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**“EQUAL QUALITY OF PUBLIC SERVICES ACROSS THE NATIONAL TERRITORY”**

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## Summary<sup>1</sup>

This policy paper reflects on and explores the possibility of reconciling in practice two apparently contradictory policy goals: quality and equality of public services delivered by municipalities across the nation. Equality is a political concept that has gained policy relevance since the French Revolution. Quality, which entails differentiation and unequal treatment of individuals, is a management concept that has gained policy relevance with the development of the welfare state. The immediate aim of this paper is to present concepts and European comparative experience in the development of specific policies for local public services that seek both quality for individual users and equality throughout the national territory.

The report debates two main arguments. The first argument relates to the notion of quality of services. Service quality is a complex concept that has meant different things at different times. The most recent approaches to service quality take into account multiple dimensions: reliability of the service, responsiveness to users' needs, facility of access to the service, courtesy in the delivery, and so on.

The measurement of quality entails at least three issues that have not yet been resolved: 1) The right combination of objective, subjective, qualitative and quantitative indicators have not yet been found to measure quality. 2) There are different levels of users' satisfaction, depending on the diverse dimensions at stake – wealth, gender, age, ethnic origin, religion, territory or geography, etc. – and these diversities are not usually taken into account. 3) Unless diversities are considered, the equality of a minimum or maximum standard of a public service is meaningless. These unresolved issues lead us to the second argument.

The second argument of this report is rooted in the debate on equality versus diversity. The equality of *what* is a very important issue for the architecture of public services because it is impossible to achieve equality in any generic sense. Equality depends not only on the question of *what* but also on the personal variations among individuals or among groups of individuals. The groupings of these personal variations are considered as categories of diversity. Diversity can be expressed in various ways. For instance, when dealing with local authorities, central governments are primarily concerned with equalities regarding the place of residence and population size (urban or rural territories, density, and main activity of the locality...). Depending on the service provided, some (territorial) diversities should be disregarded, while concentrating on the more important ones, in terms of policy design. The consequence of this reasoning is that needs, visions and requirements of diverse territories should be taken into account if a satisfactory balance, rather than equality, is to be achieved.

In summary, the first argument maintains that national standards of a particular service are difficult to obtain because measurements of quality are not yet sufficiently refined and because diverse needs in different parts of the country might reflect different aspiration standards. In any event, central and local authorities can and should strive to improve service delivery, while bearing in mind that an equalisation of standards can only be meaningful for citizens if the quality of life and quality of services are taken into consideration in parallel. The second argument stresses the fact that any public strategy – promoted by either central ministries or local authorities – that is aimed at equality should be ready to include meaningful diversities and should strike a reasonable balance between competing diversities.

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1. This paper is based on a lengthier report written by the author for SIGMA under the title: "Policy Options for Promoting Equal Access to Better Services at Local Level" I am grateful for the continuous support and very useful documents provided for that paper by Tony Bovaird, Elke Löffler and Peter Humphreys.

National strategies to promote a better quality of life and better quality services, while ensuring equal conditions across the territory, encounter huge problems when local authorities are too small. The fragmentation of local government has been dealt with by different countries in two basic ways: amalgamation and municipal associations. Amalgamation has been used by some, particularly Nordic European countries, but other countries have ruled it out as a solution in view of the strong opposition of citizens. Municipal associations have therefore been the preferred choice in these cases. An analysis of municipal associations in France and Spain shows that many public services can improve if central government gives incentives to municipalities to create horizontal partnerships (among municipalities) and vertical associations (with higher levels of government). To create sound associations, attention must be paid to establishing responsibilities among partners (financing, representation and participation in decision-making) and creating mechanisms to ensure accountability to citizens and other stakeholders. The Spanish and French examples, both of which represent specific legal-political cultures, fail to assess the level of performance of these associations. The implementation of suitable performance frameworks, in which associations are assessed not only according to legal and accounting criteria but also in relation to proposed standards for different services, could help to improve quality in service delivery.

Two national experiences in service standard-setting and performance measurement are presented in this paper for assessing quality in service delivery: 1) The UK illustrates a top-down strategy devised at national level and imposed upon local authorities, which lack autonomy for service delivery. This approach allows the establishment of authoritative performance indicators, which are used to compare levels of service, while at the same time the national government can intervene in single local authorities in the case of failure. In order to counterbalance this top-down approach, which enhances national strategies at the cost of local priorities and autonomy, a new generation of agreements between national and local levels is on its way in the UK. These agreements should allow some room for manoeuvre by local authorities. 2) The Irish example is meaningful for this report, as it is a combination of a nationally driven approach and a voluntary scheme, whereby local authorities are encouraged to add locally meaningful performance indicators to the national list. Nonetheless, the assessment of this approach indicates that local authorities would obtain better value if central ministries invested more resources in supporting the national scheme and local initiatives.

The above examples show that raising local service standards is a joint-venture in which the national government and local communities have to take part. Apart from training and providing financial incentives, central ministries could engage in activities that would allow the dissemination of good practices. While the rhetoric of national quality awards sells the idea of learning, more focused projects – such as the Beacon Council Scheme in the UK – may produce better results.

From the paper, several conclusions and implications that are worth taking into account for policy design have been gathered together and are presented in the last section.

## **1. Introduction**

The concept of “equal access to services” has been a leitmotif of central administrations for decades. All citizens are considered to have equal claims on welfare services. Given the same standards of quality, citizens could expect to receive the same benefits wherever – and to whomever – they made their claims. However, placing everyone under the same rules and offering a minimum standard are not enough to compensate for present or past inequalities. The increasing heterogeneity of society and the impact of social movements related to the distribution of wealth, gender, age, ethnicity and disability are inequalities that have not been adequately addressed so far. Furthermore, diversities can originate from geographical differences between settlements, e.g. tourist municipalities have different needs than industrial towns, and mountain councils face different problems than seaside locations.

Mechanically treating everyone the same works against equality, because not everyone has the same service needs. Certain groups may be discriminated against directly or indirectly, intentionally or unintentionally. Direct and indirect discrimination can occur when services are inappropriate, insensitive or inaccessible. In order to eliminate discrimination and create equal opportunities for access and outcomes of policies and services, a more active (or less mechanical) approach is needed. The complex question of equality and diversity is a matter of concern for central ministries that are in charge of local affairs and for local authorities delivering a wide range of services. The new democratic institutionalisation of local self-government in many central and eastern European countries has challenged traditional lines of accountability and political subordination of sub-national to national governments and has given central governments a new and more difficult role in ensuring equity and equality.

This paper is further divided into three sections. In sections 2 the main points about service quality, equality of services and diversities will be discussed. Section 3 examines how some countries have coped with fragmentation and small municipalities by fostering vertical and horizontal municipal associations. Section 4 offers three different national approaches towards increasing service standards.

## **2. Service Quality, Equalities and Diversities in Public Service Delivery**

The meaning of “quality standards” of service is not without controversy. A quality service or product has meant different things at different times (Bovaird, 1996). Nowadays, certain agreements focus on what quality can be, but the problem arises of defining quality standards that can be applied across different geographical jurisdictions. In theory, the aim of national ministries and agencies is to achieve the same quality of service among citizens regardless of the territory of residence. In practice, a common agreement on quality standards for the same service throughout the country encounters some problems.

According to Bovaird and Löffler (2004: 137 and ff.), quality is a complex concept that depends on the various weights that people give to different attributes or dimensions of a service or product, such as timeliness, accuracy, empathy and fitness for use. In order to gauge these or similar dimensions, both subjective and objective indicators as well as qualitative and quantitative indicators are needed.

Services are measured through quality and performance indicators. Performance indicators measure different dimensions of the policy cycle: inputs (number of employees, monetary resources, etc.), activities (average number of days for obtaining a license to open a night club), outputs (number of discharged patients), and impacts (economic growth of a rural area). Performance indicators might also link resources (inputs) to products (outputs) (e.g. number of euros per pupil taught). Quality indicators link the perception of users to the outputs of the organisation.

Many nationwide policies across Europe are based on input indicators (amount of euros spent in social care, in roads, etc. per inhabitant). Governments in continental Europe tend to work out an equalisation formula whereby diverse conditions are not fully taken into account, and they award grants taking into account the population size of each municipality, province or region. These measures are relatively easy to apply, but they do not give a full account of uniformity in standards of living. The amount of euros spent per hospital bed does not say much about the health of the population. Governments tend to focus on measuring inputs in order to prove that they are treating citizens equally across the nation. However, the measure of inputs does not show whether equality of standards affects the quality of life and quality of services, and these aspects require indicators that are context-specific. The dilemma for decision-makers at national levels is then how to create equal conditions while taking into account relevant local or even personal diversities, which are context-specific.

The principle of equality stems from the French Revolution, when it was proclaimed that all citizens were legally equal. Equality can be viewed from several perspectives. The utilitarian perspective has dominated much of the policy landscape in recent decades. Utilitarianism sees equality as involving a total maximizing approach to all individuals' happiness, satisfaction or interest in something. Taken as a whole, this egalitarian perspective might be unequal for individuals who are different, with different features. The fundamental principle of utilitarianism of "giving equal weight to the equal interests of all the parties" (Hare 1981: 26) fails to make a distinction between different types of persons and different needs. Many of the welfare state policies advocate equality of "something": income, education, standards of living.

According to the Nobel Prize winner, Amartya Sen (1992), the equality *of what* is a very important question because it is impossible to achieve equality in any generic sense. The different demands of equality reflect divergent views as to which things are to be directly valued in that context. They indicate different ideas as to how the advantages of different people are to be assessed *vis-à-vis* each other in the exercise in question. For example, to live comfortably and well, a member of an ethnic minority may have to overcome disadvantages that a person of the majority group might not have, even when both have exactly the same income and other primary goods. The problem arises not only from the fact that income is just a means to real ends, but from the existence of other important means, and from interpersonal variations in the relation between the means and various ends. The groupings of these interpersonal variations are considered as diversity.

According to Sen (1992: 27), diversity can be expressed in different ways. This paper focuses on territorial diversity (tourist location, conurbated area, industrial site, mountain location...). All citizens are entitled to the same rights, regardless of where they reside. The texts of national constitutions refer to these equalisation principles. These principles basically focus on juridical rights (relationships between citizens and the law) and political rights (voting and candidatures in elections). The equalisation of economic and social aspects or attributes in public services is also found in some constitutional texts. While juridical uniformity has been achieved through the transfer of normative functions to higher levels of government, material equality is part of a combination of policies emanating from local level and from higher levels of government.

Among other factors, the size of territorial units and the resources of local authorities influence the capacity of territorial units to implement national standards. This dimension is of highest relevance because the search for equalities and the consideration of diversities by local authorities depend on whether municipalities are urban or rural. A great deal of political action and discourse focuses on the search for different ways of homogenising the standards of living in urban and rural settlements, but rural municipalities lack the resources needed to cope with the challenge. This issue will be examined in the next section.

### **3. Overcoming Fragmented Local Authorities**

The size of municipalities is a subject of considerable controversy. Four aspects are relevant (CDLR, 2001): a) efficiency (scale for more and better services at lower cost); b) democracy (scale for adequate accountability); c) development (scale for promotion of economic development); and d) distribution (scale for fairer distribution of services, functions and taxes). There is no agreement about optimal size. In this report, the issue of size is linked to a) the capacity of small municipalities to deliver proper services, and b) the capacity of central ministries to promote, monitor, assess, train and provide similar standards of services throughout the country.

The effect of size on service delivery is insufficiently studied. Several relationships exist between different types of service, the complex issue of quality, and the different sizes of municipalities. A specific optimum minimum size for service delivery could not be advanced. It is clear, however, that the co-ordination functions of central ministries to implement and assess a system that has been devised to raise the quality standard of service delivery in local authorities becomes more complex if the number of local authorities is relatively high. Moreover, if the size of localities is too small, it is doubtful whether an effective mechanism of service delivery can in fact be devised.

There are several European trends regarding the number of municipalities and average size. A first group is formed by countries with a few large municipalities: Scandinavian countries and the United Kingdom. The UK has 441 municipalities. According to the 2001 census, the most populated unitary authority is Birmingham with 977,000 inhabitants, while Rutland, the least populated, has approximately 35,000 inhabitants. On average, municipalities are above 100,000 inhabitants. A second group of countries has a large number of municipalities of small size, approximately 10,000 inhabitants on average, with extreme cases, such as the Czech Republic, France or Switzerland (95% of the municipalities have fewer than 5,000 inhabitants) or Spain (with 86% of its municipalities under the 5,000 level). A third group falls between the above two groups, e.g. Ireland, with 114 councils (county, city, borough and town) for 3,917,000 inhabitants in the whole country (an average of 34,000 inhabitants per local unit). Leitrim, with close to 26,000 inhabitants, is the least populated city (2002 census).

Countries in the first group (Scandinavia and UK) have faced fragmentation through amalgamation. Those countries are likewise trying to standardise service delivery by measuring, monitoring and assessing local performance indicators on a national basis. Countries with highly fragmented systems, such as France and Spain, have tried to resolve the problem of fragmentation by inter-municipal co-operation and creation of intermediate levels of government. This paper will deal only with the analysis of inter-municipal co-operation broadly speaking.

France and Spain have chosen to overcome fragmentation by creating intermediate levels of government (in Spain, provincial authorities and autonomous regions; in France, departments and the prefect system) and inter-municipal associations. The goal of French and Spanish authorities is also a question of equality throughout the territory. However, the equality they are searching is related more to the input side than the output side. In fact, neither country has a tradition of establishing national performance indicators to measure the level of local services.

France has a highly fragmented local system, with 36,672 communes. In recent years there has been an explosion of inter-municipal co-operation through EPCIs (*établissements publics de coopération intercommunale*). In 2005, a total of 2,525 EPCIs included 88% of French communes (32,311), while in 1999, the 1,680 EPCIs included 19,140 communes. According to the Ministry of Interior in France (2005), 52.2 million inhabitants participate in an EPCI. There are different types of EPCI according to population size – fewer than 50,000 inhabitants (*communauté de communes*); from 50,000 to 500,000 inhabitants (*communautés d'agglomération*); above 500,000 inhabitants (*communautés urbaines*) – and also different types depending on whether the EPCI has taxation powers.

Since 1999, EPCIs have been formed by neighbouring municipalities with the purpose of managing pooled resources. Municipalities are obliged to transfer functions of economic promotion, territorial development and transport to the newly created EPCI, and they may voluntarily transfer other competencies related to culture, sport, drainage, etc. Personnel also have to be transferred from municipalities to the EPCI. The novelty of the EPCI in recent legislation, in contrast to municipal associations in other countries, is that EPCIs can directly tax the population of the associated municipalities. This system avoids competition among neighbouring municipalities within the EPCI.

EPCIs could be considered as an attempt to amalgamate municipalities through economic incentives instead of by launching an amalgamation law that would meet strong opposition. In fact, recent legislation encourages municipalities to amalgamate using the EPCI as a framework and leaving the issue of political representation to EPCI members (municipalities).

In Spain, approximately 86% of all towns have fewer than 5,000 inhabitants, and 72.2% have fewer than 2,000. Inter-municipal co-operation has been promoted through *mancomunidades* (horizontal associations of municipalities) and *consortia* (vertical associations of municipalities, other levels of government and non-governmental actors) in order to overcome fragmentation. In 1999, a total of 5,857 municipalities joined at least one *mancomunidad*, and 87.3% of these municipalities were towns in rural areas with fewer than 5,000 inhabitants.

*Mancomunidades* and *consortia* flourished in Spain after the transition from dictatorship to democracy. With the advent of democracy, local government gained political autonomy but financial resources, transferred mainly from the centre, did not suffice in providing compulsory services established by law in 1985. *Mancomunidades* and *consortia* have a different legal nature, although they both attempt to fulfil the same general purpose, i.e. to deliver services in rural and urban areas by fostering the association of municipalities (in the case of *mancomunidades*) and the association of local authorities and other entities in the case of *consortia*.

From the analysis of *consortia* and *mancomunidades* in Spain and EPCIs in France, some conclusions can be drawn:

- Associations may differ in terms of purpose. There is no problem in principle about being multi-purpose or single-purpose as long as the territory covered by each service makes sense from the economic point of view, the relevant socio-demographic features, and the monitoring capacity of the association. Each service (refuse collection, fire department, social services) follows a distinct logic in terms of geographical limits, and this logic should be respected when organising the association.
- Associations may differ in terms of governing body. In any case, in order to ensure political and democratic control, local politicians (or provincial politicians) should be placed at the top of the association. It seems that in order to strengthen the managerial capacity of the association it would be wiser to have a separate management team, which would be bound by performance contracts including negotiated standards of services that could be assessed periodically.
- Associations may differ in terms of membership. *Consortia* allow the presence of higher levels of government (with or without executive powers and voting capability) as well as NGOs and private capital. *Mancomunidades* and EPCIs have only municipalities as members. If higher levels of government have a strong political interest in the association, it might be wise to devise a system in which they have executive powers and voting capability without undermining the autonomy of local-level authorities. If their interests are more managerial or are generally concerned with service standards, they could set up frameworks for commitments on both sides.

#### **4. National Approaches to Raising Local Service Standards**

Vertical and horizontal associations of municipalities can certainly overcome the problem of fragmentation, but they do not resolve by themselves the issues of distribution of resources and negotiation between higher levels of government and rural municipalities or associations of rural municipalities. Grant transfer is a common financial incentive used by central and regional governments in order to enhance the capacity of local governments to deliver public services. In this section, several approaches to the negotiation of local goals at national level will be examined.



#### **4.1 Agreements between central government and local authorities: some national examples**

Three examples from France, Belgium and UK will be covered here. The “*Contrat de Ville*” has developed in France because the national government’s decentralisation programme of the 1980s had not solved the problems of fragmented local government. The “*Contrat de Ville*” was a mediating formula that sought to respect local policy discretion granted by decentralisation and enable central government to meet its wider national urban policy objectives (Hall and Mawson 1997). The “*Contrat de Ville*” offered cities (not rural towns) additional financing or influence over policy-making in return for greater coherence in local actions towards shared objectives. Systems and structures were put in place, which situated the “*Contrat de Ville*” within the decision-making processes of central government, with a key minister being given oversight of the programme. Formal negotiations involved national and local stakeholders from the beginning. The process included all relevant aspects of public policy and expenditure that affected the locality. The process in France has been political rather than based on performance, so it is difficult to measure the success of the contracts.

In Flanders (Belgium), “covenants” (agreements between the Flemish regional government and local authorities) have been designed to show that higher levels of government can trust the governing capacity of municipalities, departing from the authoritative central attitude of the past (Wayenberg and Steen, 2002:140). The application of covenants was designed to promote policy objectives shared by central and local governments, and it has encouraged the development of improved local service planning, involving a variety of local actors. Covenants are associated with the allocation of central funds to local implementers for the delivery of specified outcomes. Processes and mechanisms are determined by individual local authorities. Covenants also require that local plans include performance measures and indicators. Unlike the French “*contrat de ville*”, the covenant includes managerial elements, inasmuch as outcomes, performance management and indicators should account for local achievements. Resources in the covenant are awarded on receipt of a satisfactory local plan. In addition, performance measurement is determined locally rather than in relation to nationally applied measures. The issue of performance measurement appears to be contentious in Flanders as it is difficult to assess specifically every activity. Furthermore, central support for the development of appropriate performance measures and instruments is rather modest.

Central-local government relationships represent an important dynamic in the delivery of policy and service initiatives in the UK. Since 1997 focus has shifted towards achieving more “collaborative” and “consensual” relationships between central government and local authorities. While there are some common features between the LPSAs (Local Public Service Agreements) and other experiences outlined above, the LPSAs focus on targeting, performance management and outcomes. LPSAs should be understood as instruments to improve the deteriorated relationships between central and local governments. In fact, the first evaluations of LPSAs (Enticott *et al.* 2005; Sullivan *et al.* 2005) are more concerned with the improvement of relationships between local and central governments than with the capacity of local authorities to establish local targets.

The LPSA is a mechanism by which local authorities could volunteer to enter into a three-year contractual relationship with the central government in order to achieve service targets in 12 key areas, above and beyond the targets that had been agreed through existing policy mechanisms. The selection of local targets was also possible in this framework. The importance of the LPSA, however, lies more in the process than in the results. Pump-priming grants and reward grants (for optimum performance) provide incentives for local authorities to negotiate. LPSAs have implications on three sides: the Treasury, national departments and individual local authorities. They are formally signed by the local authority (leader and chief executive) and by the government (ministers for local government, the Treasury and any relevant departmental ministers). The evaluation of Sullivan *et al.* (2005) shows the following results. From the national perspective, in the first generation of LPSA, it seemed a greater focus on national than on local priorities. In some policy areas, such as recycling, the profile of LPSAs was high on the ministerial agenda;

in others, LPSA was marginalised and, finally, in some cases there were concerns about the meaning and consequences of local variation and discretion. By and large, the position of the minister has been influenced by top officials in the department. From local perspective, local stakeholders had high expectations but central actors seemed to be too resistant to proposed changes and to the needs of local authorities to identify new spaces.

Martin and Bovaird (2005) suggest that poor results in terms of public satisfaction with local services could be explained by the dominance of national strategies over local strategies for service delivery. These experts are advocating a compromise that takes into account territorial diversities alongside some national priorities.

#### **4.2 Standards and national performance indicators**

Another means of reaching equality of service delivery is through the alignment of local performance with national performance indicators. The examples of Ireland and the UK will be further discussed on this aspect.

UK local authorities have less autonomy, are less fragmented than their counterparts elsewhere in Europe. The British central government has invested an unmatched amount of resources in fostering, monitoring, assessing, inspecting, and auditing the quality of services offered by local providers.

The UK national drive towards improvement of service delivery has been realised through multiple strategies. Only some of them will be dealt with here. The central government's goals are to achieve higher quality services, to obtain more cost-effective services, to better respond to and satisfy user and staff needs, to improve access for all groups, and to better co-ordinate services between various public and non-governmental agencies. To monitor the responses of local service providers to national goals, a national system of performance indicators and a central system of inspection have been devised.

The *Best Value Regime*, launched in 1997 by the recently elected Labour Government, was designed as a substitute for the compulsory competitive tendering regime. Unlike the Conservatives, the Blair Government did not prescribe a single response to improving service delivery through compulsory competitive tendering (CCT) for most local services. "Best Value" meant that local authorities had to provide services of the quality and price that local people were willing to pay. The Best Value Regime concerns not only driving down costs but also requiring improvement in service standards. For that purpose, local authorities had to review the performance of their services every five years, testing whether the service was needed and whether local authority providers could offer best value in competition with alternative providers. In addition, local authorities had to consult with stakeholders on the level of service. Local authorities are compelled through the Best Value Regime to publish annual performance plans, with detailed current performance results and plans and targets for improvement. These plans must be submitted to external audit and to reviews by independent inspection (at the expense of the local budget). Performance is monitored through the Best Value Performance Indicators (<http://www.bvpi.gov.uk/pages/Index.asp>). Since 2003, however, the Best Value Regime has relaxed some of its statutory requirements in terms of reviews, inspection, and reporting.

*Comprehensive Performance Assessments* (CPAs) were launched in 2002 to bring into a single framework relevant information on each council held by government departments, auditors and inspectors. The CPA is aimed at providing an overall assessment of each council's current performance, its capacity for continuous improvement, and its strengths and weaknesses. In upper tier and unitary authorities, CPAs rated seven "key" service areas: benefits, education, environment, housing, libraries and leisure, social care and use of resources. In district councils, current performance is judged based on information on four service blocks: benefits, culture, environment and housing. If persistent or serious failures to comply with

national regulations occur and/or improvements are not secured, auditors or inspectors will refer to the central government, which could intervene directly in the local authority, for instance by appointing a new management team.

Central government has become directly involved in those local authorities judged by the CPA to be “performing poorly”. In most cases, these authorities have been seen as suffering from a number of problems (including failures of political and/or managerial leadership and absence of performance management systems). The UK Audit Commission (2002) believes that intervention in the standards of management and/or political leadership should foster higher service performance. A senior official is appointed to the poor-performing local authority so that the link to central government is secured. The managerial board of the council, which also includes other representatives of government departments and regulators, will help in drafting a recovery plan for the local authority. In more serious cases, some local senior managers have been replaced.

Each authority receives an overall CPA score, which is based on current performance and capacity for improvement. “Excellent” and “good” performers are exempt from inspection and acquire more flexibility in service delivery. The others are subject to further scrutiny. The CPA is currently evolving, giving more attention to working in partnership, community leadership, and reduction of regulation.

The main results of a Progress Report of the metaevaluation exercise by Martin and Bovaird (2005) will be summarised here. Best Value Performance Indicators (BVPIs) and CPA scores measure a variety of aspects of performance – inputs, activities and outputs – while very few measure outcomes. It seems that overall performance has improved in all services, with the exception of primary education, where performance has remained the same. Improvement has been noticed especially in those local authorities that have traditionally lacked the capacity to improve, and the national priority areas (social services and education) have witnessed rapid improvements. It seems that recovery support and capacity-building fund schemes have helped those “poor” authorities to overcome barriers to improvement. However, the analysis does not necessarily give an accurate indication of improvement in the cost-effectiveness of local government, since BVPIs have not yet been deflated by local government expenditure, which has increased in services such as education, social care and recycling.

These positive results shown in various sets of indicators and in officer surveys diverge from a fundamental negative aspect: public satisfaction with public local services is steadily declining, as shown by data drawn from user-satisfaction surveys conducted in 2001 and 2003, with more than 539,000 and 576,000 respondents respectively (Martin and Bovaird 2005; see also ODPM, 2004b) (see the previous section for the authors’ explanation).

Ireland offers also an interesting national experience. Since 1996 the Irish Government has been developing a consistent framework for raising the standard of local services. The programme has been basically directed to different goals. This report focuses on increasing the quality of services through customer action plans, and nationally and locally devised service indicators.

The Customer Action Plan (CAP) is a document that establishes standards of service agreed by local authorities in consultation with local customers. In CAPs, local authorities set out actions aimed at improving the quality of public services. The initiative has been backed by other initiatives, such as the Quality Customer Service (QCS) (see Humphreys 1998), which was extended from central government level to also include local services. These initiatives focus on negotiations between customers’ priorities and local actors’ capabilities.

Central government guidelines for the elaboration of CAPs include two principles linked to equality. Local authorities have to ensure the rights to equal treatment established by equality legislation. The guidelines explicitly refer to equal “rights” and not equal minimum standards across the various local authorities. In addition, local authorities must do their best to accommodate diversity, so as to contribute to the equality of all groups considered in the equality legislation (depending on gender, family status, marital status, sexual orientation, religious belief, disability and age, as well as foreign visitors and members of traveller communities). This principle further recommends identifying and trying to eliminate barriers to access to services for those experiencing deprivation and social exclusion as well as geographic barriers to services.

With reference to service standards, the Better Local Government initiative (BLG) of 1996 asked local authorities to individually set standards regarding a number of indicators that have been agreed nationally. The list, compared with indicators from the UK, reveals that the number of services locally delivered in Ireland is lower than in the UK, as is the number of indicators agreed at national level (20 main indicators). In May 2000 a defined set of service indicators was introduced for local services by which improvements in service to the public could be assessed and tracked over time. The progress of local authorities in service delivery is to be measured by this set of indicators in relation to agreed standards. BLG also recommends the adoption of financial indicators to complement service delivery indicators.

The CAP should have the following features, according to the Modernising Government (2000) agenda: Internal and external consultation should be used to increase service quality; Objectives of quality customer services should be identified; Standards of service should be specified by individual local authorities; and The CAP should be consistent with the local corporate plan.

As indicated above, the CAP is a document which establishes standards of service agreed by local authorities in consultation with local customers. Reviewers of the implementation of the CAP (Boyle *et al.* 2003: 101-108; IPA) found the following: A) 73% of respondents (county and city managers) perceived that the CAP had given a clearer focus to quality service delivery issues. B) The implementation of the CAP has varied among local authorities in terms of content, quality, approach and success. C) Local authorities have published service standards of varying specificity across the range of services provided for the first time. According to local managers, the use of indicators in local services is a relatively new phenomenon in Ireland. D) Systems introduced by local authorities to handle complaints and appeals have helped external consultation. E) National indicators have been positively valued by local managers, but they consider that there is room for refinement and that they could be more citizen-friendly. F) The variety of CAP documents suggests that the support provided by central government for the use of the CAP has not been strong. G) Most authorities are reporting performance against service indicators in their annual reports, in other reports and through the media. However, this performance reporting has the limitations: 1) The transparency of the indicators in the reports varies among authorities. 2) Only 34% of county and city managers use these indicators “a lot” or “very much” and in an active way. 3) The use of “benchmarks” across time or geographical jurisdictions is still modest. 4) Only some authorities have developed their own local indicators to reflect local priorities. 5) Very few established targets have been set for the coming year for each of the national service indicators.

#### ***4.3 Raising standards with help: recognising “good practice” and facilitating exchange***

There are many examples all over Europe of the recognition of “good practices” in public administration in general and in local authorities more specifically. Those examples include various international quality awards related to EFQM (European Foundation of Quality Management), the Speyer Quality Awards (for German-speaking countries), and various national initiatives (in Belgium, Italy and Spain, among others). These awards have one common feature. They are all linked in theory to the idea of benchmarking and learning. In practice, they are more about making authorities compete and market

themselves than about encouraging them to learn from each other. The organisers seem generally to be more worried about getting the scores and the evaluation right than about establishing a platform for a real exchange of ideas, experiences and co-operation.

Unlike the above-mentioned examples, the British Beacon Council Scheme seems to join the features of recognition and learning more truly. The Beacon Council Scheme was established in 1999 to improve services by publicly recognising councils that perform certain functions effectively. The scheme also provides incentives for the awarded local authorities to share their “good practice” with other councils (DETR, 1999). The Beacon Council Scheme also tries to build local capacity in order to improve service standards and increase cost-effectiveness (Hartley *et al.*, 2000). The evaluation exercise of the scheme praised the value of this instrument, because it could be useful for high-performing local authorities (recognition) and for under-performers (learning) (Hartley *et al.*, 2003). The real issue at hand is using the instrument as a learning tool, because it does not suffice to share practices with under-performers. The IdeA strategy (see below) can be seen in relation to this issue as a way of building local capacity.

In the framework of the Beacon Council Scheme, the central government selects each year a number of themes covering functions in which it wishes to encourage good practice. Local authorities then submit applications, which are judged by an advisory panel. Successful applicants must be performing reasonably well across all services and demonstrate a willingness to provide learning opportunities for other local authorities (DETR, 1999b: 5). Those awarded as “beacons” disseminate their “good practice” through various means: “roadshows”, open days, site visits, exchanges of staff, web-based materials, and consultancy.

The Beacon Council Scheme is a useful instrument for fostering learning by under-performers. The system is designed not only to recognise success but also to help avoid failure. Another measure launched by the UK Government to build capacity among local authorities was the Improvement and Development Agency (IDeA). IDeA was established to build capacity in local government by disseminating good practice through training officers and members, peer review, and support and advice on e-government. The agency carries out a number of national projects, and its regional associates and strategic advisers provide advice and support in specific service areas. The Capacity Building Programme, launched in 2003 with an initial annual budget of £34 million, comprised four key elements (Martin and Bovaird, 2005): A) “A national capacity building programme developed to provide support for all councils seeking to improve the delivery and quality of the local services they deliver; B) A programme of pilot schemes designed to develop innovative ideas from individual local authorities; C) A programme of regional pilot projects led by the regional branches of the Local Government Association which are focusing on developing partnership approaches among the range of relevant regional organisations supporting local government improvement; D) The on-going programme of support for authorities rated as ‘poor’ or ‘weak’ in the CPA [see above].”

IDeA has been established in order to foster improvement. Otherwise, a CPA and BVPI system, with no possibilities and no learning chances for under-performance, would have signified a punishment approach.

## 5. Conclusions

Several conclusions can be drawn from the paper:

1. There is no European experience proving that equality in quality standards of public services can be achieved across national territories.
2. Some countries are trying to raise the level of services provided by local authorities by authoritatively setting common national indicators. This strategy helps national agencies to identify where additional resources should be allocated and what the compulsory level of local performance should be. In the UK, this approach has helped to raise the level of services, while in Ireland it has helped local authorities to focus on performance. This approach, however, is less feasible in countries where local governments enjoy more autonomy.
3. No correlation has been found between the width of the range of indicators and service-users' satisfaction, which remains low.
4. There is no successful national approach to defining indicators that fully satisfies both national and local actors. It seems that a successful strategy needs to be based mainly on an inclusive indicator-setting process, in which the interests of the central government is combined with those of local authorities.

Countries wishing to enhance local public services in a uniform way may want to consider the following strategies, which could be implemented in a phased period of four to eight years:

1. A minimal array of services to be delivered by all municipalities across the nation could be set, based on feasibility studies (requirements in terms of human, budgetary, technical and organisational resources) that take into consideration the smallest local units and the features of the population receiving the services.
2. Negotiations between central ministries and local authorities (and other local stakeholders, even citizens where possible) could result in agreement on a minimum set of common indicators that measure the management and policy cycle of local services (inputs, activities, outputs, quality service and outcomes) and on diverse local indicators that are meaningful for individual local authorities.
3. Implementation of nationally agreed local indicators should follow, with continuous support from central ministries.
4. Indicators should also include the citizens' perspective.
5. Once some indicators have been tested, they could be used for drafting local service agreements. These bilateral agreements could combine: national aspirations for uniformity or equality; local diversities in terms of goals; and financial formulas based on both head-counting and positive results (outputs and outcomes). However, negative results should not lead directly to punishment, but rather to more intensive negotiation, follow-up and coaching from central ministries.
6. National grants should take into account both national priorities and local needs.
7. Performance indicator measurement triggers improvement insofar as an adequate balance of learning, coaching from central ministries, and evaluation is found. Whenever performance indicators lead to a strict control of local authorities, efforts at improving service delivery are thwarted by tricks and non-compliance and are even challenged by local authorities.
8. If some of the above options are considered, the team at national level should be prepared to continually negotiate, monitor and coach the process. As these tasks require a certain infrastructure and resources, it would be wise in the early stages to pilot-test the system with a volunteer group of local authorities.

There is no single approach across Europe for tackling the problem posed by fragmented local government and small-sized local authorities in order to advance a national agenda aimed at enhancing service delivery. National options historically vary from compulsory amalgamation of small or rural municipalities to incentives for co-operation among municipalities or between municipalities and other layers of government, private capital and/or NGOs.

Compulsory amalgamation is no doubt the toughest national policy, which might find strong opposition from recently autonomised local authorities. No final study has evaluated how partnerships of all kinds – EPCIs in France, *mancomunidades* and consortia in Spain – improve service delivery in small municipalities. Judging from the increasing number of this type of co-operation, it can be concluded that it raises the level of services in small municipalities.

Local governments are expected to become active in seeking ways and means of rendering better public services and are moving towards a more active role in providing more services and setting better quality standards for their residents. These initiatives belong to the realm of diverse responses to specific environments. The central government should encourage local initiatives that seek better services, as they may have a positive spillover effect on other communities. In order to better profit from local experiences, central governments could consider the following:

1. National ministries should actively seek information on domestic and foreign local experiences that have been successful and propose them as sources of inspiration for local governments nationwide.
2. The training of central staff and resources for coaching at local level should be a priority.
3. Building up a learning network of local and national authorities, where systematic learning of new and productive ways of service delivery are shared, could help both beginners and front-runners.
4. Central governments should play a “broker” role with the various stakeholders to pave the way for the provision of more integrated services by different deliverers (national agencies, local stakeholders, NGOs and so on), bringing them together whenever a window of opportunity is open (e.g. if different providers are willing to co-operate and local leadership accepts the challenge).
5. National agencies should also encourage local authorities to deal with diversities (ethnic, gender, disabilities, etc within their territory, mainly through consultation and participatory mechanisms.

Pioneers and laggards in public service delivery will remain in the local landscape, no matter how many efforts central governments devote to equalisation strategies. In any case, national agencies should develop a national agenda in continuous dialogue with local stakeholders (public, private and non governmental) in order to ensure that local strategic options are taken into account and encouraged. The role of central governments has certainly changed from direct deliverers to brokers and coaches. This new role entails adequate legislation as well as new demands and new skills of central public managers, but it may also be a challenging professional experience for them.

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