to be very helpful to all concerned. In general there was a felt need for clearer guidance for both local authorities and departments in the future.

### **The design of roll out**

Our interviews and case studies revealed some key elements that most of those involved in the process regard central to the process. It will be important in the roll out to preserve administrative efficiency, the capacity to foster creativity and good relationships and to facilitate the equitable treatment of local authorities. If these elements are not preserved there is risk that the administrative burden coupled with the complexity may ultimately make the scheme unattractive in the future. There is a need for a shared sense of purpose throughout the system.

Communication in the form of guidance will be required for new authorities joining the scheme and for departments. This should be composed in an accessible form and with attention to some of the difficulties experienced in understanding language from others in the LPSA system during the pilot scheme. Training might helpfully include negotiating skills. System design will need to take into account the need to complete agreements in a reasonable period alongside the need to enable local authorities to work together in discussion with government on matters of joint interest in the most productive way.