

# **Comprehensive Performance Assessment and Public Services Improvement in England?**

## **A case study of the benefits administration service in local government.**

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**Abstract** *The purpose of this paper is to independently evaluate the impact of the Comprehensive Performance Assessment regime on one particular public service, namely the provision of Council Tax and Housing Benefits distributed by local authorities throughout the course of the regime. This service was assessed in every iteration of the CPA methodologies and it included one of the few key performance indicators (KPIs) where the definition of the performance indicator, the means of collection and the public reporting of its results, remained the same throughout the CPA period between 2002 and 2008.*

*The findings show that there were considerable and consistent improvements in benefits administration nationally within England and across all of its regions. The paper then investigates a series of propositions. Whether there was any significant variations in the performance of larger as opposed to smaller authorities, or between predominantly rural authority areas and urban authorities or between authorities with different party political control. Finding no significant differences the research suggests implementation of the CPA regime itself appears to have had a catalytic effect upon the performance of the benefit administration services within local authorities throughout this period. The paper therefore concludes with a brief discussion as to whether the findings support the theoretical position of proponents of neo-institutionalism isomorphism or more traditional rational actor theories of public choice.*

**KEY WORDS:** comprehensive performance assessment, local government, council tax and housing benefits administration, public service improvement,

## **Introduction**

Since 1999 the Local Government (Best Value) Act has required local authorities and other public bodies to both achieve Best Value (BV) in all their activities and to facilitate the continual improvement in the performance of their organisations and the services they provide. Their performance was initially externally evaluated by a combination of long standing and newly created inspectorates, external auditors and ad hoc assessments through the production of Annual BV Performance Plans; the implementation of a system of national BV performance indicators, and through corporate and service inspections of BV Reviews. These inspections were carried out by the new Best Value Inspectorate, other national inspectorates such as Ofsted and the Social Services Inspectorate and the more recently established Benefits Fraud Inspectorate. Between 2002 and 2009 however the performance of all of England's local authorities was regularly externally assessed by the Audit Commission working collaboratively with the other external inspectorates under a performance management regime known as Comprehensive Performance Assessments (CPA). As its name implies this regime was intended to operate across every principle local authority in every part of the country and was intended to come to robust judgements about the economy, efficiency and effectiveness by which all local authorities delivered all their services and activities. This regime was in operation for seven years before it was superseded in April 2009, for a single year, by the new performance management regime for local authorities and their key local delivery partners known as Comprehensive Area Assessments (CAA).

The Audit Commission and the government published regular annual progress reports throughout the CPA regime and also published an overview **of performance improvement**

**at the end of the regime** (AC 2009). However, some recent academic commentators have pointed out that agencies such as the Audit Commission and the inspectorates have an interest in the “success” of the regime, as they need to demonstrate that their scrutiny of the system worked and therefore that services improved. There is a relatively recent and emerging body of academic literature related to CPA, largely set within a performance management framework devoted to assessing how either the system as a whole performed or which parts of the system have been the most effective in driving up improvements to public services (Andrews 2004, Andrews et al 2005, Game 2006, Wilson and Game 2004). Other evaluation has been undertaken by teams of academics sponsored by government departments (Martin and Bovaird 2005, Martin 2008 and AC 2009). It has also become increasingly commonplace to question whether CPA has had the impacts that the Audit Commission claims for it (Clarke 2008). With the regime only recently coming to an end, the relatively robust national data available for benefits administration provides an excellent opportunity to contribute to this growing body of research, by studying the impact of the CPA on this particular service, to re-assess the impact of the CPA regime.

### **The purpose of this study.**

The purpose of this paper is therefore to independently evaluate the impact of CPA throughout the course of its history on one particular local authority service that was represented in every iteration of the CPA methodologies using one of the few key performance indicators (KPIs) where the definition of the performance indicator, the means of collection and the public reporting of its results remained the same throughout. The use and importance of this particular KPI was never challenged by either the local authorities, the auditors, the inspectors or the government in any consultation undertaken on the CPA. The raw data on the indicator existed and was collected nationally both prior to the CPA regime and was still being universally collected after CPA as part of the successor CAA . It now forms part of the “Right Time Indicator” of the DWP (DWP 2009a). This latter combines the average processing time for new claims with administration of changes of circumstances. In 2008 there were changes made to the definition of the “changes in circumstances” which make the statistics non comparable overall, however the definitions applied to the KPI that we examined remained the same<sup>1</sup>.

This particular performance indicator was collected and reported by the local authorities themselves, it is internally and externally audited, and was reported directly into the Department of Works and Pensions (DWP) on a quarterly basis with the results publicly available on the DWP website (DWP 2009a). The significance of this process lies in the fact that the external inspectorates, in this case the former Benefit Fraud Inspectorate and its successor, the Audit Commission, played no direct part in either its definition or collection. Finally it was very rare (but not unknown) for all those involved in the policy and delivery of a service to be able to identify a single key indicator that the vast majority of the community of delivery organisations, stakeholders and interested parties agreed is the one key indicator that is a reasonable proxy for the performance of the overall service. Performance indicator PM1 “the average time for processing new claims” has always been the first indicator in every version of the performance regime for the benefits administration and is commonly accepted as being such a proxy for the performance of the Council Tax and Housing Benefits Service (CT and HB) in the same way that the life expectancy (through the “all age all cause mortality” indicator) is accepted within the health community. It is for these reasons and because of the veracity of the evidential base that we have adopted it as the barometer of performance. As such, this organisational field is felt to be appropriate to consider the

<sup>1</sup> The DWP website refers to changes to definitions and the collection regime making comparisons of results incomparable. This is true of the results as a whole but not to the part of the regime that we investigated. DWP also accepts that the figures are in any case suitable for investigating long term high level trends, which is the objective of this study.

organisational responses to the CPA regime (Bovaird 2008) and, inter alia, the impact the CPA may have had on performance improvement within the service.

By analysing performance of this single service, we were seeking to establish two findings. Firstly to what extent did service performance improve during the CPA regime? Secondly, could improved service level performance be linked to the presence of CPA as a catalytic trigger (Osborne et al 1995) whereby the comprehensive and inclusive nature of the CPA assessment and its highly “visible” publication, raised the profile of this single measure within organisations and across the intra-organisational professional field.

The CPA, as with other performance measurement regimes, can be considered to operate as a socially constructed view of relative organisational performance (Osborne et al 1995) and as such the ways in which organisations have responded to the CPA in the past, and any subsequent change in service delivery, can be seen from either Neo-Institutionalism and/or rational actor theoretical perspectives (McSweeney and Duncan 1998, O Shea 2007, Wayenberg 2006, DiMaggio and Powell 1991, Goldman 2005). Whether responses were provoked by a proverbial „carrot or stick is likely to vary across organisations, depending inter alia on their relative performance at the start of the CPA process and/or their political support for the government introducing the new regime. Similarly, factors such as organisational size, political control and urban/rurality could also have had an impact or organisational response, outside of the CPA trigger (Andrews et al 2005). This study will consider the potential impact of these and other factors as well as briefly discussing the potential for neo-institutionalised isomorphism, given that the CPA regime generated both incentives for improving performance and sanctions for poor performance. However, in a wider context, such speculation may only provide a useful insight for further research into organisational responses to CPA and to successor performance regimes.

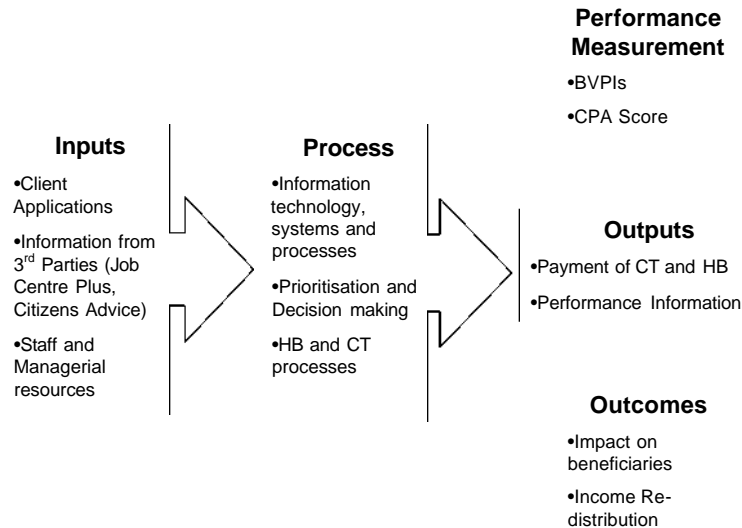
### **The Council Tax and Housing Benefits Services within Local Authorities**

Housing Benefit (HB) was introduced by the government in April 1993 and is an income related benefit designed to help people on low incomes pay for rented accommodation whether they are in or out of work. Council Tax Benefit (CTB) was also introduced in April 1993 and is an income related benefit calculated in a similar way to Housing Benefit which has been designed to help people on low incomes pay their local council tax. There are currently approximately 4.5 million people in receipt of housing benefit with an average receipt of over £80 per week while 5.5 million households are in receipt of council tax benefit receiving an average of approximately £15 per week. Together they represent the redistribution of income of over £220m per year to the some of the poorest people in our communities (DWP 2009a).

The administration of the payment of CTB and HB is usually undertaken by a team in the treasury or financial services department of “all-purpose” or “unitary” local authorities (such as London Boroughs, Metropolitan and Unitary Authorities) and by the district councils within those parts of the country where there are still county and district authorities in the two-tier system of local government. In 2002 there were 115 single tier authorities and 238 districts administering the benefits. Some partial local government reorganisation between 2006 and April 2009 changed the numbers of administering authorities to 124 and 201 respectively by the end of the CPA regime period. The County Councils played no part in the delivery of this particular service and are therefore not part of this assessment.

Figure 1 below attempts to depict a simplified model for the resourcing and operation of the process for administering and determining applications for CTB and HB payments in local authorities in terms of the constituent inputs and outputs of the service.

**Figure 1 CTB and HB Administrative Process**



The payment and entitlements that CTB and HB applicants are entitled to from the system are established nationally and the objectives of the service are essentially the same in every authority. These are to process all claims quickly, accurately, efficiently and economically; to ensure prompt payment and to provide a responsive service which minimises fraud and pays all entitlements to all those qualifying. In July 2002 the government set this out and formally introduced a new “Benefit Verification Framework” (DWP 2002) to ensure that benefits are paid to those who need them, and at the same time making sure that the system is secure from fraud. The new framework set out new procedures and instructions on how claims for council tax benefits and housing benefits should be dealt with. It has strict rules that every council has to abide by and requires that every person claiming benefit has to provide original and verifiable documentation relating to identity, income, savings and capital. In order to facilitate this new (and tougher) system new “standard” benefit forms and new computer software systems were installed and implemented prior to April 2002. Similarly in order to prepare for such a fundamental change in the system the government had to give councils and their partners and stakeholders considerable notice of the proposed changes and had therefore undertaken a national information campaign over the preceding three years. Following the Comprehensive Spending Review of 2002 and as part of the implementation of CPA the DWP provided discretionary grants to Local Authorities between 2002 and 2006 from a “Standardisation” fund to assist the implementation of the new verification framework.

The Benefit Fraud Inspectorate (BFI) was officially launched in November 1997, in response to government concerns about the estimated levels of fraud and attacks being made on the social security system (BFI 2007). However as part of CPA the role of the BFI changed significantly to assess the performance of the benefits services as well as to detect and deter fraud in the system. The BFI therefore existed formally as part of the CPA regime until April 2008 when the responsibility for the inspection and assessment of CTB and HB transferred to the Audit Commission in England, and the Wales Audit Office and Audit Scotland in the devolved administrative areas.

Although there have been some minor changes to the benefits administration systems and processes between 2002 and 2009 essentially the process has remained the same throughout the country throughout this period. In order to measure progress in providing better quality services and demonstrate comparative value for money a system of performance indicators and benchmarking standards for the benefits service were also established. However most of the benchmarks and standards used were either pre-existing or were amendments to existing performance indicators rather than being completely new indicators.

### **The monitoring of the administration of new claims and the antecedents of the Performance Indicator PM1.**

Although some individual service performance indicators were being developed by the Audit Commission immediately after its establishment in 1983, the commission started regular annual collection and publication of suites of national indicators in the 1990s with the first of their annual publications relating to the 1993/94 financial year (AC 1995). From 1993/94 the national indicator sets have always included data on the payment of HB and CTB, although at various times they have been called Audit Commission National Indicators, Best Value Performance Indicators, and more recently the “Housing Benefit and Council Tax Claims Administration Quarterly Performance Data”. Since the publication of the results for 2003/04 these have been published quarterly on the Department of Works and Pensions website rather than in written reports.

From 1993/94 there were eight benefit indicators collected and these included G1b and G2b which were “the percentage of new claims that were processed within 14 days of receipt” with the two indicators merely distinguishing between the two types of benefits. In 1996/97 two of the eight indicators were dropped but the remaining six, including the percentage processed within 14 days, were retained but were re-designated G1 and G2.

In 1999/2000 the suite of national benefits indicators were expanded to a total of 11 and G1 and G2 changed to the “average time for processing new claims” rather than the percentage paid within 14 days. Finally in 2000/01, newly re-numbered as BVPI 78a and with a tighter much more precise definition imposed, the commission collected “the average time taken for processing all new claims” conflating the statistics for both types of benefits into one indicator. Although this was later rebadged as PM1, the definition and quarterly collection of this indicator has remained the same since April 2000 and therefore the same throughout the CPA period from April 2002 to April 2009.

In April 2006 changes were made to the way the performance of the authorities was presented, effectively to bring it into line with the way performance is assessed under the Housing Benefit – Council Tax Performance Standards (DWP 2009b). Prior to 2006 an authority's performance was classified into one of four quartiles which produced a relative measure of performance. In 2006 the quartiles for each of the performance measures were superseded by grade ranges assessed against absolute benchmarks and these determined the standard of performance in each of the indicators with a score of 1 to 4 as follows

4 Excellent	Less than 30 days
3 Good	30-36 days
2 Meeting minimum standards	36-48 days
1 Not meeting minimum standards.	over 48 days

PM1 measures the average processing time in calendar days across all new claims for which the date of the full and final decision is made within that quarter. An excellent performance would mean the average processing time is less than 30 days; a good performance will be

between 30 and 36 days; authorities are deemed to be meeting minimum standards if performance is within the 36 to 48 day range and they are not meeting minimum standards if their average processing time exceeds 48 days. PM1 is therefore an output indicator rather than an input or outcome indicator. The “outcomes” of its administration, while very important, both to the recipients and to wider poverty and income distribution within local communities do not significantly affect the performance of the distributing authority.

PM1 was effectively reported as a relational indicator prior to 2006 but has since been assessed against the Housing Benefits-Council Tax Performance Standards which translates it into an absolute and standards based indicator. Fortunately as the raw data is also available on the DWP website it is possible to retrospectively re-calibrate and compare the performance of authorities between 2002 and 2006 against the current standards which is what we have done.

### **Some methodological and data issues.**

The data was collected by the local authorities and aggregated by the DWP. Covering 6 years is sufficient to produce a comparative longitudinal study over almost all of the lifespan of CPA. All of the information is publicly available, there are no issues over sensitivity or confidentiality and some summarised analysis has already been done at the national level by the Audit Commission (Audit Commission 2001 and 2009) which provides some reassurance or support to our research conclusions. The data is being used for the purpose for which it was originally collected, namely assessing comparative performance over time, and between local authority providers of the service. It was being used within a performance management framework which itself had been the subject of considerable consultation between the Government, the Audit Commission, the Local Authorities and all key stakeholders (AC 2009).

However, it is necessary to be aware of the significant methodological developments within the CPA framework between 2002 and 2009 and to be mindful that while generalisations about service improvement may be possible from the dataset across all delivery authorities over the lifecycle of CPA, some of the more detailed analysis may only be verifiable within the two organisational subsets of Unitary Authorities and District Authorities to which alternative CPA methodologies were applied. Similarly although there was no change to the collection and definition of the PM1 indicator over the CPA period there were significant changes to both the Unitary Authorities CPA methodology, as well as the District CPA methodology between 2005 and 2006 respectively (AC 2005). The importance or internal weightings ascribed to particular parts of the methodology, pieces of information or individual assessments therefore changed within these overall methodologies, and we must accept, at least the possibility of these changes influencing the detailed analysis and (potentially) our conclusions. However the weighting ascribed to the benefits services, unlike some other services, were only minimally affected by the changes within both the unitary authorities methodology and the districts methodology.

The second major issue usually identified when using official statistics from government departments or their agencies, is the problem of validity. Validity issues arise when inferences are drawn about the relationship between data in the data set when in fact other factors or events not captured by the data set have been responsible for the changes or impact. In this particular case more detailed research will need to examine whether any significant long term changes might have occurred to these variables without CPA such as changes to the numbers of people employed by the authorities in these roles, further changes to the technology utilised by authorities, or changes to the financial investment in benefits administration by the authorities (either individually or collectively) to assess whether these played a significant part in any improvement change or impact on performance. Finally as the benefits administration system partially relies on sources of information and advice from third parties

such as the other benefit providers<sup>2</sup> and applicants for benefits often seek and receive guidance and support from advice agencies such as the Citizens Advice Bureau. Future research may therefore need to ask whether changes or improvements to, these contributing agencies could account for any changes in the performance of benefits administration services over the CPA period.

We acknowledge that no definitive conclusions can be drawn on any of these potential external factors without further, more specific, research but during the course of our study, we discovered no sustained nor significant changes in any of these external resources in the course of our investigations sufficient for us to question our overall conclusions.

### The National Performance April 2002 to April 2009 and some selected regional analysis

The five graphs below show the overall performance of authorities over six of the seven years of CPA. During this time not all authorities managed to submit their individual returns on time for each quarter so it is not possible to report on either a “true” national or regional average from the published data. However in order to assess the long term overall performance the graphs below plot the performance of the best (reported) authority, the worst authority and the performance of the median authority between April 2002 and March 2009, both nationally and specifically in terms of three regions. As this is ordinal data, medians have been used to demonstrate long term trends rather than means as the latter is impossible for the authors to calculate.

### Figures 2, 3, 4 and 5 National and Regional Performance of national indicator PM1 2002- 2008

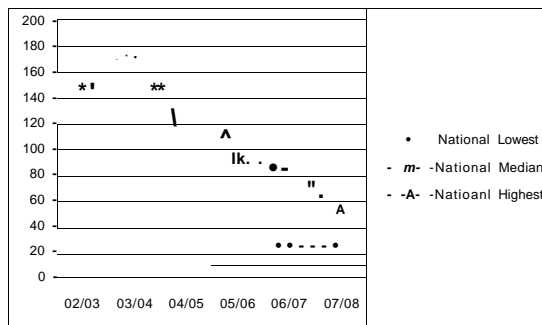


Figure 2 National PMI

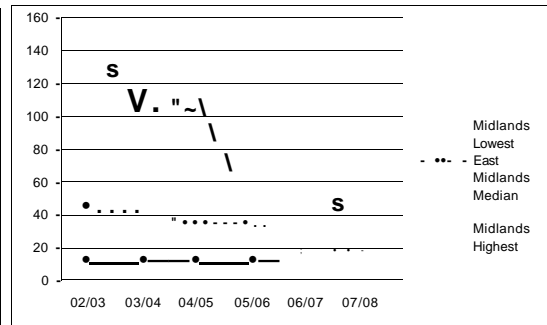


Figure 3 East Midlands PMI

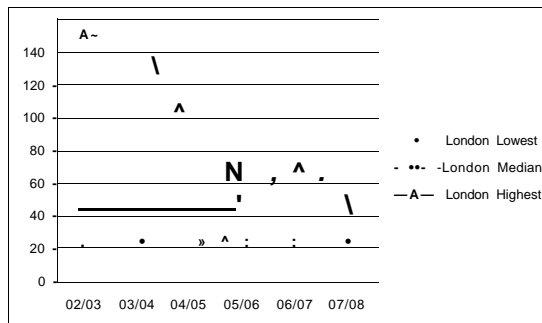


Figure 4 London PMI

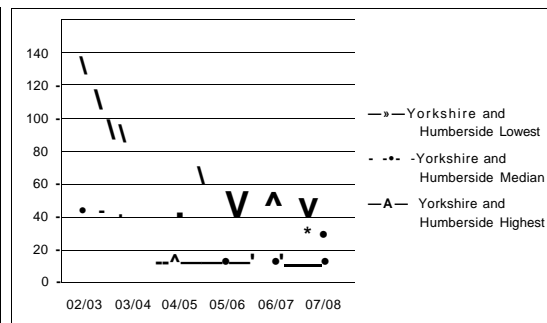


Figure 5 Yorkshire and Humberside PMI

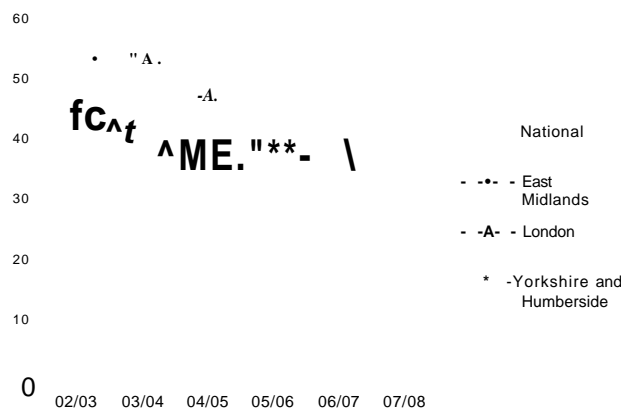
<sup>2</sup> This is principally Jobcentre Plus and HMRC who provide employment and other non housing and council tax benefits to an overlapping set of “customers”

It is clear from these graphs that authorities improved their performance fairly consistently overall throughout the whole period of CPA. Although there will always be a greater tendency for the poorer performing authorities to fail to return their performance on time (for obvious reasons the best performing authorities appear to have consistently reported their performance on time and subsequent quarterly “adjustments” were consistent minor downward adjustments), nevertheless the reported performance of the worst performing authority fell from a high of 174 days to 57 days over this period and the performance of the median authority improved from 44 days to 25 days. By way of comparison, in the pre-CPA year of Best Value in 2000/01 when the definition of PM1 was the same as under CPA, 9 out of 33 London Boroughs took in excess of 100 days on average for PM1 with Hackney, taking on average 205 days (DWP 2009b). Clearly the BV regime was not delivering the significant improvements later witnessed under CPA.

**Did the size, type, urban/rural nature or political control of authorities make any significant difference?**

Previous studies within the literature on local government performance management have examined the impact other factors such as size, type, urban/rural nature or political control ma have had on organisational performance (Andrews et al 2005, Communities and Local Government 2010). In order to explore in more detail these results and to see if there was any significant variations between large authorities and small authorities, or between predominantly rural authority areas and urban authorities and/or between authorities with different political controls (Labour, Conservative, Liberal Democrat or “No Overall Control”), the authors have also looked at individual authority performance in three regions of England for which consistent and comparable data is available.

**Figure 6 Median Values of national indicator PM1 within England; and in 3 Regions**



The regions examined were London, the East Midlands and Yorkshire and Humberside. These three regions were chosen because they allow us to make the comparisons highlighted above and because these were, uniquely, the only three regions that were not subject to any form of local government boundary changes or administrative reorganisation between 2002 and 2009 as a result of the opportunity for voluntary structural changes afforded by part 1 of the local Government and Public Involvement in Health Act 2007. In other words the responsibilities and the boundaries of all of the authorities remained exactly the same and there were no significant disruptions to their organisational context throughout the study period.

Coincidentally, these three regions were highly appropriate for this particular study. London is an area with comprehensive coverage of “all-purpose” or unitary urban authorities. The East Midlands is the region with the smallest number and proportion of unitary authorities (4) and



the highest number and proportion of small district authorities, having 13 of its authorities serving host populations of less than 85,000 residents. This is the size of authority at which “4<sup>th</sup> Option” Governance arrangements were allowed to continue under the Local Government Act 2000. Yorkshire and Humberside is one of those regions in the middle with 14 unitary authorities and 7 District Councils delivering CTB and HB services. The results for each of the three regions are shown in Tables 1, 2, and 3 below. The figures shown represent the number of days individual authorities on average took to register a claim. The shading represents their performance against the CTB and HB Performance Standards referred to above and both give a very graphic representation of the significant improvements in the service to claimants over the CPA period.

These results also demonstrate that the type of authority again has had surprisingly little impact on the levels of improvement achieved. There is as much variation in the performance of the three different types of authorities, London Boroughs, Unitary Authorities and District Councils as there is within their individual groups as there is between types of authority.

**Table 1 The performance of London authorities 2002-2008 when compared to the CT and HB Performance Standards introduced in 2006**

	02/03	03/04	04/05	05/06	06/07	07/08
Camden	40	55	60	41	32	23
London (City of)	25	26	34	30	23	23
Hammersmith and Fulham	68	56	59	45	28	25
Kensington and Chelsea	46	33	32	29	32	27
Wandsworth	68	69	57	42	39	33
Westminster	74	61	77	44	40	34
Hackney	151	141	117	55	26	21
Haringey	54	50	47	42	40	35
Islington	97	82	57	36	28	26
Lambeth	133	101	89	53	N/S	27
Lewisham	39	40	36	31	30	26
Newham	62	38	54	41	47	36
Southwark	50	34	39	41	34	39
Tower Hamlets	47	42	52	33	28	25
Barking and Dagenham	46	46	68	41	30	23
Bexley	50	46	36	35	31	28
Enfield	67	49	44	31	34	28
Greenwich	45	50	30	29	31	33
Havering	57	74	40	31	27	25
Redbridge	49	39	30	31	32	37
Waltham Forest	69	78	55	26	24	21
Bromley	88	66	42	33	33	29
Croydon	41	62	30	27	28	23
Kingston upon Thames	68	56	47	39	33	27
Merton	56	60	40	20	25	36
Sutton	54	53	42	31	27	24
Barnet	55	53	39	30	77	28
Brent	86	56	40	36	35	26
Ealing	80	40	44	51	70	45
Harrow	87	78	27	23	21	20
Hillingdon	42	57	59	26	22	24
Hounslow	49	46	47	45	39	43
Richmond upon Thames	30	31	49	31	27	19

Grade 4	Less than 30 days
Grade 3	30-36 days
Grade 2	36-48 days
Grade 1	over 48 days

**Table 2 The performance of East Midlands authorities 2002-2008 when compared to the CT and HB Performance Standards introduced in 2006.**

	02/03	03/04	04/05	05/06	06/07	07/08
Derby	79	55	49	39	58	36
Leicester	141	111	69	57	59	32
Nottingham	120	63	35	28	29	28
Rutland	42	39	57	25	24	21
<b>Derbyshire</b>						
Amber Valley	42	67	54	40	27	32
Bolsover	20	22	38	47	28	19
Chesterfield	26	26	32	33	29	27
Derbyshire Dales	25	23	28	31	26	17
Erewash	83	70	35	40	29	27
High Peak	21	22	22	17	20	21
North East Derbyshire	48	57	49	32	28	23
South Derbyshire	14	15	15	25	29	28
<b>Leicestershire</b>						
Blaby	49	49	35	39	39	31
Charnwood	35	32	31	30	31	27
Harborough	32	39	33	42	35	30
Hinckley and Bosworth	43	41	37	51	26	21
Melton	55	43	44	27	27	32
North West Leicestershire	19	25	25	38	31	24
Oadby and Wigston	34	45	29	51	40	31
<b>Lincolnshire</b>						
Boston	43	37	57	41	60	24
East Lindsey	35	39	38	41	25	16
Lincoln	54	33	39	33	34	28
North Kesteven	35	37	38	24	29	19
South Holland	30	31	36	32	29	28
South Kesteven	46	45	42	35	33	28
West Lindsey	45	46	39	39	34	23
<b>Northamptonshire</b>						
Corby	50	51	48	40	27	19
Daventry	29	30	30	34	42	25
East Northamptonshire	29	35	24	24	30	28
Kettering	75	52	31	39	31	32
Northampton	96	82	63	61	37	24
South Northamptonshire	53	99	105	35	24	22
Wellingborough	44	35	41	36	30	27
<b>Nottinghamshire</b>						
Ashfield	54	38	39	37	31	32
Bassetlaw	43	47	50	29	27	23
Broxtowe	50	69	45	50	31	28
Gedling	45	44	37	42	32	23
Mansfield	36	34	33	29	27	25
Newark and Sherwood	34	40	31	44	35	23
Rushcliffe	31	26	26	32	28	21

Grade 4	Less than 30 days
Grade 3	30-36 days
Grade 2	36-48 days
Grade 1	over 48 days

**Table 3 The performance of Yorkshire and Humberside authorities 2002-2008 when compared to the CT and HB Performance Standards introduced in 2006**

	02/03	03/04	04/05	05/06	06/07	07/08
East Riding of Yorkshire	27	27	23	20	19	18
Kingston upon Hull, City of	43	36	62	25	24	20
North East Lincolnshire	56	42	36	35	23	17
North Lincolnshire	33	24	27	32	33	29
York	58	n/s	73	40	34	29
<b>North Yorkshire</b>						
Craven	58	74	33	28	20	19
Hambleton	53	62	42	29	24	20
Harrogate	48	48	42	35	29	27
Richmondshire	37	23	14	18	23	34
Ryedale	44	35	38	29	30	27
Scarborough	43	48	47	28	25	19
Selby	60	40	44	25	22	21
<b>South Yorkshire</b>						
Barnsley	68	74	42	36	31	23
Doncaster	37	35	26	30	25	23
Rotherham	31	31	28	27	27	26
Sheffield	46	49	41	37	55	37
<b>West Yorkshire</b>						
Bradford	36	37	36	24	31	31
Calderdale	75	47	38	38	26	29
Kirklees	135	60	40	30	30	30
Leeds	41	33	79	44	31	28
Wakefield	69	82	50	41	27	27

Grade 4	Less than 30 days
Grade 3	30-36 days
Grade 2	36-48 days
Grade 1	over 48 days

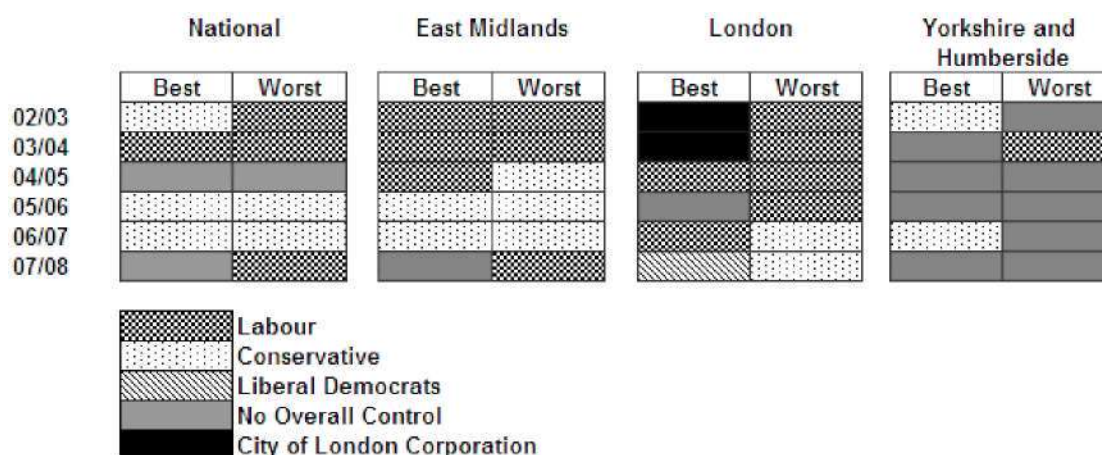
Throughout the CPA regime there has been little difference in the main political parties attitude to the regime with the national Local Government Association (which includes all authorities) maintaining a largely bi-partisan approach throughout the whole period. The national results clearly show that the nature of the political control of an authority has had surprisingly little influence on performance and figure 7 illustrates this by showing the political control of the authorities with the best and worst performance in each year over the CPA period. The table also shows the political control of the best and worst performing authorities in each of the three regions referred to above.

Mann-Whitney<sup>3</sup> tests have been carried out to establish whether there are significant differences between those authorities that remained in Labour control throughout the time period or those that remained in Conservative control.<sup>4</sup> These tests establish that the median times of the Labour controlled authorities were significantly higher than the Conservative authorities in 02/03 but that there was no significant difference between the reductions in median times between 02/03 and 07/08 and there is also no significant difference between the median times of the Labour and Conservative authorities in 07/08.

<sup>3</sup> Mann-Whitney U tests are used to test the difference between the medians with an approximately 95% confidence interval

<sup>4</sup> There were only two authorities from the three regions evaluated that remained in Liberal Democrat control throughout the evaluation period and therefore the Liberal Democrat authorities have been omitted from this analysis

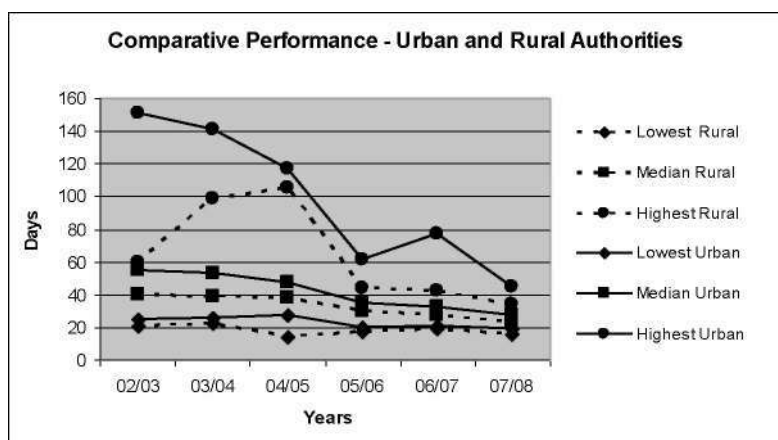
**Figure 7 Party Political Control of the best and worst performing authorities during 2002 to 2008**



Source: DWP Housing Benefit CT and HB statistics and Municipal Yearbooks 2002/03 - 2008/09

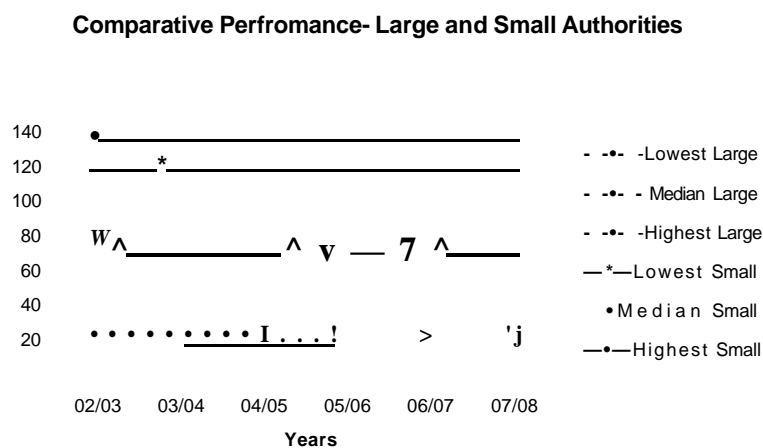
In order to compare rural authorities with urban authorities we have taken predominantly rural authorities as those authorities who are members of the former Local Government Association affiliated group reserved for the 50 authorities that represented the “most sparsely populated areas” of England and compared these to those authorities with only urban or built up areas within their administrative boundaries. This latter group is not just the London Boroughs but includes for example the relevant cities and suburban authorities in the other two regions. Mann-Whitney tests and figure 8 below are therefore based upon the results from the 46 urban authorities and 20 rural authorities listed in the footnote . The Mann-Whitney tests demonstrate that reductions in median times for both rural and urban authorities between the years 02/03 and 07/08 is significant. Figure 8 below shows that whether the authority was rural or urban had little impact upon the trend of reduction in payment times achieved although a Mann-Whitney test does demonstrate that the reduction in the median time in urban authorities is significantly higher than those in rural authorities .

**Figure 8 Urban and Rural authorities 2002-2008 East Midlands, London and Yorkshire and Humberside**



We also compared large authorities with small authorities to see if there were any significant differences between these groups. Large authorities are defined as those having both large resident populations to serve and large budgets with which to serve them. We therefore defined large authorities as those serving populations of over 200,000 (there are no district authorities serving populations in excess of 200,000) and net revenue budgets in excess of £250m in 2002/03. We defined small authorities as being those 4<sup>th</sup> Option authorities serving populations of less than 85,000 and with a 2002/03 budget of less than £25m in 2002/03. In London not even the City of London Corporation falls within the smaller category and 21 of the 33 London Boroughs fall into the large authority category. In the East Midlands 15 authorities fall into the smaller authorities category and 3 into the larger authorities category while in Yorkshire and Humberside 10 fall into the larger and 4 into the smaller categories. Figure 9 below and the Mann-Whitney U tests are based upon the results from 34 large and 20 small authorities and helps to demonstrate how the performance of the service is not directly dependent on the size of the authority. The Mann-Whitney tests demonstrate that reduction in median times for both small and large authorities between the years 02/03 and 07/08 is significant. However they also show that the reduction in median times within the larger authorities is significantly higher than the those within the smaller authorities.

**Figure 9 Large and Small authorities 2002-2008 East Midlands, London and Yorkshire and Humberside.**



## Conclusions

There was sustained and significant improvement in the performance of the CTB and HB services administered by local authorities throughout the CPA period and this significant improvement occurred irrespective of the size or type of authority, the nature of the political control of authorities or the urban or rural nature of the administrative areas. This improvement was mirrored by general improvement of local government services throughout the CPA period which shows that the improvement in benefits was not achieved at the expense of other services (AC 2009).

The significant improvements in the outputs of the benefits administration system do not appear to have been the result of significant increases in the inputs to the system, and even if evidence could be provided of this, there is a strong possibility that this could also be attributed to the external trigger for performance improvement arising from the introduction of the CPA regime. After the implementation of the new verification framework and notwithstanding the support from the DWP Standardisation Fund between 2002 and 2006 there was no substantial improvements in information technology or in the resources applied by either local authorities or other parties outside of local authorities that are (albeit indirectly)

involved in the process. There will clearly have been individual changes to the input mix in all authorities, but improvement essentially came about and was sustained because of improvements in knowledge and knowledge transfer, because of the way with which resources were applied and better inter-related and because the CPA regime itself acted as a catalyst, a motivator and a supporting infrastructure for widespread service improvement.

It is reasonable to claim that the improvements in the services by almost all English local authorities over this period represented sustained and widespread improvements over a whole service sector or organisational field. In these circumstances and in terms of the theory of organisational change, we would contend that the CPA regime itself acted as the “change agent” for the system as a whole. Taking this a stage further and looking forward to further potential studies, our findings suggest that institutional isomorphism operated at the service level. Such theoretical interpretations have been used in the past to explore the development of new public management (NPM) (McSweeney and Duncan 1998, O Shea 2007), local government modernization (Wayenberg 2006) and political decision making (DiMaggio and Powell 1991a, Goldman 2005). Institutional isomorphic change can arise due to three potentially interrelated mechanisms: coercive, mimetic and normative isomorphism (DiMaggio and Powell 1991) which are now widely adopted by social scientists (Currie 2009). Coercive isomorphism implies the presence of some external force or organisation (a higher level of government for example or the imposition of CPA) and may be both formal and informal. Mimetic isomorphism uses the modelling (or benchmarking) of other organisations within the field in order to imitate innovation, whereas normative isomorphism results from the gradual professionalisation of an organisation or service over time. Furthermore, isomorphism could be the result of individuals or organisations responding rationally, to uncertainty; to sanctions or constraints; or to institutional rewards both financial or regulatory (all of which were present in the governments CPA regime), leading to cross-organisational homogeneity (DiMaggio and Powell 1983, Currie 2009). It could therefore be interpreted that improvements in service delivery across the sector were a result of such forces for change.

The trigger for change may be interpreted as coercive due to the external pressure of the CPA and the “visibility” of performance this brought at the corporate or political level; mimetic through the active modelling or benchmarking of good local authorities by the DWP, or normative through the increased professionalisation of the service over time either through employee transfer between organisations, the influx, through outsourcing, of large corporate service providers or the transference of skills through the mimetic process. There is also the possibility that such isomorphic change represented a progression through each of the three mechanisms as a result of rational decision making, not least in those organisations that were originally very poorly performing. At this stage the theoretical interpretation of the findings are inconclusive and would require further investigation through a more interpretivist study, using case studies and interviews, to establish the causes underlying the improvement in performance in individual authorities. It may be that there has been a shift in performance through punctuated equilibrium, characterised by periods of stasis or incremental change, punctuated by large scale change episodes (Bovaird 2008). If this was the case, then the CPA, as an overarching and highly visible performance management framework, may indeed have acted as both an inter-organisational and intra-organisational catalytic trigger (Osborne et al 1995). Notwithstanding these possibilities, our study suggests that the implementation of CPA and the inclusion of the performance of the Benefits Services within CPA acted as a coercive trigger that promoted a combination of both mimetic and normative isomorphism across the service leading to widespread sustainable improvements in the services to claimants.

## Notes

- 3 Authorities defined respectively as “urban” and “rural” authorities in the East Midlands, and Yorkshire and Humberside.
  - a) The East Midlands rural group (13) comprises Rutland, Melton and Harborough in Leicestershire; Newark and Sherwood in Nottinghamshire; Derbyshire Dales and High Peak in Derbyshire; East Lindsay West Lindsay North Kesteven, South Kesteven and South Holland in Lincolnshire and Daventry and South Northamptonshire in Northamptonshire. The urban group (8) includes Nottingham, Derby and Leicester unitary authorities but also Chesterfield BC, Mansfield DC, Oadby and Wigston BC, Lincoln CC and Northampton BC.
  - b) In Yorkshire and Humberside the rural group (7) includes Craven, East Riding of Yorkshire, Harrogate, Hambleton, Richmondshire, Rydale and Selby while the urban group (5) includes Hull, Leeds, Sheffield, Rotherham, and York
- 4 Authorities defined respectively as “large” and “small” authorities
  - c) Large London Boroughs (21) – Barnet, Croydon, Ealing, Bromley, Wandsworth, Lambeth, Enfield, Hillingdon, Brent Lewisham Redbridge, Southwark, Westminster, Newham, Havering, Waltham Forest Haringey, Bexley, Greenwich, Harrow and Hounslow.
  - d) Large East Midland authorities (3) – Nottingham Derby and Leicester
  - e) Small East Midlands authorities (16) – Bolsover, South Derbyshire, Derbyshire Dales; Corby, Daventry, East Northants, Kettering, South Northants, Wellingborough; Boston, Lincoln City, West Lindsay South Holland, Harborough Melton and Oadby and Wigston.
  - f) Large Y&H authorities (10) – Leeds, Sheffield, Bradford, Kirklees, Wakefield, East Riding, Doncaster, Hull, Rotherham and Barnsley
  - g) Small Y&H authorities (4) – Rydale, Richmondshire, Craven and Selby

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