

# Performance reviews are raising council standards, say researchers

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Performance assessment schemes aimed at making local authorities into more effective organisations are having the desired effect, according to new research released by the Economic and Social Research Council. The project "Leadership Change and public services: Reinvigorating Performance or Reinforcing Decline?" found that poor performance was likely both to be punished by voters at local elections and to lead to change among the senior management of authorities.

George Boyne, Professor of Public Sector Management at Cardiff University, who conducted the research along with Oliver James, Peter John and Nicolai Petrovsky said: "This is a good news story for local government. It shows that local [democracy](#) works, with poor [performance](#) leading to change in political leadership and management. That's what is supposed to happen."

The researchers measured election results and managerial change in upper-tier councils over a six-year-period (2001-7) against their ratings under the Audit Commission's Comprehensive Performance Assessment (CPA).

Introduced in 2002 and described by the researchers as 'a highly visible and publicised performance rating that is taken seriously by central government and by local politicians', the CPA rates councils on a scale of stars from zero (poor) to four (excellent). They found that if a council were rated at zero or one star, the ruling party would lose three per cent in electoral support. Declining by a star would cost two points. There

was, though, no benefit from running an authority rated at three or four stars.

Professor Boyne said this 'negativity bias' reflected the greater likelihood of bad news being widely broadcast. He added: "The main aim of introducing this system was to raise the performance of the poorest authorities. So the government will feel that it has succeeded in this respect." At the same time the research team point to the issue of whether councillors have any incentive to do more than simply prevent poor performance by their authorities.

A poor CPA performance is also likely to be followed by a more rapid turnover among senior management - posts such as Director of Housing or of Children's Services. The exception to this rule was chief executives, who were only likely to depart if there were both a poor CPA performance and a change in the ruling party.

Professor Boyne said: "Chief executives tend to build strong relationships with the political leadership, which therefore becomes attached to him or her and reluctant to lose them. It also means that a new administration formed by the party that was previously in opposition is much less likely to feel this attachment."

The researchers found that management turnover led to better results if previous performance was poor, but worse results in a team that had previously been doing well. Professor Boyne said an unlooked-for effect of CPA had been to create a 'transfer system' with high-performing managers being headhunted by other authorities. Since this often breaks up strong teams, one authority's gain in efficiency can be another's loss.

A further finding was that Conservative party control, or a change to it, tended to be associated with higher performance and satisfaction, provided that the Conservative majority was not large. Professor Boyne

said that while this finding was interesting, it was far from conclusive:"We are looking at a fairly short period of time, with some political oddities - because of the unpopularity of the government there were, for instance, too few incoming Labour councils to provide a proper comparison."

Source: Economic & Social Research Council ([news](#) : [web](#))

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