Unfinished business?

Local government reorganisation and social services

Gary Craig and Jill Manthorpe

JR
JOSEPH
ROWNTREE
FOUNDATION

Community Care

The *Community Care into Practice* series has been established by *Community Care* and the Joseph Rowntree Foundation to make research available in the social care field to a wide audience of managers and practitioners.

Community Care is the leading magazine in the field of social care. It has supported this report as part of its commitment to debate and the dissemination of information.

The report was written by **Gary Craig**, Professor of Social Policy and Head of the Policy Studies Research Centre, University of Lincolnshire and Humberside, and **Jill Manthorpe**, Lecturer in Community Care, University of Hull.

Contents

When I came to consider local government, I began to see how it was in essence the first-line defence thrown up by the community against our common enemies – poverty, sickness, ignorance, isolation…

<div align="right">

Winifred Holtby
South Riding, 1936

</div>

Part I

British local government reorganisation in the 1990s

1

The political and policy context

The historical context of reorganisation

The reorganisation which absorbed much local government energy throughout the mid-1990s originated in the 1990 Conservative Party leadership election when Michael Heseltine included a commitment to local government restructuring in his manifesto. This commitment was in part a tactical response (in ex-Chancellor of the Exchequer Nigel Lawson's terms, "an oversized cloak"), to the poll tax debacle: local government was to be reviewed in terms both of its immediate financial base and its structure. As Secretary of State for the Environment after John Major became leader, Heseltine began the process which culminated in 1998 with the final phase of reorganisation in England. The argument for reorganisation, however, did not stem from any rational policy development process, nor did the government, during the review process, identify a clear role for local government. One government aim was, however, to abolish three allegedly unpopular 'shire counties', Avon, Cleveland and Humberside.

Debates about local government restructuring had been prominent for some years. The Redcliffe-Maud Commission (1969) was, however, the last major formal, strategic inquiry into English local government; it argued that strategic authorities were fragmented, responsibilities were inefficiently divided between counties, districts and county boroughs, and that many authorities were too small in both size and financial base to be effective. It proposed a largely unitary English local government system but the government of the day did not adopt this recommendation. Ironically, given that the 1996 Scottish reforms led to the creation of smaller local authorities, the parallel earlier Scottish Wheatley Report (1969) argued that economies of scale justified creating large regional councils with strategic social work responsibility.

Given the hostility between local and central government throughout the 1980s and the early 1990s, reorganisation was widely interpreted as

further evidence that the government was intent on undermining the democratic power base of (largely) Labour local authorities. The Labour Party in Parliament itself mounted little opposition to the emerging pattern of reform. Indeed, the prospect of unitary urban authorities being removed from their rural hinterlands was attractive to Labour, offering the likelihood of them being returned to Labour control. At the same time, other policy developments (including compulsory competitive tendering, local management of schools and community care legislation) had shifted the role of local government piecemeal towards a system of 'local governance' in which local authorities increasingly had an 'enabling' role rather than one of monopoly service providers (Stewart, 1988; Stewart and Stoker, 1994).

Senior local government representatives, supported by a range of academic opinion (Leach, 1993; Stewart, 1993; Pycroft, 1995) argued that reform should have been preceded by a strategic review of local government finance, electoral arrangements, roles and functions. Government declined to undertake this review and, throughout the process of reform, more or less consistently maintained a preference for the replacement of the existing structure outside the metropolitan areas by a system of unitary (ie single-tier all-purpose) authorities. As Davis (1997, p iii) notes, "a second extraordinary feature was the way in which the whole process was founded on the unitary concept but without any attempt to articulate a rationale." As a result, the process was flawed from the start. While the unitary approach was strongly favoured, government left open the possibility of retaining two-tier arrangements, a codicil to its position which became an invitation for local authorities to go to war to defend their interests against neighbouring authorities seeking, in effect, hostile take-overs or mergers. And the decision to conduct the review in England at least, in stages, inevitably meant that outcomes would be fragmentary and inconsistent. Areas were reviewed but neighbouring areas left until later stages, an approach which undermined a strategic approach to local issues. For an analysis of the way in which the 'unitary principle' was steadily undermined, see Game (1997).

The unitary view prevailed, however, in Scotland and Wales, where the process of reform was driven through by the respective Secretaries of State (see Chapter 2). In England, where the process and outcomes

depended to a larger degree on the, at times, unpredictable outcomes of the work of an 'arm's-length' Local Government Commission (LGC), (Davis, 1997; Stewart et al, 1997) the unitary model was, as a result, not universally pursued, particularly following a legal challenge by some county councils. In the light of the government's increasing desire to free itself from an uncomfortable political corner by bringing what was coming to be regarded as a messy political process to a rapid end, some English councils latterly successfully opposed the unitary option. (The-then Secretary of State for the Environment, John Gummer, made an earlier attempt to end the process in 1993 with the fate of many authorities undecided, but was over-ruled by the Prime Minister who saw it as one U-turn too many [Davis, 1997].)

The objectives of change

The two key criteria originally identified by the government as shaping the new structure of local government were 'costs' and 'community identity' with a former Secretary of State for Health characterising the aim of the review as seeking "effective and convenient local government" (DoH, 1995a, p 1). In Scotland, additionally, the review process emphasised the issue of the decentralisation of services (Martin, 1995). The debates regarding these criteria have been reviewed in detail elsewhere (Craig and Manthorpe, 1996), the issue of size being identified as critical. Estimates of the future costs of proposed new authorities were one terrain over which fierce political battles were fought. The impact of size on cost via economies of scale, for which there was independent research evidence (Travers et al, 1993; Boyne, 1995) was discounted by the LGC, thus permitting smaller authorities than had originally been anticipated. It was also argued that the question of the critical mass for an authority might differ in respect of differing services. The government appeared to take the view that size was a less significant issue where local authorities were moving more towards the role of 'enablers' rather than direct service providers.

The issue of the cost of reorganisation has never been resolved satisfactorily. In Scotland alone, the costs of transition were estimated by the Scottish Office to be £146m but by the Convention of Scottish Local Authorities at between £375m and £720m (CoSLA, 1994). In Wales, the Welsh Office acknowledged transition costs of more than £100m; more than £50 per resident in each case. Estimates are most

disputed in relation to the net costs or savings of service delivery, an argument clouded by assumptions about decisions about service patterns and policy priorities and by some local authorities bidding down likely costs as part of 'beauty competitions' for unitary status. The direct costs to government through the work of the Scottish and Welsh Offices and the LGC in England were in the order of £30m.

In respect of the issue of 'community identity', the LGC's market research (Game, 1997) took a narrow view in terms of local people's identification with place or with specific existing local authorities (and thus with levels of local taxation) rather than, for example, in terms of journey-to-work patterns across rural-urban divides, or (generally larger) areas which might make more sense as strategic socio-economic planning frameworks, as had been debated in the 1969 reviews of local government. Research post-dating the LGC's work further undermines its approach to community identity (Young et al, 1996). Arguments made in support of smaller authorities as reducing the 'distance' of authorities from those they served might, many larger authorities argued, be weaker in any case in social services work where decentralisation, delegation or contracting-out were widespread.

The LGC, responding more strongly to local views than the government appeared to wish (a tension eventually leading to the enforced resignation of the LGC's Chairman and to a subsequent regime within the LGC less sensitive to public opinion: Stewart et al, 1997) made a series of recommendations which are best described as markedly inconsistent. The political dealing preceding final LGC decisions and consequent contradictions have been analysed in case studies of Leicestershire (Wilson, 1996), Oxfordshire (Stott, 1997), and Hampshire (Cope et al, 1997).

Much of the debate about desirable structural outcomes of reform consequently revolved around the appropriate size for the new authorities, with larger existing authorities (supported in England, for example, by the Association of County Councils) arguing for large unitaries and smaller ones (represented by, inter alia, the Association of District Councils) for smaller authorities. The reality of the process of change, in the absence of a consensus on the role and function of local government, was characterised variously by commentators in terms of

policy confusion, shifts in emphasis, political horse-trading, local government division and, belatedly, central government attempts at damage limitation (Leach, 1994; Boyne et al, 1995; Pycroft, 1995; Bransbury, 1996; Wilson, 1996; Leach and Stoker, 1997). Detailed accounts of the work of the LGC in England are given in Davis (1997) and Stewart et al (1997), and of the process of reform in Scotland and Wales in Boyne et al (1995), Fairley (1995) and the reports of the Unit for the Study of Government in Scotland (USGS, 1996). Stewart et al's (1997, p 57) judgement was that the "Local Government Commission for England had a significant impact on the outcome of the review and was beyond the full reach of central government control", but that a "Commission might have had no major impact in Scotland or Wales."

2 The process of reorganisation

Local government structure before reorganisation

Prior to 1995, local government in the British mainland was structured as follows (Northern Ireland was excluded from our studies[1] as it has a distinctive local government structure reflecting local political conditions). In Scotland, 9 regional councils exercised strategic functions (including social work) with 53 district councils providing housing and other more local services. This two-tier structure was replicated in England and Wales (outside of the major urban areas) with English and Welsh county councils being responsible for social services.[2] Within English metropolitan conurbations, a two-tier system also operated until the abolition of the metropolitan counties in the mid-1980s; however, in these metropolitan areas, the lower (district) tier was responsible for social services work alongside housing functions. Throughout the whole of the British mainland, a third, very local, tier of government (normally designated 'parish' or 'community' council) with small tax-raising powers, exercised a narrow range of statutory and non-statutory functions such as street lighting and footpath maintenance. This structure had been in place, with some changes (including the abolition in the 1980s of strategic authorities in the metropolitan areas of London, Tyneside, West and South Yorkshire, Greater Manchester, Merseyside and the West Midlands) since the early 1970s.

The process of structural change

In both Scotland and Wales, the close government control exercised over reform led in 1996 to country-wide systems of unitary authorities (the original timetable for Welsh reform being delayed by prolonged disputes both between central and local government and within local government). In Scotland, the 9 strategic regional councils created in the 1970s and 53 district councils were replaced by 32 single-tier authorities, some of the latter seemingly reflecting party political advantage rather than considerations of size or natural boundaries

(Midwinter, 1993). Only the three island councils, covering Shetland (population 23,000), Orkney (20,000) and the Western Isles/Comhairle Nan Eilean (28,000), each effectively unitary authorities since the 1975 Scottish reorganisation, retained existing boundaries and functions. In Wales, the 8 county councils and 37 district councils were replaced by 22 unitary authorities, only Powys remaining with (virtually) unchanged boundaries.

In England, the process of change, being less-centrally directed, was open to variable outcomes. As a result, the existing two-tier English local government arrangements were replaced, by 1998, by what Waddington (1995) has described as "a packet of allsorts", involving:

● the retention of some two-tier county/district arrangements, a few retaining pre-1996 boundaries (eg Lincolnshire) but most within reduced county areas (eg Dorset);

● the abolition of the three allegedly unpopular shire counties (Avon, Cleveland and Humberside) and their replacement, each by four new unitary authorities;

● the creation of urban unitary authorities split off from pre-existing counties. The latter became smaller two-tier 'hybrid'[3] counties (eg a 'new Hampshire' alongside unitary Southampton and Portsmouth councils); and

● the creation of some largely rural unitaries (eg Rutland, East Yorkshire, Herefordshire, and the Isle of Wight).

In England, a total of 46 unitary authorities were created by April 1998, leaving in their wake 21 'new' counties. For example, York became a unitary authority in 1996 taking with it about 20% of the former population of North Yorkshire; Leicestershire lost, in 1997, 36% of its population to Leicester and Rutland unitary authorities. A chronology of change is shown in Appendix B. Table 1 (see opposite) outlines the key events during this process of reform.

Table 1: Key events in local government reorganisation

December 1990	Michael Heseltine appointed Secretary of State for Environment with manifesto commitment to local government reform (LGR).
January 1991	Review of local government announced.
April 1991	Consultation paper on local government structural reform advocates unitary principle.
June 1991	Consultation papers on reform in Scotland and Wales.
November 1991	Local Government Bill, establishing Local Government Commission (LGC) for England.
March 1992	Local Government Bill becomes Act.
April 1992	General election victory for Conservatives: Michael Howard becomes Secretary of State for Environment.
July 1992	LGC starts work in 10 English areas.
October 1992	Four options published for Scotland.
December 1992	Unitary proposals for Isle of Wight.
May 1993	Proposals for further nine English areas: some include non-unitary options.
July 1993	John Gummer becomes Secretary of State for Environment: proposes scaling down and speeding up of process of LGR but is largely overruled.
	Scottish LGR White Paper published.

November 1993-January 1994	Final proposals for six areas published including 'mixed' options. Second review ordered in some areas.
January 1994	Legal challenge to presumption that unitary status will prevail, won by county councils.
June-September 1994	Reports published for remaining county areas.
July 1994	Welsh reorganisation enacted.
October 1994-January 1995	Final proposals for most remaining counties.
November 1994	Scottish reorganisation enacted.
March-December 1995	Re-reviews of a number of authorities. John Banham resigns as Chair of LGC.
April 1995	Isle of Wight becomes first unitary.
March 1996	Most re-reviews agreed after legal challenges.
April 1996	Thirteen unitary authorities created in England, whole of Wales and mainland Scotland reorganised.
July 1996	Abolition of Berkshire agreed by House of Lords: end for formal LGR process.
April 1997	Second tranche of English reorganisation.
April 1998	Third tranche of English reorganisation.

As reorganisation approached, there were a number of structural features which seemed likely to have (as proved to be the case) important impacts on patterns of service provision. First, the political histories and futures of new authorities were of significance. As urban

cores were separated from rural hinterlands, the likelihood of a return to more polarised patterns of political control with predominantly Labour urban authorities and Conservative rural ones seemed strong (in contrast with the-then – in 1996 – position of very many local authorities under 'mixed' political control). This polarisation began to be reflected in the local government elections of 1997 and 1998.

Second, structural outcomes were variable and bore differing political relationships to what had gone before. Some new authorities (both unitary urban areas and more rural 'residual' areas) regarded themselves as 'continuing' authorities from those in existence immediately preceding reorganisation, despite name changes (for example, the pre-reorganisation Thamesdown becoming Swindon), while others were entirely new, being created either from a combination of previous second-tier districts and/or boroughs (for example, East Yorkshire, created from five former district councils). The 'continuing' authorities included many large towns and cities outside the metropolitan areas, which were now 'upgraded' from second-tier authorities back to being first-tier unitary authorities. Many had a corporate memory reaching back prior to 1974. Members, in particular, in these authorities viewed the 1990s changes as returning to them functions, including social services, which were (inappropriately, in their view) taken away 25 years earlier and given to county authorities, often then dominated by political parties of a different persuasion. Some authorities (eg Herefordshire, Isle of Wight) existed prior to 1995 and continued after reorganisation but within a single-tier structure rather than the previous two-tier arrangements. And, uniquely within England outside of the three 'unpopular shires' which disappeared in 1996, one county (Berkshire) was replaced in 1998 entirely by (six) unitaries. These examples illustrate the unusual, politicised and inconsistent mix of factors leading to a wide range of outcomes from what was potentially a consistent review process.

The most significant structural issue remained the question of size; more precisely, the population base and distribution of the new authorities. Powys remained uniquely more or less on its pre-existing boundaries as the largest Welsh unitary in size (with its second-tier authorities of Montgomeryshire, Radnorshire and Breconshire being abolished) but its largely rural population was less than half that of

the urban Cardiff authority, despite being forty times larger. The smallest unitaries created in Scotland and Wales were respectively, Clackmannanshire (population 49,000) and Ceredigionshire (67,000). The LGC regarded the new Rutland, the smallest of all unitaries (population 33,000), as 'an experiment' in local government (DoE, 1995a), although this may have been a post-hoc rationalisation of what was, perhaps more than in many other instances, a decision borne out of local political expediency.

The findings of this (and other related research) suggest that the size of the new authorities may be critical in determining whether social services authorities are able effectively to meet their legal and other responsibilities. However, the creation of smaller authorities may also have other, indirect, effects. For example, research conducted prior to reorganisation revealed concerns that the creation of a larger number of smaller authorities, particularly accentuating the rural-urban divide, would lead to more strongly divergent levels of provision in different areas (Craig, 1993), concerns emphasised by Pickford (1997, p 5): "one impact of local government reorganisation is the translation of these [service level] variations from intra- to inter-authority issues".

Notes

1 The scope of the studies on which this report draws are outlined in Appendix A.

2 The term 'social services' is used also to incorporate the more common Scottish usage of 'social work'.

3 The appropriate descriptor for these authorities was a cause of some difficulty with a search for terminology which did not label them as second-best to the 'new' unitaries: hence the widespread rejection of terms such as 'downsized', 'hybrid', 'residual', 'continuing' and even 'doughnut' – with the association of the jam being in the urban unitary core – by counties during the period of transition. As the process of reform recedes into memory, the adjective 'new' is also disappearing from official descriptions.

3
Unfinished business? The costs and benefits of reorganisation

… when reorganisation takes place, it tends to dominate the stage and it inevitably has consequences, not always foreseen, of its own… (Jane Lewis and Howard Glennerster, 1996, *The new community care)*

The overall cost-benefit analysis of the outcomes of reorganisation varies markedly from authority to authority and also within authorities. However, there are general conclusions to be drawn both in terms of process and short-term outcomes.

First, the turbulence of each reorganisation may appear to be relatively short term but the impact of a single reorganisation reverberates and has been followed by further reorganisations within newly established authorities. Many of those reorganised continue, in 1999, to experience structural changes associated with their new status, and as the reality of their new existence is absorbed. These are quite separate from other changes prompted by the external environment such as the wide range of new initiatives introduced by government since the 1997 General Election.

While social services departments were not perceived as central to debates about the size and function of local authorities during the LGR consultation exercise, in reality they are politically highly visible parts of the local authority and represent major elements of its expenditure and staffing. For new authorities, a move to unitary status was frequently accompanied by an increased corporate emphasis in which departments, previously relatively independent, were drawn together through increased central coordination. The growing trend towards corporate management of local authorities has been noted by other observers but it is clear that LGR provided new opportunities – or

imperatives – for centralising forces within local authorities to draw together policy and planning staff from differing backgrounds, most obviously from social services and housing. In some areas closer links have also been established with environmental health or education.

In principle, of course, the bringing together of departments such as housing and social services, or the closer working between health, social services and education, can be seen as a response to the failures of community care, or the need to develop strong corporate (or at least 'partnership') agendas around issues such as public health. On the ground, however, this merging of functions seemed slow to translate into concrete benefits and there were, in any case, still tensions to be resolved. Social services' functions and responsibilities extend to individuals and client groups while housing is more locality and functionally-focused. Users also reported that while a common approach from a local authority might be beneficial in some ways, there were also issues of confidentiality which they held to be important and, at a very basic level, bureaucratic hurdles to be resolved such as that experienced by a resident of an old people's home (funded by the local authority) being required to continue to pay rent on his local authority flat as he had not given appropriate notice. The merging of departments has the potential to provide new opportunities but it may be that these will only emerge in the medium term and will have to be underpinned by shared training, joint procedures and priority setting.

Unitary status in itself does not solve these problems, as many of the residents of metropolitan districts and London boroughs which have been unitary for 25 years or more can testify. The centralising tendencies which these processes emphasised, also were in tension with professed interest in 'bringing services closer to the people', and strengthening a 'user' perspective, both potentially more feasible in smaller authorities. The reduction in size of many local authorities also meant that their capacity to maintain strong policy and research functions was circumscribed. In some larger rural authorities, centralisation was almost entirely an economic response: authorities could not sustain the infrastructural costs (especially travel) of having many, particularly senior, outposted staff, and users became, physically and metaphorically, more distanced from the service.

Parallel research to that reported here suggested that unitary authorities were, on balance, as likely to centralise as to decentralise (Fenwick and Bailey 1997).

Reform certainly provided new opportunities for authorities to address difficult questions about policy and service provision. Some service users simply associated LGR with unwelcome outcomes such as the closure of residential homes or day centres and the introduction or extension of charges. The tightening local government financial situation may have compelled such changes on economic grounds alone but it is clear that new structures provided political cover for authorities to tackle issues that had hitherto been regarded as 'sacred cows'. For staff working in such facilities, changes were not always perceived as improvements and for some users and carers the diminution of the local authority's 'stock' provision indicated an unwelcome departure from the idea that the local authority would provide a safety net or a marker for quality to influence the independent sector. While users and carers indicated that many authorities succeeded in protecting service users from the worst, immediate effects of change, in the longer term the pattern – and possibly the quality – of service delivery was affected. Local care markets have certainly been shaken up substantially as a result of LGR, almost exclusively to the disadvantage of public provision, and in a way which has substantially weakened the ability of the local authority to exercise the strategic planning role accorded it in the 1990 legislation. Indeed, a fear was expressed in some quarters that health authorities might be achieving, by stealth, that role which they had not been accorded by legislation.

LGR also prompted new opportunities for reviewing the needs of smaller local areas. The voluntary sector, independent sector and social services departments alike all commented on the importance of establishing needs assessments and consultation mechanisms for new areas. Although demographic data was available, most reported that disaggregating it proved to be rather more difficult than had been anticipated, a problem which should be resolved in the future as a result of better needs mapping techniques. Service users' views and preferences were, however, generally less effectively represented during LGR. This led to heavy reliance on umbrella organisations to provide

guidance in this area. Ironically such organisations often were encountering funding difficulties themselves and many felt that consultation was largely one-way. Indeed, one of the clearest messages arising from reorganisation was of the shallow commitment of local government, government and the NHS to real 'partnership' during periods of intense crisis: this is a word frequently to be found in the lexicon of government policy but much progress has yet to be made to translate it into a working reality.

Local government reform undoubtedly accelerated many changes 'in the pipeline'. In the early stages these changes were largely related to organisational issues and less to service developments. Cross-departmental working was highlighted as an important potential gain for LGR but social services departments' key relationship in social care continued to be with health purchasers (health authorities/boards). The aspiration of a new integrated approach to providing care was obstructed by continual uncertainty within the health arena about its own reorganisations and funding mechanisms. Responsibility for this continuing difficulty must be laid at the door of central government which, in failing to coordinate its departments' activities, promoted a range of inconsistent structural changes. To expect local authorities to develop new ways of working was in effect asking them to resolve policy confusion at central government level. The failure of the Department of Health and the Department of the Environment in the early 1990s to achieve common agendas and timetables for structural change was one of the most thoroughly dismal aspects of this story and presents a government committed to 'joined-up thinking' with a continuing challenge.

Research on LGR indicated that in the recent past, several large county authorities had had some ability to respond to particular pressures by reallocating funds between budget headings. Various examples of social care services being funded from other 'pockets' or by subsidy from other sections of the authority were reported. Although large in size, many social services departments prior to LGR revealed that they knew and responded to local feelings about services and accepted that what might work in one part of the county would not work in another. It would be unfair to accuse many local authorities before LGR of not

having a local perspective: they were in the position of understanding these to some extent but also having to respond to issues of equity.

Post-LGR, the local perspective was often referred to and was more precisely understood in many (particularly smaller) authorities, at least in principle. Senior staff in particular commented that they now felt they had a presence at local level and visited offices and units more regularly. They had built new local networks and the meetings they attended were composed of 'familiar faces'. They knew more precisely what constituted the independent sector and whether it was a relatively unified grouping.

The enhanced local perspective was particularly evident when there were demographic clusters, for example, particularly high numbers of people with a certain disability, very high numbers in residential care or sizeable numbers from particular ethnic minority groups. This prompted a response which could vary from a 'project' or 'added-on' service or member of staff, to an authority-wide acceptance of the necessity for inclusion or addition to the mission statement. Local demographic data, where it was available, made inter-authority comparisons possible so that new authorities could position themselves to establish whether they had 'special' population needs, for example, high morbidity rates or high numbers of beds in residential or nursing home care. This inter-authority comparative approach has also, of course, been emphasised through the growing use of league tables and the notion of 'families' of local authorities. However, the creation of larger numbers of smaller authorities raises again the issue of equity and territorial justice. There is little doubt that already widely-diverging service levels between authorities will be accentuated as a result of LGR, particularly reflected through the enhanced urban-rural divide.

This local perspective was not universally welcomed, however, particularly by social services staff at middle management and practitioner level. Instances were reported where staff sensed a creeping parochialism: for example, in respect of only doing work in one way and in decreased opportunities to share experiences with colleagues in other authorities. User and carer groups also reported problems when

crossing newly-created local authority boundaries, which a number of their members did to follow travel routes, or because their organisations were not viable if operating only within a small area. In respect of their own professional development, staff also referred to the reduced opportunities to gain promotion without leaving an authority: some perceived that training had been limited owing to short-term LGR pressures but also because there were not now sufficient numbers of staff to commission training on certain subjects. After LGR we found that some authorities were obliged to fund joint training policies although procedures were not always similar.

A more sensitive local perspective needs to be weighed against the problems of the size of small local authorities. Such authorities face challenges when an unexpected crisis emerges or a series of events preoccupies senior staff. Public inquiries or complex police investigations are examples of events which can particularly stretch a small local authority. Small authorities may also have to fund 'out of area' placements in residential services to meet the needs of limited numbers of individuals who have specialist, intense care packages. Social services staff suggested that people with profound and multiple disabilities, particularly if they had 'challenging behaviour', were most likely to be placed or funded 'out of area' and that a cluster of such care packages could represent a large proportion of an authority's budget. At the level of care management, placing a person in residential care 'out of area' was often seen as problematic because systems of monitoring and quality assurance were different.

Smaller authorities formed after LGR suffered, as had widely been predicted, from the loss of economies of scale, typically in residential services but also in respect of respite, inspection and specialist provision (eg services for blind people). Some fragile services such as interpreting and translation, had particularly to be re-constructed. Such services rely heavily on small numbers of specialists and some authorities found it difficult to maintain a viable staff 'unit'. Ironically, the fact of bringing services closer to the people means, as Rutland in particular (but many other authorities) found, that more people wanted to use those services; unmet need was more readily identifiable, but resources were generally not available to meet this increased demand.

Some reorganised local authorities focusing on more effective local delivery used the model of a 'one-stop shop' to make more efficient use of buildings and to provide for more effective local access, painting this as both a process of decentralisation and corporate response to multiple problems. The notion of one-stop shops sits comfortably with the role of social services departments as facilitators or enablers since it provides an efficient base for initial assessment and referral to other sectors. It is less comfortable with long-term engagement with service users, many of whom, for example, some people with mental health problems or those seeking to resolve issues of abuse, seek a confidential service and fear stigma if their identity as a service user is widely known.

Issues of size and the focus on locality issues were also reflected in the political make-up of the new local authorities. Even where neighbouring authorities had broadly similar histories to each other and to what had gone before, respondents at senior level spoke of their new authority wanting to present itself as 'better than' or 'different from' others or what had gone before. This led to feelings of competition which in the early days of LGR were exacerbated by the rush to secure employment before abolition and by a market developing for senior staff leading to unsustainably high salaries in some authorities. Some are now paying the price, having to 'de-layer' at senior levels. The central paradox here for users and carers, and for the authorities themselves, was that new authorities sought to portray themselves as distinct while emphasising that relationships and continuities were very important.

After the initial 'bedding down' period, new, different yet parallel forms of monitoring, data collection and financial systems emerged at varying speeds within differing authorities. Some groups in the voluntary sector which thought it might be possible to continue to work across boundaries reported that these pressures meant they also needed to fragment as their 'straddling' was simply too complex and time-consuming. Some voluntary groups which had attempted to continue working in areas where they were not in receipt of funding, made hard decisions to withdraw their services. The resource of time, which is particularly important for groups without paid staff, was under increased pressure when voluntary groups had to engage with two or more local authorities, each of which wanted to focus on local issues.

The duplication, repetition and strain of relating to similar, but some-time hostile, bodies was a constant theme from the voluntary sector.

The potential advantages of a local perspective for social services departments are well-rehearsed. Ironically the new NHS Primary Care Groups (PCGs) will have a far sharper local focus in some authorities (the average population covered by PCGs is approximately 100,000). The abolition of many district councils, on the other hand, has reduced the capacity for local responses to influence local social care, particularly in relation to the provision of social housing. LGR promised a great deal in terms of local focus and this has been only partly realised. It failed, however, to address the disadvantages of loss of flexible resource, reduced staffing base and the time and energy necessary to develop and maintain services and their frameworks.

Unfinished business?

The impact of LGR is discernible at a number of levels. Individuals' and groups' perspectives vary, as is reported in Part II. Some effects are short term: others which relate to the longer term are likely to become intertwined with other concurrent changes and shifts in policy or organisational structures. One of the key findings therefore is that any future local government reform needs to take much greater account of longer time frames and should more clearly identify the different phases during which problems and benefits may emerge; some of the earliest authorities to reorganise are still, seven or eight years after their fate was decided, coping with the direct structural consequences of reorganisation. Much was said, particularly by government, of the 'potential' of LGR, but this potential needs to be more clearly specified and it should be tied to realistic time frames and funding support. Only if this happens will it be possible to assess whether this potential has been achieved once the evident and immediate disbenefits such as organisational turbulence and uncertainty around relationships have begun to clear away. Activities such as social care are integral to the quality of life of many individuals and communities and it is right that those responsible for changes which may affect people in distress or in difficulty should be clear about the reasons for upheaval and able to assess them effectively. It is absolutely clear that the work of front-line staff in both statutory and voluntary sectors succeeded in mitigating the levels of upheaval and distress; but these were still considerable.

One irony of reorganisation has been that although social services remains the most significant direct spending department within most local authorities, its status has often been somewhat downgraded as a result of reorganisation, particularly in new joint departments. It has also lost ground in terms of its partnership with local health bodies and, at a national level, the diversity of the new social services authorities, and the varying place of social services within them, might weaken their ability to speak with a strong voice in national spending negotiations. In sum, LGR has not been kind to social services departments and the Department of Health must bear the responsibility for not adequately defending their corner before and during the process of reform. It also colluded in the failure by government properly to synchronise the parallel processes of change in health and social services.

In the course of this research, it was also evident that change seemed endemic to public services and that many working in them had endured multiple reorganisations in recent years. More established staff had resigned themselves to "yet another reorganisation too many" by retiring, or moving to the voluntary sector, particularly as they recognised the inherently irrational nature of this reform. Further research will have to explore the impact of such changes on the social services workforce. There is no doubt that there has been a significant loss of experience and dilution of expertise.

As might have been predicted, there was some divergence between perspectives held by differing actors. In particular the optimism evinced (at least publicly) by politicians and senior management in social services was not always shared by operational staff, or, in particular, by service users, carers and the voluntary sector more generally. The sincerity of senior staff is not in doubt, but it is important that they understand that the misgivings of other colleagues and partners are not based simply on an unthinking resistance to change but may be grounded in negative experiences of time wasted, disruption incurred and personal insecurity. Those further authorities currently investigating the possibility of unitary status would be wise to listen to a variety of perspectives and not just to those newly created unitaries which have invested in a public demonstration of excellence and 'progressive thinking'. They may find it helpful in decision making to identify clearly both possible advantages and the costs and

disadvantages of change. The strategic capacity of very small authorities to realise a vision of local accountability together with effective commissioning of services stands out as one of the major challenges for the group of small unitary authorities in particular. Dominated in size by health authorities, their ability to respond to difficult events or to offer a wide range of supportive and monitoring structures has undoubtedly been compromised. Additionally, the introduction of PCGs may result in a further strengthening of the medical paradigm of care and disability, as opposed to the social and rights models. The local domination of care debates by boards and trusts driven by market values may similarly weaken local democratic forms of governance and further marginalise the user's voice.

The costs and benefits of LGR have not evenly been spread between authorities and are still changing over time. Despite the opportunities which LGR presented to rethink patterns of service delivery and service priorities in very many authorities, it must remain an open question as to whether these gains justify the enormous turmoil, cost and disruption to relationships which LGR entailed, particularly as it appears almost certain that this is an 'unfinished revolution'. The process of LGR continues to reverberate as yet more changes have to be made to accommodate unforeseen consequences as well as other current policy shifts. Central government's ambivalence about the scope and legitimacy of local government (Dorrell, 1996; DoH, 1997)(which appears to be continuing, albeit in a less strident manner, despite the change in government in 1997) helped to account for the contradictory demands placed on local government and social services departments in particular. The future of social services is certainly bound up with central-local relationships in the UK as much as with the pressures from community care planning and delivery, and the failure of local government reorganisation to carry with it most of the key participants, is a failure also of central-local relations: for that, the government in the early 1990s must bear the greatest part of the blame for driving through a politically-inspired reorganisation which had little evidence-based rationale. Local government reorganisation has not, however, gone away: there is unfinished business which suggests that the rabbit set running by Michael Heseltine in 1990 has some distance to go.

First, it is clear that this reorganisation was not founded on the bedrock of a clear view of what local government was for. In the context of the development of a mixed economy of welfare, the trend towards an 'enabling council', and the huge organisational shifts between and within health and social services (leave aside the recent debate on regionalisation and on partnership working), this ought to have made a critical assessment of the role of local government an essential precursor to structural change. The inevitable consequence is a structure already criticised as organisationally and politically flawed.

Second, on top of this, the creation of small unitary authorities has generated an as-yet unmet demand from other large towns for similar status: there appears little reason on the face of it why such substantial towns (as they stand now or perhaps on an enlarged basis) as, say, Oxford, Cambridge, Norwich, Lancaster, Lincoln, Gloucester and Exeter should not aspire to unitary status. Third, and conversely, the inability of smaller local authorities to maintain a comprehensive range of service provision without the need to buy in services from, or promote joint service with, neighbouring authorities, raises questions about the long-term sustainability of such authorities, quite apart from the issue of their democratic accountability. The larger, more markedly rural authorities face a different but parallel problem of economics, that the unit costs of providing services are now even higher than they were prior to reorganisation when they had at least urban cores to depress average costs across counties. Fourth, the exhortations of central government to health and social services to work in closer partnership will continue to be undermined by the difficulties facing those authorities left with a legacy of multiple organisational relationships, differing boundaries and diverging organisational cultures: yet no sane health or local authority (or indeed Secretary of State) is likely to press the case for further structural change. Indeed, the view that Scotland's new Parliament "might regard Scotland's 32 unitary authorities as too small to be viable and order yet another reorganisation" is seen as a 'worst-case scenario', despite doubts about the strength of social work to present its case ('Stepping forward', *Community Care*, 18 February 1999).

Beyond the immediate impacts of LGR, there are two other major processes at work which are facing local authorities and their social services departments with further challenges. The advent of devolution

in Wales and Scotland and, potentially, regional government in England (Bradbury, 1996), will introduce a new tier of government and pressure both to respond to social need in ways ever more sensitive to local conditions (however 'local' may come to be defined) but also to collaborate in that enterprise. The present emphasis on combating social exclusion provides social services departments with a renewed opportunity to take a strong role in meeting local need but, with financial constraints as tight as they now are, it may be one to which they are unable alone to respond effectively. The pressures of performance indicators and league tables, if applied to social services in the way they are beginning to be applied to education departments, may bring a further set of potentially destructive pressures to bear.

The last major reorganisation of local government (in the early 1970s) prior to the one analysed here, is looked back on now by many with admiration, despite its more obvious political failings, for its measured pace and responsiveness to rational evidence. There can be no doubt that the present reorganisation will not enjoy any such approbation even long after the immediate turmoil is a distant memory. It is also unlikely that local government will wait anything like 25 years for the next round of reorganisation to occur.

Part II

Perspectives on reorganisation

4

Local authority social services departments: 'small is beautiful' or 'a challenge in retreat'?

Preparing for reorganisation

The context for this study is provided by the views of a sample of Directors of Social Services, voluntary agencies and users and carers groups in England and Scotland, during the introduction of the community care regime, regarding the potential impact of local government reorganisation specifically on community care services (Craig, 1993). Although the shape of local government reform wasn't then clear, respondents forecast the creation of larger numbers of smaller authorities. Key issues identified were:

- disruption and the diversion of time and resources impacting on staff at all levels;
- multiplication of working relationships with other local authorities and partner agencies, including enforced joint working between authorities;
- increased variation in service levels between authorities;
- fragmentation of local care markets with local authorities less able to exercise a strategic planning role;
- organisational, funding and service disruption to the work of local voluntary and independent providers; and
- further marginalisation of carers and users in service planning and delivery.

Against this widespread, negative view of potential outcomes, some respondents argued that the creation of unitary authorities would promote better collaboration between housing and social services departments, identified as a weak link in the development of integrated

community care strategies (Arnold and Page, 1994); that smaller authorities might be able to get closer to local areas through flatter management structures, helping in identifying unmet need and potential care resources; and that the process of review would encourage partner agencies to review their own arrangements.

By 1994, as a result of the widespread privatisation of housing and education provision, social services had become the major direct spending responsibility of most authorities, despite the government requirement that 85% of community care 'transitional' spending had to be committed to voluntary and independent sectors.[1] Social services accounted then for about one seventh of all local government expenditure; yet during the process of reorganisation, it occupied a remarkably marginal place in debates about preferred outcomes. This was less the case in Scotland where social work has had a distinctive place within local government compared, say, to its counterparts in England, and where it had traditionally incorporated broader strategic roles, such as with the prevention of poverty and stress (Cheetham, 1995).

The Department of the Environment Policy Guidance to the LGC in England (DoE, 1995b) made no explicit reference to social services at all, although pronouncements about the balance between 'in-house' and 'contracted-out' provision, and the need for joint working arrangements clearly could have had a significant impact on social services provision (LGC, 1994). An analysis of the submissions prepared by the 27 authorities within North Yorkshire, Humberside and Lincolnshire, reviewed simultaneously, also showed social services occupying a marginal place in their arguments. Although most authorities, of varying size, argued a case that they would be able effectively to organise and deliver social services generally and community care specifically, this area of work characteristically occupied less than 5% of each submission. In several submissions, community care was not mentioned at all. Even the LGC's own proposals for large county authorities such as Cleveland and Durham omitted reference to their social services responsibilities. It was only relatively late in the process of review, as outcomes began to be known, that the Department of Health began to provide detailed guidance to social services departments regarding the handover from 'old' to 'new' authorities (DoH, 1995a, 1995b).

Where social services *was* mentioned, local submissions focused in particular on issues identified by the government, of size, cost-effectiveness, and community identity, different types of authorities emphasising these issues to varying degrees. Larger existing authorities argued for the benefits arising from 'maximising economies of scale', smaller authorities seeking unitary status argued that locally-controlled services could be more effectively tailored to local needs and that local services would cooperate more effectively. Most were assertions, unsupported by research evidence. Some authorities recognised the importance of strong links with local voluntary agencies and independent care providers although the views of these 'partners' appeared, from the submissions reviewed, not to have been sought in any systematic fashion. There were strong feelings among those outside local authorities that they were marginal to the consultative process prior to reorganisation (Craig and Manthorpe, 1999; see Chapter 6 of this report).

The process of change

By undertaking interviews at the point of reform and a year later, this study was able to distinguish the impact of the *process* of change from initial *outcomes*. During the process leading up to reform, key issues were as follows.

Political and policy tensions

In some areas, disagreements about preferred future structures for local government were marked and continued until the last possible moment. Humberside County Council, for example, challenged its abolition very late in the day but was refused leave to seek a judicial review of the LGC's decision. Where 'old' and 'new' authorities were controlled by differing political parties, these tensions were exaggerated (see, for example, the case studies in Chapter 7).

Political differences between 'outgoing' and 'incoming' authorities were also reflected in differing policy priorities. The approach of the new authority, as expressed in political rhetoric, was often to present both the image and reality of an entirely new authority. This approach was clearly in tension with the expressed desire of both members and officers to ensure that the process of reorganisation did not disadvantage local users and carers, as one respondent put it, *"to ensure that the bus*

still arrived on April 1st as usual to take the users to the day centre". In the event, starting completely afresh was never a realistic option. However, the suggestion that *"all the [policy] balls would be in the air"* added to a general feeling of widespread uncertainty. Where political perspectives were very different, this also impacted on the possibilities for joint service arrangements; even where the organisational and financial logic of the small size of authorities drove them towards joint provision, differing political tendencies worked in the opposite direction. The Department of Health belatedly argued (1995b, p 4) that social services departments should manage these tensions by a focus on "what *must* change on handover date versus what could be left safely intact for an interim period".

Demoralisation and stress

The process of reorganisation was a bruising one for virtually every party involved in the provision of care services. One director commented a year after reorganisation *"it's been horrendous, absolutely horrendous from every single angle"*. Uncertainty about future job prospects for statutory social services staff, for example, which persisted often until only a few days before the vesting day for new authorities, had an enormous impact on morale, however well local managers attempted to handle the personnel process. The pressures on staff were immense to make decisions about whether their own interests would best be served by staying with their existing employer or moving to a new/neighbouring authority. Those in one authority who decided to move were told, for example, that there would not be a place for them if they chose to try to move back later.

Demoralisation was particularly acute where, as in Scotland and Wales, the rationale for reorganisation was most obviously suspect: *"we have all lived through reorganisations, some of them horrendous… but people always had a sense something good might come of it. Nobody can see what this is about, except doing away with local government"* (see also Eaton, 1997). More than half the respondents within Welsh unitary social services departments reported declining morale, in many cases further accentuated by the prospect of a severe budgetary crisis looming, alongside perceptions of continuing increases in the levels of service demands. One authority reported a year after reorganisation that *"a recent trawl of expressions of interest in early retirement brought 350*

responses (40% of the workforce)". In those cases where morale had been maintained and improved it was because staff could see the opportunities presented by the combination of reduced size and an increased sense of local identity, as one respondent put it, *"being able to take responsibility for their own actions and initiatives rather than being lost within a large county organisation"*.

Partnership and the planning process

The development of the new community care regime was accompanied by strong emphases on the need for local authorities to manage a care market including health authorities, local voluntary and independent providers and carers' and users' groups. As part of this developing process, many local authorities had, in the period since 1993, constructed various forms of partnership arrangement with these bodies. The process of change, however, inevitably meant that both continuing authorities and entirely new ones turned inwards to concentrate on their own organisational and policy priorities and, in doing so, effectively failed to involve local partners in the process of change (Craig and Manthorpe, 1999). With the pressures of dismantling old authorities and creating new ones, often in the context of heated arguments about everything from the disaggregation of departmental budgets to the final resting place of a battered filing cabinet or a dogged member of staff, it is hardly surprising that the sometimes fragile flower of partnership was trampled underfoot.

More strategic interorganisational partnerships also suffered. In England and Wales, a concurrent process of reorganisation within the NHS had been carried through although, ironically, the tendency within the NHS was to create larger regions: many district health authorities had recently merged their purchaser functions to form single purchaser organisations often coterminous with the-then existing local authorities in order to promote, at the behest of the Department of Health and its Welsh and Scottish counterparts, closer collaboration between health and social care providers. Health authorities now found they were having to sit back and watch the process of local government reorganisation move in the opposite direction, dealing with difficulties in the planning process as they arose but in a situation where they also felt ill-informed. This echoed the concern voiced by directors in 1993 that "the reduction in size of local

authorities, coupled perhaps with the merging of social services with other departments would... further undermine local democratic involvement in care planning, particularly through a shift of effective power towards health authorities" (Craig, 1993, p 41). The Department of Health distanced itself from these difficulties, simply noting of the need for effective liaison that "this task will be made more complex when dealing with other organisations that are themselves in transition..." (1995a, p 14).

Initial outcomes

A year after earlier tranches of authorities were reorganised, many commented on the immediate outcomes of reorganisation. Their views are summarised below.

Departmental structures

Despite the alleged synergies for community care of integrating housing and social services departments advocated strongly by some authorities during the consultative process, most authorities in England and Wales opted for keeping the two departments separate, although in some instances the two departments reported to the same committee. In England, only about 10% of the new unitaries initially created some form of merged department (overwhelmingly with housing) but none of the remaining counties did so. In Scotland, a quarter of the new unitaries opted for joint housing and social services departments. This may have been as much for perceived cost efficiencies as for practice reasons, although the fact that Scotland has a higher proportion of council-owned housing than in England may have been an important factor. Where departments had been merged, there were instances of departmental officers reporting to separate committees which seemed potentially to undermine the benefits for policy making of joint departments. Among social services staff in authorities creating joint departments, there were also anxieties that the social services functions would be downgraded and that social services (now represented perhaps by a third-tier officer) might not have the 'political clout' to argue for its share of resources. In one unitary, the director was perceived by one respondent as having no access to members, indeed *"you wouldn't think they had a director of social services at all"* (see SIS, 1997). These anxieties about the status of social work were strong in Scotland where there was no legislative requirement after

reorganisation for local authorities to appoint a Director of Social Work at Chief Officer level. Milton Keynes, reorganising in the 1997 round of English authorities, split social services work, adult services becoming part of a broader community services department and children's services merging with education services.

Internally, many local authorities 'stripped out' layers of middle management, often by half or more, to save costs (beyond the levels required simply by 'downsizing') as well as losing key staff due to moves elsewhere or early retirement. In total, about 6,800 posts were lost in the April 1996 round of reorganisation (*Local Government Chronicle*, 29 March 1996, p 1) and the position deteriorated further as financial pressures grew on 'downsized' authorities or those which felt they had suffered particularly from an inequitable disaggregation. Glasgow alone cut a further 1,500 jobs in April 1997, blaming a cash crisis on a mismatch between its disaggregated budget and the numbers of staff relocated from Strathclyde Regional Council.

The financial context

The financial impact of the process of reorganisation was a major cause for concern. Government had provided additional borrowing powers to cover the costs of local authorities being created: however, finance offered was generally half or less of what authorities had argued they needed. These additional costs were to be borne in any case in following years' budgets.

The overall financial context for social services (as for local government more generally) for some years had led local government to argue that central government was substantially and increasingly underfunding community care and children's services provision. Additionally, local government has claimed that its difficult financial position had been exacerbated by new policies such as changes in financial arrangements for funding older people's residential care. For example, the total 1996/97 government grant to local authorities was £7.4bn, £247m less than in the previous year and a survey by two major local government associations in 1996 "found that 68 of the 119 English local authorities responding had made cuts totalling £166m across all social services" (*Community Care*, 18 April 1996, p 2), including £39m cuts on expenditure on older people. This picture was repeated in following

years. It was difficult on occasions, however, to disentangle the financial effects of local government reorganisation from the more general downward pressure on social services budgets.

The government had hoped that reorganisation itself would bring savings in costs. In reality, however, a "report commissioned by the Scottish Office identified… additional costs of perhaps £21m to maintain social work services at their previous level. This reflects the… view that savings would not come from local government reorgan- isation itself but through cuts in services" (ADSW, 1996). Faced with a government requirement to make savings (for example, £30m net savings from local government reorganisation were incorporated into the 1996/97 Scottish grant settlement alone), what became clear early on was that smaller authorities in particular would have a reduced capacity to manage financial pressure through, for example, use of accumulated reserves or juggling budgets across departments. One consequence was a reduced ability to engage in preventative work ('False economies of care', *Community Care*, 18 March 1999) with services increasingly targeted on a limited number of users with greatest needs.

Many respondents expressed dissatisfaction with the way in which social services budgets of old authorities had been reallocated by government between new authorities, often apparently on the basis of a crude population count or on the previous or predicted distribution of services (themselves often the subject of disagreement), and which took inadequate account of known distributions of need. New boundaries frequently did not conform to other significant administrative demarcations, making informed disaggregation difficult to achieve and authorities found that available data could not accurately predict demand. Many disaggregations had the effect of accentuating the urban-rural divide: for example, as Butler (1996, p 22) commented, in Hampshire after reorganisation, "over one in six people will live in places with populations of less than 10,000, compared with one in ten [before] …". Rural authorities, their rurality emphasised as a result of reorganisation, found themselves facing higher unit costs and smaller incomes, a combination of factors which might, it was feared, lead to a 'spiral of decline' in services to rural areas.

Many authorities consequently found that they had inherited a higher number of service users than had been anticipated: typically, the number of older people or children requiring expensive residential placements were higher than had been budgeted for and authorities found themselves significantly overspent towards the end of their first year. Others discovered that income levels within their population were much lower on average than in a neighbouring authority, affecting calculations on charging. One paradoxical consequence of smaller authorities being less able to manage services they had inherited from larger authorities was that officers found themselves arguing a case for 'losing' or privatising services (such as in-house residential care) with members who were both politically opposed to, and had argued against 'ancestor' authorities doing so.

The creation of smaller authorities had other important financial implications quite apart from losing experienced staff. The loss of economies of scale meant that a number of functions were now more expensive pro rata to maintain, confirming the predictions of Bransbury (1996); these included information technology, training, translation and other central support services such as planning, personnel and contracting. A reduced ability to manage the range of services offered by preceding authorities led, in some cases, to a loss of particular specialisms; in others, flexibility and choice for users was constrained; in yet others, local authorities were obliged to construct joint working arrangements with neighbouring authorities in a context of political hostility or policy divergence, in order to provide continuity, secure expertise and stay within budgetary limits. Again, Department of Health guidance, ignoring this political dimension, was simply that "smaller authorities may… be obliged to look to collaborative arrangements to secure the necessary expertise" (DoH, 1995a, p 13). These pressures were greater where social services was given a lower priority than it had been in a previous authority. Some authorities attempted to make a virtue of necessity: for example, a small unitary, unable to fund out-of-county residential childcare provision, took the opportunity to rethink its entire childcare policy. The creation of these joint arrangements, however, both undermined the unitary principle and weakened the democratic accountability of local services.

Functions which went beyond the basic legal requirements set for social services departments were likely to be at greatest risk. In Wales, the entire range of anti-poverty initiatives identified in an analysis of best practice immediately prior to reorganisation (Davidson and Bransbury, 1995) had ceased to exist by 1997. In Scotland, where many of the difficulties facing small new authorities had been experienced in a form exaggerated in some cases by political gerrymandering (as had also been the case in Wales), similar outcomes emerged. In 1997, Glasgow City Council (the city where strategic local government anti-poverty work in the UK originated in the 1970s), withdrew funding from 21 local anti-poverty projects. Given the origins of LGR, this was, ironically, an attempt to manage what it regarded as one unfair consequence of reorganisation whereby most high council tax-banded properties were allocated to a neighbouring authority.

The tightening financial situation impacted more directly on forms of service provision. The present study focused on three policy areas demonstrated in this and others' research (Craig, 1993; Craig and Glendinning, 1993; Fimister, 1995) to be critical to the developing picture of community care: residential/nursing care provision; domiciliary care services; and charging policies. New policies for residential and nursing care, mentioned by a quarter of the authorities surveyed, reflected a growing budgetary crisis: in one survey of 27 authorities, four had tightened eligibility criteria for entry to residential care, seven had shut homes, three had introduced quota systems, and other forms of rationing were reported. Similarly in the case of domiciliary care, more than a quarter of respondents reported a mixture of a tightening of eligibility criteria, increased charges or a reduction in hours offered. The most striking shift was in relation to charging policy. Three quarters of new authorities were reviewing existing or inherited charging policies or were implementing tighter charging policies. In a new Labour-controlled authority, disability users remarked that *"it is a charging policy which a Tory council would be ashamed of"*. North Somerset Council provided one indication of the direction in which smaller unitaries were being driven: after only one year in existence, it was forced to consider privatising its entire stock of older people's residential homes and creating redundancies in the top three tiers of management, to save up to £1m. The combination of 'downsizing' and shifting political 'realities' was reflected also in the

experience of the four successor authorities to Glamorgan County Council which had itself long opposed home care charging. Three of the four new unitaries introduced home care charges within a year of reorganisation.

The loss of experience

Experience in relation to key staff was mixed. Even allowing for the smaller size of most new authorities, about half reported reductions in staff numbers, in some cases quite significant in their extent. Although many of these job losses tended to be in middle management (with consequent loss of experience) as smaller authorities adopted a flatter management style, this was not exclusively the case. Many authorities lost front-line staff and several also lost important support staff such as strategic planning staff or the independent chair of children's review panels. Respondents commented that new smaller authorities were relatively more expensive to manage and this also placed pressure on staffing budgets.

Several authorities reported gaining key staff from previous or other authorities but as many had lost out in the transfer market opportunities presented by the emergence of three to four times as many social services departments. Those that lost out were clearly faced with additional difficulties: in one such authority, *"some staff have had to contend with completely new areas of work as well as their former skills"*. Directors also found that, in smaller authorities, they had to assume greater corporate responsibilities and had less time to devote directly to social services issues. At the highest level, many senior staff took the opportunity to take relatively well-paid early retirement: respondents commented on the waste of talent this represented at a critical moment. One unfortunate consequence of the loss of this experience was that new authorities found themselves bidding up salaries for new appointments with the result that senior staff in small successor authorities were paid considerably more than their predecessors running much larger departments. Within two years of reorganisation, some authorities were paying the price of these beauty contests, making senior staff redundant.

The picture in relation to member involvement was even more alarming. Whether key social services committee members continued

to be involved in social services in any particular area was largely a matter of chance, contingent on the geographical pattern of representation and the extent to which former district or county councillors took up new roles within the unitary authorities, following elections to the new authorities. A few unitaries reported that significant political experience was retained in relation to social services but three quarters of all authorities reported everything from 'some' to 'almost total' loss of social services political leadership. Characteristically, only about 10% of new social services committee members had previous social services experience. In a few authorities, none had, presenting senior officers (many of them themselves new to the authority) with pressing training tasks. The Local Government Management Board reported that 660 councillors, with an average of 12 years experience, were lost to local government in Wales alone (*Local Government Chronicle*, 29 March 1996, p 12).

Not only was there a lack of experience within social services which meant, to some users' dismay, that their new authority would be officer-led and not, as they had anticipated, member-led, but unitary council members brought with them what were perceived as narrow district council habits. Thus, *"we have suffered a loss of politically astute shapers, replaced by some with an approach which seeks to interfere in the detail of operational management"*. As the Director in the South Gloucestershire unitary commented, "ex-district council members [have also] struggled to deal with the wider and more strategic issues other than the constituency roles which they are comfortable with" (Robbins, 1997, p 20). The director of another unitary dominated by former district councillors commented that *"the councillors like the bigness but not the big issues, they like flowers on roundabouts and can understand education, but not social services"*. This is significant for those wider strategic initiatives, such as anti-poverty work, which had their origins in social services departments. While some respondents commented on the 'obvious and positive' interest of their new political leaders, the potential hazards of a combination of extended staff working in situations for which they were perhaps ill-prepared, enormous budgetary pressure, and inexperienced political direction, seem potentially quite profound.

Organisational relationships

About half the local authorities responding noted that the loss of coterminosity with health authorities created difficulties for joint working. In one Welsh area, a health authority now covered six unitary authorities; in a Scottish instance, 12 local authorities related to one health board; and in other areas, typically, three or four local authorities now related to a single health authority. This located the health authority as, effectively, primus inter pares, in terms of working partnerships around joint planning issues. Much larger joint planning groups were now required as several local authorities had to be represented at meetings where previously there had only been one. Most local authorities reported that they had had to develop new structures for working with health authorities (health boards in Scotland) rather than work with existing ones. One respondent noted *"in health they have to work with two councils, it's extremely frustrating, there is double the negotiation"*. In Scotland, the ADSW (1996) noted "the cornerstone of tying local authorities and/or health boards together in a major planning exercise has been dissipated by... having to deal with a number of different groups where before there might only have been one". All of this work took time and money and the energy for partnership work elsewhere tended to suffer. Similar organisational difficulties were faced in relation to joint family and child protection work, with probation and the police.

The impact on relationships with the voluntary sector is discussed in detail in Chapter 6. However, a common story was of ways in which the voluntary and independent sector was being drawn more closely into the management of financial crisis. In about a third of the local authority areas surveyed, greater use was being made of the local voluntary sector, often at the same time as in-house provision was being cut back or closed down altogether. This relationship was increasingly being financially managed through the contract culture with service level agreements replacing annual grant aid. At the same time, many local authorities were *"sharing the pain"*, cutting grants to local voluntary agencies as part of more general cutbacks: in several areas, key voluntary care or children's agencies were closed. In one area, across-the-board cuts in voluntary sector funding were followed by complete withdrawal of funding from those agencies which the local authority judged might be able to attract funding from other sources

(such as the Lottery). These organisations included local Age Concern service providers. In other areas, in-house staff were being shed *"on a grand scale"*, manual staff in particular shortly thereafter finding themselves undertaking the same work for private employers.

Costs and benefits

Respondents were asked a year on from reorganisation to speculate about the potential costs and benefits of reorganisation. The four most significant categories emerging from each set of responses are summarised below.

Harsh legacies

Harmonisation, **aggregation and disaggregation:** Respondents noted the problems of harmonisation and creating new processes in situations where there might previously have been differing or unwelcome practices or procedures: for example, *"lack of a common basis for resource management, with four systems to bring together"* or *"the attitude and approach of a small number of staff with the perpetuation of existing inequalities in service provision"* and *"a low level of investment of the previous authority in training"*. As with the second set of responses under this general heading, comments about disruption *("personnel unclear so salaries were incorrect for first two months")*, insecurity and the effect on morale, it is reasonable to assume that these were temporary issues to do with transition from one regime to another. However, a third set of comments pointed to what might be lingering problems, reflected in the perception of some staff that their authority had lost out in the disaggregation process (and would continue to do so in future as a new baseline had been set). Thus, *"disaggregation of the budget and other resources was based on population and not need"*.

The geographical vagaries of the disaggregation of services (such as residential childcare for example) left many authorities with a completely unbalanced or inadequate range of provision in particular areas, making gaps in service provision particularly visible in smaller authorities. These inadequacies required some authorities to collaborate, often reluctantly, with other authorities. The combination of increased unit costs in rural areas, combined with differing political priorities, seemed likely to confirm the fear that levels of provision would increasingly diverge in neighbouring areas, a fear underlined by

Tisdall (1996, p 34): "Scotland's children and their families may face a patchwork of services… their needs might well be met if living in one area but ignored in another", for example, in relation to after-care support to post-19-year-olds, aspects of day care, and children's accommodation.

New management: A related issue was that of the development of new management systems. While this might be seen as an opportunity, to start from scratch, learn from past mistakes and use new technology effectively, for many respondents it was seen as more of a difficulty. Policies and practices which were appropriate for a large county were seen to be inappropriate for a much smaller unitary, previous information and management systems were seen to be inadequate for the new task, and data collection and retrieval systems were consequently felt to be poor. This might be seen as an implicit criticism of the arrangements inherited from previous authorities, but it seems as likely that the creation of new authorities revealed problems because the new authorities needed and wanted things to be done differently.

Loss of expertise: The relative lack of experience of both staff and politicians featured strongly in responses: this is hardly surprising given that the remaining experienced staff were spread across three times as many social services authorities. The loss of specialist expertise and the limited experience of both staff and politicians meant that social services might find it more difficult to argue its corner in the annual budgetary round. The enormous pressures reported by many respondents also meant a hidden loss, that of 'development time'; time which might have been used for thinking through new policies and approaches to service provision was completely overwhelmed by the need to get new systems up and running, build new relationships and cope with the minutiae of, for example, producing new data bases and directories. The celebrated case of a director driving a furniture van on vesting day was probably not unique.

Financial crisis?: Among the strongest comments, however, were those relating to the financial situation particularly facing the new unitary social services departments. Budgets were, of course, necessarily much smaller, leading to a loss of economies of scale, less flexibility, less

choice for clients, and a reduction in the level of central support services such as IT and training. Some specialist services were again only retained by making joint arrangements with other authorities. As the ADSW (1996) commented in Scotland, "local government reorganisation has had a significant impact on the way in which services are planned and developed. The economies of scale which would apply to larger authorities… have gone". Some 'new' county authorities commented that the increased cost of providing services to much more uniformly rural populations had not adequately been reflected in the financial disaggregation.

Additionally, however, respondents pointed to other pressures caused by very tight overall financial settlements for local authorities. Even where balances were available to be drawn on, many respondents expected overall social services spends pro rata to be reduced, leading to a reduction, in many instances, in the range and quality of services offered. For new authorities, *"starting with cuts in services was bad for the image of the authority from the outset"*. Many new authorities had in fact attempted to maintain social services spending in their first year for political reasons but felt less able to do so in following years. Three quarters of Scottish local authorities (half as many again as in England/ Wales) reported dissatisfaction with the outcomes of the first year's funding negotiations with government: this dissatisfaction related not only to the overall (small) size of the allocation but to the fact that the costs of reorganisation itself were not properly met, and that disaggregation of costs between successor authorities had been inequitable. The Scottish settlement was widely regarded as particularly harsh, a punitive legacy to opposition to the poll tax.

Attitudes to the introduction of charging systems or increases in charges imposed by previous authorities perhaps show most clearly the way in which financial and political considerations intersected for differing types of authority. New unitary authorities were generally unwilling to start life by imposing charges where previous authorities (often controlled by other political parties) had not done so, and where the new unitary administration had been arguing for separation of their authorities; some had to do so nevertheless. The 'new', smaller counties often found that diseconomies of scale drove them towards

increasing charges but at least they could hide behind the political argument that they had not supported the separation of authorities.

These tensions were summarised succinctly by one respondent who commented that *"to manage contraction and transition at the same time will take another two years to get back to where we were three years ago. Social work risks being blamed for community care problems."*

Significant opportunities

Changing policies and the management of services: To some degree, this was the other side of the coin to the issue of *new management*. As many respondents saw the creation of a new authority as offering the opportunity to wipe the board clean of past errors and create new systems afresh. Thus *"we could bring together the best of the two predecessor authorities"*, *"tear up the old and design a new organisation"*, or *"establish new policies in a smaller authority which may be able to respond more flexibly"*. Other comments suggested a general willingness to think creatively in response to an entirely new context, although some of this enthusiasm was doubtless tempered by the knowledge that *"the show had to go on"* with existing caseloads and commitments to be met.

A new style of authority: A second large group of comments referred to the way in which working within the new authority, and particularly joint working with housing, education and other departments, would be facilitated by a smaller, more focused authority. Many of these comments were somewhat speculative in the sense of referring to the 'potential' benefits of joint working but several respondents mentioned specific instances of this in practice, including *"linkages at every level of the department"*, and a *"greater consistency of service corporate approach across the council"*. In one authority, the flatter management structure *"meant that senior management get their hands dirty and regularly meet carers and users"*. However, as Bransbury observed in relation to the experience of London boroughs (1996, p 197), "having all local government services under one roof may create the conditions for co-ordination but it certainly does not ensure that it happens".

Working with other agencies: A smaller number of comments were made about the possibilities opening up for different ways of working with other agencies. Some simply involved 'rethinking' or

'reconfiguring' working relationships but several authorities expressed the hope that relationships with other agencies, such as the police and health authority, would be closer and better. There is no doubt that many local authorities had in any case to commit considerable time and energy to reconstructing relationships with partner agencies, especially health authorities, the police and the voluntary sector.

Local identity: Finally, many respondents remarked on the more 'local' nature of their authority, that is, its relative smallness and potential for being more accessible: in their view, small was indeed 'beautiful' (Craig and Manthorpe, 1998). Reorganisation provided an opportunity *"to develop better knowledge of the county and its communities and be sensitive to their views"*, suggesting that *"closer working with local communities (parish councils, town councils and voluntary organisations)"* would be possible. Several commented that smaller authorities would lead to services more relevant to the needs of local residents: this again could be understood as a criticism of a previous larger authority's lack of local sensitivity.

Clearly it does not follow logically that more local services are necessarily more sensitive, but some respondents suggested that large authorities made this more difficult. However, reflecting the cash crisis facing this particular authority, another respondent commented that *"we have the possibility of giving our services a [local authority] stamp or style but this is proving to be a challenge in retreat"*. In the same vein, one respondent suggested that *"it is hard to think of any opportunities or improvements which have not been totally undermined by the crisis in the reduced resources available to us… sorry to sound so negative but that is what it feels like"*. A similar, if more considered conclusion, was reached by an editorial in the *Local Government Chronicle* (5 January 1996, p 9): "it is probably true that a single tier of government is more accountable and less confusing than two. But these unprovable benefits have clearly not been worth the effort."

Note

1 'Transitional spending' refers to the additional special earmarked annual grants given to each local authority social services department to reflect the shift over five years from central government funding of much community care expenditure to funding by local authorities themselves.

5

Health authorities: 'a missed opportunity'?

In recent years local authorities generally stood on the sidelines as the NHS went through rapid organisational change. However, key relationships exist between health authorities and social services departments and it was therefore important to explore the former's perspective on change in local authorities. This was done both through interviews with health authority senior staff, and through postal questionnaires sent to a sample of health authorities at the midpoint of reform in 1997.

Anticipating the impact

The process of change itself appeared to have resulted in more complex health authority/local government relationships for, as two thirds of health authorities commented, there would be more meetings and many processes would be duplicated, as the number of authorities increased to which health authorities related. For most health authorities, the movement was from one set of relationships to two: they had now to work with two sets of policies, two strategies and two sets of eligibility criteria. Most referred to this in the context of social services, although one noted that working with two education authorities would entail a similar doubling of relationships.

The move to unitary status of some of the local authorities involved was perceived to have some beneficial impacts by a few health authorities. For some, the 'downsizing' of the local authority reflected their own moves towards locality commissioning, while others saw that smaller unitaries in cities in particular could reflect more closely the specific needs of certain areas. Optimism over the changes was reflected by those health authorities which saw the reorganisation as giving health authority/social services relationships a *"fresh impetus"* or hoping for *"potential improvement"* or, more guardedly *"as making the best of a missed opportunity for reorganisation"*.

Relationships between health authorities and local government were further complicated where the health authorities had to relate to three or more new authorities instead of the previous one. Health authorities referred to uneven patterns of relationships developing – for example, there were difficulties or tensions between one new unitary and the others; it was easier to build on old relationships than forge new ones; and new authorities often did not seem to want to work together. For one health authority this atmosphere had led to *"increased tension, to fragmentation, to duplication and to complexity"*. While many health authorities appreciated that local work might be improved by reorganisation, in their view relationships at the top were also important to sustain.

It would be wrong of course to give the impression that it was only local government that was changing at that time. Health authorities themselves have faced their own reorganisations with the merger of health authorities and family health services authorities and others spoke of their own moves to a more locality-focused structure. One health authority respondent commented, perhaps wearily, *"reorganisation is a constant feature"* in the NHS, and health authority staff appeared to possess some sympathy with their local authority counterparts who were *"preoccupied"* in applying for jobs within the new structures. The new government's proposals to create Primary Care Groups and the consequent rush to merger between previously competing NHS trusts has fuelled this feeling of constant reorganisation. One Welsh respondent working in older people's services spoke of the *"compounding of difficulties"* when multiple reorganisations occurred simultaneously.

In terms of planning between local authorities and health authorities, the period of reorganisation itself clearly placed pressure on existing structures. Some health authorities mentioned that change to planning structures had been delayed for a year while their local authorities took time to review or revise relevant processes. Rather more had experienced unhelpful changes, such as the duplication of Joint Care Planning Teams and Strategic Planning Groups. Agreements over such structures had been renegotiated by a minority but health authorities commented on delays in joint working, referring to the local authority's *"planning blight"*. The overall picture was that of a degree of

reorganisational turbulence around planning processes with some new authorities wanting separate structures from the start while others were prepared to take more time on consultation and to continue playing a part in previous structures.

No specific areas of joint working or planning were identified as particularly affected by LGR: most health authorities commented that the effects had been across all areas of work. The few who spoke of specific areas being more strongly affected differed in their emphasis – continuing care, mental health and learning disability. However, there was more unanimity over the effect of changes in personnel in local government. Virtually every health authority anticipated that personnel changes would have an impact on their work. Some viewed this positively: the *"new leadership is helpful"*, while others foresaw a need to build up relationships with new staff, especially at senior level, as an important task. There was some element of continuity as managers had taken up new posts or been transferred to different areas within the continuing authority. However, many health authorities found the arrival of many new staff more problematic and spoke of the *"loss of key staff"* and *"the impact of experienced managers taking early retirement and their experience being lost"*. In two areas the impact of staff change seemed to have been particularly damaging, with one health authority observing that the local authority had conducted *"a shambolic recruitment process"* which had damaged morale and compounded planning delays by its protracted nature. Another health authority confessed it had felt like it had been *"plugging the gaps – keeping joint commissioning going"* as local authority staff changes were disruptive. Joint commissioning was identified by respondents as an area of uncertainty, although this may also reflect problems unconnected with LGR.

Future developments

We enquired of health authorities whether they thought there might be any other impact from LGR on their work. Two highlighted possible developments in work around public health and this issue may be related to other health authorities' comments about the impact of corporate philosophies adopted by some new unitary authorities which planned to work in a more integrated style. So, for example, one health authority pointed to the development of the

new unitary authority's Chief Officers' group and others pointed to the high political visibility of 'the City'.

Advantages

In analysing the advantages perceived by health authorities of LGR, it is important to remember that it may take time for the full impact of reorganisation on the work of partners to be understood. Health authority respondents were asked to identify up to three advantages which they perceived as deriving from LGR for their own work and, while one health authority wrote that it could not identify any at all, most listed some. Among the advantages noted, there were some stronger themes. The advantage most frequently referred to centred on the issue of locality: variously described as more local sensitivity, localised services, closer local links and a more local focus. This theme strongly links to the reduced size of most new local authority partners and the impact this may have on providing a service attuned to the specific needs of local areas.

Relationships in a positive sense were also highlighted: for one health authority relationships which had been good before local government reorganisation were *"even better now"* with *"better mutual understanding"*. Relationships now gave enhanced opportunities to collaborate because they were more direct, and new relationships could spin off into new projects or ways of working. Another theme mentioned related again to this matter of *"a fresh start"*; a new organisational environment gave *"a fresh outlook"* and stimulated new activity that could *"challenge the established order"*.

Other advantages perceived may relate to specific local circumstances, for example, in some areas social services and housing are organisationally much closer. One health authority prophesied that the new structure would increase public involvement in local authority activity: allegedly one of the original objectives of reform as a whole.

Negative perceptions

However, health authorities identified a wide range of negative outcomes for their work, by far the most frequently cited being duplication. One health authority expressed this as entailing *"three times the administration, three times the plans"* – and for most, at least a doubling of their work,

resulting in extra work, in diverting time to such duplication, and deflecting attention and resources from other matters.

Negative points about relationships were mentioned less frequently than the positive comments covered above. Health authorities did appear to register the loss of coterminosity where it existed previously, but also regretted the break in continuity of relationships. For some health authorities relationships were not so much about structure but involved political difference and change. As the new authorities evolve in distinct ways, health authorities may increasingly have to work with two or three authorities which follow very different models and have differing priorities.

A wide variety of experiences of LGR were elicited from the perspective of health authorities, themselves no strangers to rapid and, on occasions, unsought organisational change. For some the process was perceived to have gone well and there was a great deal of optimism about new ways of working, particularly as ideas about the importance of localities and responses to need being more finely tuned to populations appeared to be held in common between health authorities and many new local authorities. Those health authorities which were optimistic remarked on their early involvement in the new arenas – such as working with shadow authorities and being involved in consultations.

Rather more health authorities, however, adopted a cautious tone. One noted that reorganisation might *"have a lot of potential but so far there is not evidence of this being realised"*, another that prospects were good in relation to partnership and thought relationships with councillors would be a key link here. Some health authorities have clearly experienced, at arm's-length, a reorganisation that has been fraught with difficulties – one noted that it was expected to meet all the demands of the new authorities but that relationships between the authorities were *"dreadful"*.

While one health authority pointed to the continued pattern of reorganisation across public services which were *"prone to restructuring"*, another health authority believed that the public rarely notice. This can of course be interpreted either as a benign outcome – their services

are not disrupted – or it can be seen as indicating a rather futile exercise, for if nothing does change then reorganisation is not worth the effort or expense. The conclusion from the evidence we gathered is that health authorities have observed significant impact on their work, some of this possibly relatively short-term, but that the most lasting effects will be on planning processes, structures and the local balance of power.

Partnership at local level

In addition to the questionnaires sent to health authorities in 1997, the regional study incorporated interviews with health authority personnel before and after reform in the 1996 tranche of authorities. In the York and North Yorkshire areas, specific decisions had been taken about joint bodies: for example, whether two unitary authorities in the area of one health authority would have one or two Joint Consultative Committees or Joint Care Planning Teams. In one health authority two different groups bed into one Joint Consultative Committee, the health authority contact commenting *"people are finding their feet nicely… but I wish they'd have the same name"*.

Reorganisation in 1996 coincided with other structural change, including the advent of continuing care policies, and, as noted earlier, with the merger of health authorities and family health service authorities. In some areas, significant GP practices also became fund-holders. One health authority representative commented: *"A lot of work on continuing care was done by previous agencies but it was not necessarily owned by the new local authorities. There were different officers involved."* Another observed: *"… one positive [feature] of LGR has been the ease of access to people who can make decisions – it was [previously] too far away"*.

For these health authorities, the potential advantages of LGR centred particularly around new unitary authorities:

- being more geographically focused;
- giving greater attention to localities;
- benefiting rural areas in terms of a clearer focus;

- removing the tension between the County and Districts;
- becoming more corporate local authorities.

None of these advantages (with the exception of the rural focus) could, of course, necessarily be claimed by the continuing counties. Health authorities' own developments also reflected the move to local-based needs assessment and differences in commissioning patterns: as such, the objectives of LGR coincided, at least in principle, with their own emphases.

However, health authorities also recognised disadvantages, such as:

- duplication – *"you have to do two of everything"*;
- disruption – an *"inevitable planning blight"*.

By the end of the first year after LGR, however, they noted that the immediate effects of disruption had largely diminished and that, while restructuring was always inevitable for themselves and local authority colleagues, the new authorities were beginning *"to find their feet"*.

However, questions were raised as to whether the balance of power and influence between health and local authorities has altered permanently. Certainly the former political aim of coterminosity of boundary between individual health and local authority appears quietly to have been buried. Some respondents acknowledged that in terms of community care, while the White Paper (DoH, 1989) had given local authorities the 'lead role', in effect health was now the key player in many sectors and this might dominate the culture of service delivery. Others, however, maintained that the equal partnership between health and social services had survived. The most lasting legacy, however, as with voluntary organisations (see Chapter 6), is that health authorities relating to more than one local authority were now to experience continuing difficulties in working to multiple sets of policy priorities and service patterns.

6

The voluntary sector: 'unequal partners'?

This study explored issues facing the voluntary sector both before and after reorganisation. In the regional study 67 voluntary groups (in Humberside and North Yorkshire) were interviewed in the months before the April 1996 changes and 65, mostly the same organisations, one year later, in the six new authorities. These groups ranged from a number of large organisations with considerable staff and financial turnover, to voluntary groups that provided self-help or campaigning activities without staff or premises. Data drawn from a series of national postal questionnaires to Local Councils for Voluntary Service (CVSs), Age Concern and MIND groups during 1997/98 is also reported in this chapter.

Local voluntary organisations generally felt marginal to the process of consultation over the form which reorganisation should take, many feeling that their voices were ignored or not felt to be relevant. Central and local government were perceived as viewing reorganisation as a political argument between the arms of government alone, a view to which some voluntary agencies subscribed. However, as the new structures were finally agreed (in some cases less than a year before reorganisation actually took place), the voluntary sector began to feel the effects of impending change. Key issues reported in the run-up to reorganisation were as follows.

Uncertainty and disruption

Both government guidance and 'shadow' authorities' own manifestos spoke of the importance of a 'seamless transition' from the old authority to the new one in terms of service delivery. This principle should in theory have been extended to the operations of the voluntary sector. The picture on the ground, however, was a long

way from the pronouncement of the LGC which indicated (1994) that it believed:

> …that the structure of local government should allow voluntary organisations to continue to play a full part in providing local services and that transitional arrangements should be planned in consultation with the voluntary sector to ensure… that those who depend on it are not adversely affected during any change in structure.

In reality, many instances were identified of voluntary organisations being ill-informed about the process of local government reorganisation and its impact on their own work. Indeed, many reported that they learnt more about reorganisation from the media coverage than directly from local government contacts. This lack of communication from local authority to the voluntary sector reflected both the insecurity within local government itself, resulting in a period of almost total introspection (noted also by health authorities); and the immense time pressure under which some councils had to work to establish new structures and organisations.

Most crucially, this failure of communication affected future financial security. One major provider of accommodation and support for people with mental health problems reported that the shadow authority had not communicated with them until three months before reorganisation: this agency's income was largely derived from contracts, due to expire on the day before reorganisation. Similarly, a small rural project's three-year agreement was due to expire on the day of reorganisation. The worker commented:

> "We had to tell the families we were supporting there was a possibility of services being withdrawn. Most of our committee are carers and they felt families had a right to know."

Both these agencies issued redundancy notices to staff. In some cases, grants and contracts were actually finalised some time *after* reorganisation had occurred. Agencies reported that the anxieties of staff were picked up by users. Two mental health voluntary groups found that service users became *"very anxious about change and loss"*.

In a few cases, these anxieties were turned to advantages as carers' groups used their lobbying skills to good effect to secure continued funding. Nevertheless, most agencies felt they had been left to cope with an unnecessary degree of uncertainty and that it reflected a dismissive attitude to the voluntary sector:

> "They should have been ready to talk and should have given the voluntary sector some priority. It's an appalling way to treat people. It stinks of 'you're only a secondary service'."

Local Councils for Voluntary Service (CVSs), and their rural counterparts, as the voice of the voluntary sector, felt under pressure in many directions. They had to keep smaller groups informed, had to build new relationships with councillors and officers, and ensure *"proper consultation and clear information about the transition"*. This typically had involved *"a huge increase in paperwork and consultation documents"* and, like the additional legal work involved, was usually unfunded (in some cases, local branches received subventions from national parent organisations to help them cope with extra financial costs). At the same time, CVSs were trying to ensure that decision makers in the shadow local authorities understood the impact of their decisions on the voluntary sector.

Refocusing work, rebuilding organisations

The issue of non-coterminosity of boundaries was identified as a key issue for social services and health authorities. New structures and multi-authority joint working between health and social care agencies thus became the order of the day. This left the voluntary sector often having to play 'catch up' as changing boundaries also affected it considerably.

At a purely practical level, LGR forced voluntary agencies to consider their own geographical area of interest. For some, there was a certain weariness in that they had only relatively recently changed their boundaries to suit those of the old local authority. Some agencies had, at the very least, to change their names, to help in funding negotiations: this process, however, involved consulting their membership and then, at a slower pace, changing their constitutions and dealing with

inquiries raised by the Charity Commission. One CVS, formerly covering a small district, felt obliged to enlarge its area of interest, covering the larger unitary area in which it was based without the agreement of a neighbouring CVS. Other groups began the process of merger or collaboration with similar groups in neighbouring local authorities which were themselves to be merged. One disability group representative commented: *"Reorganisation made us have to go with [the other group]. They needed us as much as we needed them. We hope to work by post and phone."*

In this case, the group argued that there would be benefits in working together, the other group having greater experience and expertise. However, in many instances, groups were reluctant to follow the logic of LGR, and resisted merging with other organisations in neighbouring 'old' authorities, feeling that their particular focus or interests would be swamped by those of their prospective partners. Many such respondents recognised that the new local authorities would be unlikely to support the continuation of more than one distinct voluntary sector organisation offering similar specific services within their own areas and felt driven unwillingly towards merger or rationalisation.

No voice at court

One consequence of LGR was a heightened degree of mobility for local authority staff. Many moved to new authorities out of the area, some had a key role in establishing new authorities in the area, yet others took on new roles. From the perspective of the voluntary sector, this meant that most lost key officer (and member) contacts, with whom relationships might have been built over a long period of time and which, particularly in smaller areas, were key to continuing support for the agency. One local CVS, whose committee, typically, enabled local voluntary and professional interests to network effectively, reported that the local social services manager, a member both of the CVS committee and of several other key voluntary agencies, increasingly found it difficult to attend meetings as reorganisation approached. In some cases, key personnel were replaced by others on a 'holding' basis: these substitutes often did not really know what was going on, and could not respond to the needs of the voluntary sector for good quality information.

This loss of officer contact became crucial in relation to funding as the key point of the budgetary cycle coincided with the demise of the 'old' authorities. Funding issues became more complicated where financial support had been derived through joint funding mechanisms. In some areas, the joint care planning and finance structures were more or less in abeyance for a while, leaving voluntary care agencies with yet another channel of communication closed off.

Differing local authority priorities

'Successor' local authorities were not only new legal entities: many also espoused differing political or policy approaches from those of their 'predecessors'. This produced tensions, notably between the declared intention of ensuring the 'seamless transition' ('no change'), in the interests of service users, and the 'all change' rhetoric of the new controlling political group, although most authorities were anxious simply to survive the point of change without a major crisis. Later surveys suggested that manifestos stressing change began to be operationalised from the second year after reorganisation, although this was also the point at which the difficult financial realities became clear to many members. Local voluntary agencies nevertheless felt under immediate pressure to reposition themselves in response to new political contexts. One agency, formerly working across a part of an abolished county, found itself providing a different service in each of two new authorities which had very differing priorities. In one area, it had been involved in the production of the community care plan; in the other, there had been little contact and the respondent was not certain if the new authority even understood what it was funding.

In some cases, voluntary agencies welcomed the opportunities presented by LGR. Some new local authorities adopted a much more proactive, positive stance towards the voluntary sector: *"There is a very clear voluntary sector strategy document accepted by the new council which endorses their support."* However, this appeared to be the exception rather than the rule and, one year on, most new local authorities had yet to establish a strategic policy for the voluntary sector: this again appeared to reflect the level of energy absorbed by getting a new effective system operational. The loss of economies of scale was particularly worrying for smaller voluntary agencies which felt that a *"slimmed-down social services would move to be a purchaser and*

administrator of contracts": they felt this would favour larger voluntary groups with authority-wide coverage.

The process of reorganisation itself was also a focus for discontent among CVSs. Just one CVS expressed support for the way reorganisation had been carried through:

> "The process [here] has been very positive – consultation has been in place since 1993. A series of key seminars were held following announcement of unitary status and consultation continues to be a priority. There is a positive feeling that the new council has a definite commitment to the sector."

Other CVSs perceived their local authority to have made positive moves in preparation for LGR in developing and communicating their policies but for an equal number there were signs that the pressures arising from LGR had led to an initial focus on their own activities and a consolidation that was conceived of as centralising and controlling. Most groups expressed disappointment at both the result and the process of consultation, and funding issues were central:

> "The cost and upheaval were so great and in the end there has been little change except that we are dealing with a smaller and poorer council which feels it must centralise and keep control of its budget and services which has affected its willingness to truly work with others."

For others the process was about local rivalries and politics, often resulting in 'a fudge' between competing areas. Consultation was reported to have been weak *"despite so-called public meetings"* and to have been, in another area, *"undermined by both officers' and politicians' wishes to retain their power and status"*. Several CVSs commented also on the waste of money. The general feeling was *"why fix what is not broken?"*.

The early outcomes of reorganisation

A year after the new local authorities had been created, some new issues had emerged for the voluntary sector: others were continuing to cause anxiety. Respondents to the CVS survey were also asked to

identify three main issues arising in their area: these proved to be funding, changing organisational structures and communication.

Financial pressures

For some, reorganisation had literally brought their work to a close. Several organisations, mainly in the area of children's services, but also specialist care services such as groups for mental health users and for deaf people, had been closed typically because new local authorities did not have the financial capacity to support the range of voluntary agencies funded by predecessor authorities. This was generally a function of strategic size, many new local authorities having a much smaller population base. In some instances cuts reflected changed local authority priorities either in terms of the range of provision preferred or of the market split between public, private and voluntary sector provision. One third of the voluntary agencies surveyed in the regional study reported that financial support had been affected, nearly always negatively, in the first year after reorganisation, and almost two thirds that financial aid was being cut in the second year.

Funding was mentioned by most CVS respondents as a major issue, first, in terms of their own funding, second, in relation to funding for the local voluntary sector and third, in terms of funding for social services generally. The CVS survey revealed that cuts in voluntary sector funding had occurred in more than half of new local authority areas. These cuts reached such drastic proportions in Scotland that the Scottish Office released supplementary transitional funding to mitigate the effects on voluntary agencies losing more than 5% of their budget following LGR. Again, these cuts appeared often to be the consequence of the reduced capacity of smaller (including 'hybrid') authorities to sustain previous levels of activity, but in some cases it resulted from the inability of neighbouring authorities, which had inherited joint responsibilities for voluntary agencies working across their boundaries (previously to larger 'ancestor' authorities), to come to an agreement about continuing joint funding. Most common was the 'general concern' about funding – a sign that for many CVSs the position of their grants or contracts was not clear at the time of LGR.

Half of the CVSs reported cuts in funding to the local voluntary sector. Reductions in funding were also related to the split of town/city from

county – the continuing county often suffered financially disproportionately and so was more likely to make reductions in funding. In one new unitary city, for example, with a continuing rural county, the CVS observed: *"… the city traditionally had very substantial funding and this will increase leaving the rest worse off".*

In some cases cuts were applied unevenly: one local authority applied severe cuts to agencies which it felt could obtain funding elsewhere (eg from the Lottery); in another the overall level of cuts was 6%, but some agencies, reflecting the new local authority's changed priorities, lost up to 30% of their budget.

The financial difficulties faced by smaller authorities also impacted indirectly on individual voluntary agencies. Most authorities, faced with the twin pressures of a loss of economies of scale and a deteriorating financial settlement from government, had introduced service charges where none had existed previously or had raised charges, often substantially. Users and carers consequently were placing increased demands, directly and indirectly, on voluntary agencies as a result both of service reductions and increased charges. Not all CVS groups felt able to make a direct link between LGR and the problems of funding within the voluntary sector, some noting that funding reductions were *"not solely due to LGR"* but to central government. One observed that the abolition of district councils was also relevant, for although the extent of their funding of voluntary organisations had not been large, they had provided some source of very local grant aid.

Boundary issues

Local authority boundaries remained an issue for voluntary agencies after reorganisation and those who noted that it was not an issue added the rider 'not yet'. Traditionally, many service users, particularly from rural areas, had travelled to access services located in the urban cores of shires: these patterns of usage were, to a large extent, a reflection of public transport patterns. To do so now, however, meant crossing newly-created local authority boundaries. Some voluntary agencies were open about this, mapping their pattern of service provision and usage and negotiating joint funding from neighbouring authorities. However, others, particularly where party political differences meant that achievement of a successful joint package of financial support was

unlikely, continued but on a covert basis. One disability group, for example, commented that it would not turn anyone away from its doors but that it had to be less than open about the fact that it was supporting people from outside its strict geographical area of operation. In some cases, the split between rural areas and urban cores had resulted in the effective withdrawal of service from the rural areas. One CVS reflected the complexity of the post-reorganisation situation: *"About 40 groups operate across [local authority] boundaries and are now faced with separate agreements from two or three authorities."*

Many CVSs mentioned this kind of difficulty, noting that formerly county-wide organisations had now to apply to several new authorities. The CVSs themselves were also faced with complicated organisational choices. One such, for example, now related to three authorities instead of the one it had worked with previously. It faced the choice of remaining as one stronger organisation dealing with three sets of policy priorities (and managing the corresponding political difficulties); or creating three smaller organisations each relating to one authority. In some cases, voluntary agencies felt obliged to withdraw services from areas where new authorities provided no matching funding. One comment was typical of areas where county-wide groups were being affected:

> "It [LGR] does affect county-wide groups and those groups who work at the edge of the new county council and which have traditionally received and provided services to [the town]."

This CVS also expressed concern about cross-boundary issues. Another CVS described how city-based groups which went outside the city boundaries were being affected, while one spoke of groups that prior to LGR provided a service to the whole former area but were now 'shrinking' back to the city. One asked *"who will fund services to fill the gaps created?"* This concern about division of funding was related in one area to the difficulty of calculating the percentage of work in various geographical areas to underpin an appropriate funding formula.

It appears that most CVSs initially did not have to rethink their actual boundaries: a minority were having to address mergers with other CVSs, one reorganising a year prior to LGR to be ready for the changes.

However, most were beginning to face boundary issues with two new (or one new and one continuing authority); one CVS had, unusually, already established separate contracts with its three new authorities. Ironically many county-wide voluntary groups had often been formed by amalgamations of separate smaller voluntary groups in order to achieve coterminosity. Even though the argument about economies of scale apply equally to the voluntary sector, it will itself now probably have further to reorganise to avoid these boundary problems.

Rebuilding structures

Many respondents commented on the dismantling of familiar structures for joint planning and policy discussion, and the corresponding loss of key contacts. There had often been a lengthy hiatus after reorganisation before new structures were created. In some cases, these structures were felt to be less user-friendly than before: in several areas, regular consultative meetings for individual service user groups were replaced by infrequent 'big meetings' where a wide range of issues were raised but local groups felt less secure about the prospects of following particular issues through and less certain of the ability of some groups, such as mental health users, fully to participate in them. Even where new structures were created to which voluntary agencies felt they could relate, these often required an increased level of time and commitment from voluntary sector agencies, first to create and then to participate in them. These frequently quite complex structures, reported also by health authorities, were often reflected in liaison work with the voluntary sector. Where the voluntary sector might only have one seat on a joint forum, questions were raised about the extent to which a voluntary sector representative from local authority area A could represent the voluntary sector from local authority areas B, C, D… and so forth. For many voluntary sector respondents, the experience represented in rebuilding structures highlighted the wastefulness of reorganisation:

"Having made the former administrators aware of the problems of carers and users, we now have to start again."

"People feel very demoralised. Previously one felt that both local government and the voluntary sector were moving forward together."

Communication

The third main issue reported by the CVSs, in particular, centred around communication, a key role which such umbrella groups performed for their local voluntary sectors. They had to keep smaller groups informed, had to build new relationships with staff and councillors, had to try and ensure *"proper consultation and clear information about the transition"*. For one group this had entailed *"a huge increase in paperwork and consultation documents"*. While CVSs felt it was their role to inform the voluntary sector, some also noted that they had a role in *"ensuring decision makers understand the impact of any actions"* and also in explaining *"who does what"* to new officers and councillors.

Opportunities and threats

Although the responses from most voluntary agencies revealed a strong sense of pessimism and demoralisation consequent on reorganisation, there were some positive messages. Often, these were the other side of the coin to what voluntary sector respondents perceived as difficulties inherent in the new structure of local government. For example, the potential for a more coordinated approach within unitary authorities to services (such as between housing and social services) which were central to the work of the local voluntary sectors, was regarded positively. Although the small size of many authorities was actually and potentially a source of concern, respondents noted that a more local focus could work to the advantage of service users: need could be identified and, in principle, responded to more precisely. The split between rural areas and urban areas, for example, was also cited as helping particular kinds of issues to be more clearly focused.

Positive benefits

One third of the CVSs said it was too early to say what the impact of LGR would be, a number of these suggesting that they expected changes after the first year. For some groups there were already some signs of positive developments, such as:

- new relationships/networks;
- a very supportive new culture;
- greater influence/closer working with a 'local' social services; and
- improved links with housing/education.

Although a wide range of benefits were noted, strikingly, almost half the CVSs surveyed were unable to report any positive outcome, typically with the view *"I don't think there were any positive aspects"*. Three CVSs confessed that one of the benefits was simply that LGR had in practice been better – or rather, less bad – for them than they had expected, with one observing that *"at least the sillier solutions were avoided"*.

A sharper local focus was identified as a benefit by a quarter of the CVSs. This applied to those in both urban and rural locations. From urban areas came this characteristic response *"[the] new council is more focused on inner city issues – a closer match to CVS aims"* and a rural-based CVS echoed that comment *"the removal of the city will reduce competition and resources"*. In some areas this local focus had already translated itself into action, with, for example, locality planning being introduced and economic, community development and community engagement apparently higher in profile. Another CVS raised the perceived benefit for people in its other area, that a county-wide group would be challenged to prove that it did in fact operate locally.

Some CVSs identified closer relationships as one of the legacies from LGR. These involved both members and officers, offering *"the chance to access committees and develop new processes"*. Such closer relationships were referred to at many levels – district councils, city councils and county levels – indicating that LGR had not always removed the many tiers of local government in parts of England (nor, incidentally, necessarily made it simpler to understand or to engage with).

Although joint working had become complicated in many areas, in a few local authority areas, voluntary sector respondents noted that as they were now working with only one authority rather than two (as in the two-tier county areas), this would produce a clearer sense of strategic direction for the voluntary sector. Changing political priorities meant either greater political support for the voluntary sector or at least more work, as a greater range of services were put out to contract.

Unitary status for many local areas was, as noted, a major consequence of local government change. However, only a few CVSs surveyed perceived this to be beneficial. These noted *"closer"* links between social services and education, and between social services, housing and

education. Other benefits included *"no confusion"*, summed up by another CVS as: *"The new unitary authority will have a more coordinated approach than two separate authorities."*

The final grouping of positive legacies distinguished by CVS respondents related to incidental benefits for themselves and the voluntary sector. One observed, for example, that the result of LGR had been *"possibly a new cohesiveness in the voluntary sector"*. Another identified that it had *"focused us clearly on the future direction of the CVS"*.

Negative impacts

The more negative effects reported appeared also to be connected to local patterns. For example, formerly county-wide CVSs envisaged problems in the *"loss"* of the city or town, one speaking of *"retrenchment"* within the city and another of loss of a local equal opportunity focus. In two areas, financial pressures and cuts meant that the relevant CVS was concerned that a further *"burden"* would be put on voluntary organisations in terms of demand for services and over consultation. One third of the CVSs mentioned funding problems as an effect of LGR on voluntary groups.

The great majority of CVSs responding to the postal survey identified at least three clear disbenefits arising from LGR. The overwhelmingly most common theme was the changing balance of relationships between local authorities and the voluntary sector. For one CVS this was a matter of attitude: *"the city are getting a bit 'bossy' – an 'all in our control mentality'"*. This was a not infrequent response in new unitary and county authorities where the claims of localness were overridden by a greater centralising tendency in the new authorities.

> "There is a great centralisation of joint planning and delivery of social services. Local voluntary organisations are worried that they will be marginalised."

In another area the CVS described how services and management were becoming more centralised, adding:

"Its community care planning process is also centralised which greatly affects the ability of local groups to influence priorities etc. There are fewer managers on the ground to engage in joint working which will affect the culture of interagency cooperation. Before LGR there was far more development of responsibility and budgets to local managers."

For another the position of local voluntary groups which were geographically close to, but not physically located in, better-provided neighbouring authorities also gave cause for concern as they had lost support previously available to them. Smaller authorities were seen as at risk of becoming *"parochial"* with *"narrow vision"* or an *"inward gaze"*. LGR appeared to be destroying a pattern of services available throughout a large area, or which had been urban-centred but available to a rural hinterland. Respondents also felt a loss of broad perspectives, one CVS noting that now the authority was totally controlled by one political party it was *"lacking diversity of opinion – no 'opposition'"*. For some this centralisation was attributable to financial necessity, to others it was to do with an unhelpful division of resources after LGR.

The second main negative area, identified by a quarter of CVSs, clustered around problems in establishing or maintaining networks. For some this related solely to networks of CVSs, for others it was more extensive. One reported that it had to: *"Establish new relationships – we have to prove our worth, establish community values, move from a local to a county focus."*

The loss of relationships built up over a number of years – with officers and members – exacerbated this problem. This fragmentation of relationships was twofold for CVSs: it affected links within the voluntary sector itself and also patterns of communication with local authority agencies. For those voluntary sector agencies which had excellent communication and support at both district and county levels, the reorganisation put a great strain on relationships as both tiers, seeking unitary status, looked for support from the voluntary sector.

Thirdly, the problem of increased work around LGR issues, usually without additional resources, was identified. As one CVS explained:

"There's lots of work trying to keep groups informed and never enough management to do enough."

Greater workloads were reported in respect of working with other agencies: more contacts, lobbying, relationships to formulate. A further difficulty resulted from the fact that the new unitaries typically had very few experienced members on the social services committee (the committee which usually oversaw relationships with the voluntary sector), most having come from lower-tier districts. Until they became better immersed in the work of the unitary authorities, most members were felt to lack a strategic vision of the voluntary sector's place, often espousing what were seen as old 'district' habits: indeed, some respondents felt they were going to have to fight a battle all over again to demonstrate that the voluntary sector was not a political threat to the role of the elected councillor. The fragmentation of relationships involved greater levels of administrative and liaison work, particularly for coordinating bodies, and for those with small staffing levels, time demands for management work were far too high.

Finally, about a quarter of the CVSs again mentioned uncertainty – and consequent low morale – as a problem for the voluntary sector.

Unequal partners?

Responses from CVSs and local voluntary agencies demonstrated that issues of funding were of the greatest concern both to themselves, to the voluntary groups they serviced and in relation to social services generally. There was confusion and a lack of clarity over boundaries, with particular anxiety about the position of previously county-wide groups and the unequal distribution of resources after new boundaries had been drawn. With their central role as networkers, for the CVS organisations responding, a dislocation of networks was particularly relevant and problematic.

There were some signs of positive advantages; in particular the ability of urban and of rural areas to focus on their own different profiles of need and resources. Some – but not all – new authorities were clearly willing to work on relationships constructively and to build up new networks and contacts.

The process of change might have been made somewhat easier and less stressful if uncertainty had been reduced, particularly over funding but also in relation to information and communication. The early involvement of the voluntary sector in one area appeared to have resulted in significant benefits and an atmosphere of goodwill. Uncertainty and lack of information was particularly unsettling to the voluntary sector during the lead-in to LGR. Faultlines in communication appeared and the reality of partnership was threatened. Little thought appeared to have been given to those groups whose finances depended on annual funding or grants which were due to expire at the time of LGR. A system of transitional funding would have helped allay the very real anxieties experienced. While in Scotland some extra funding was made available to support the costs of change for the voluntary sector (albeit *"too little, too late"* in many groups' view), in England even this was not available. It is no small task for voluntary organisations to redraw their boundaries and many felt 'bounced into' new forms of activity or excluded from areas where they perceived continuing needs.

As noted in Chapter 4, social services departments suffered from the process of change in many respects; however, the voluntary sector often experienced its consequences even more sharply. Some felt that previous commitments to participation and partnership had been revealed as a sham, once LGR was on the agenda. Part of these difficulties stemmed from competitive rivalries and disputes over territory. Others from the voluntary sector more generously interpreted the dislocation of relationships as inevitable given the speed of LGR and the consequent financial pressures. Reorganisation, however, emphasised to the voluntary sector how dependent it was on the local authority: this awareness may well be a lasting effect of LGR.

The combined effect of disruption and uncertainty, the loss of key contacts and cuts in funding meant, some respondents judged, that the clock had, if not been wound back, certainly stood still for around two years in terms of organisational and service development. By the end of the first year after reorganisation, a sense emerged that *"things were beginning to settle down"*. The voluntary sector could see where it might come to rest. Whether it liked the position accorded it by its relevant local authority was another matter but at least the parameters of the

debate were beginning to be clearer and some sensible programme planning could begin to be undertaken.

A focus on older people

A separate postal survey in 1997 sought the views of Age Concern groups in nine areas of England and Wales. Here we report their views on the impact on what is the main 'client group' in social services, in terms of both numbers and share of funding.

The response from most groups indicated that one year after reorganisation a number of largely negative changes were being made. New authorities had tightened eligibility criteria for receiving services or services had been cut. One group considered that older people had suffered most from the changes as a result of such moves, typically through reductions in low level, but highly-valued, preventative services such as cleaning. Some positives were identified, such as the greater local focus or greater user involvement in planning and delivery.

These Age Concern groups were asked if service users themselves appeared to have noticed any changes from LGR; again increased charges for services and tighter conditions applicable to services were identified. These were regretted and were seen to increase local inequalities, but as one respondent noted, *"it is older people who provide the greatest opportunity for authorities to recoup expenditure via charging policies"*. In common with other rural respondents, the issue of cuts in transport subsidies was perceived as highly relevant to social care for older people.

The groups reported that LGR was also impacting on their own work. For some there were new opportunities; as the local authority drew back from activities such as home cleaning, the voluntary sector developed its own role. Others focused on the 'local' scale of the new authority: *"the key people are nearer to our organisation physically and in spirit"* or that there were *"fewer people to negotiate with"* in smaller authorities. These positives were balanced again by the familiar difficulties for some groups in dealing now with more than one local

authority, with *"double work with two sets of committees"* or *"cumbersome"* contracting details with three authorities, where each looked for different outcomes, required different specifications and paid different fees. One respondent noted that politicians in particular seemed very unwilling to work together across local authorities in the early days of LGR, but now that money was beginning to be tighter, the very same politicians were discovering the attractions (not least the cost-effectiveness) of consortia arrangements.

Groups such as these were often able to observe other patterns of relationships and consultation. They pointed to the differences in size and power between local and health authorities and how LGR had resulted in some 'lost' relationships and planning confusion. A few, however, noted improvements in both users' and carers' involvement in planning processes and greater commitment to participation.

While those receiving services were perceived as being given *"a greater listening ear"* by the authorities, it was noticeable that new authorities appeared decreasingly able to engage in preventative work and services were more tightly focused. LGR appeared to local Age Concern groups to have accelerated this trend.

7

Reorganisation on the ground: five case studies

Case study 1: Separating the rural and the urban: the 'new' North Yorkshire and York unitary authority[1]

One structural flaw in the process of reform was that neighbouring authorities were not reviewed together. Consequently boundary issues often could not be reviewed sensibly from the perspective of either side of a boundary and the possibility of mergers across pre-1993 boundaries could not be considered. Ironically, North Yorkshire was an exception to this general rule. Because it was bounded to the north and south by two of the government's political 'target' authorities, Cleveland and Humberside, the logic of reviewing it at the same time as those two authorities appeared irresistible. Only the Isle of Wight, regarded as a relatively straightforward administrative issue (which it largely proved to be) was reviewed earlier. North Yorkshire thus found itself, accidentally, in the first main tranche of authorities.

The original proposal from the LGC split North Yorkshire into three unitary authorities ('Ridings'). This was almost universally opposed by the county and eight district councils within it, most of which had been arguing for unitary status for themselves rather than in combination with other authorities. The Ridings model would have led to the abolition of all of them. The final proposal from the LGC, agreed by government and accepted reluctantly (except by York district) at a local level, was to partition North Yorkshire into a two-tier 'continuing' North Yorkshire County Council, covering less than 80% of its previous population, and a unitary York Council on enlarged boundaries, incorporating some territory previously covered by three other district councils on its periphery (Selby, Harrogate and Ryedale). There is little doubt that York's boundaries were enlarged well beyond those suggested by the district as an attempt to gerrymander political control of the new York Council. This attempt failed spectacularly with the new York Council elected in 1995 enjoying an enhanced Labour majority.

The continuing North Yorkshire area was also to be served by the seven remaining second-tier district councils. The enthusiastic arguments put forward by some of these councils for unitary status had not infrequently involved denigrating the capabilities of the county council and this had an impact on relationships between county and districts. In the view of one social services manager, *"the relationship between housing and social services has been put back at least two years"*. The task of managing change in North Yorkshire, complicated enough by the fact it was losing more than 20% of its population and financial base, was made more so by party political tensions, further exacerbated by the fact that many councillors were members of both authorities and consequently found themselves in the middle of intra-party disputes about, for example, the disaggregation of budgets. These tensions were reflected in a political ban on direct inter-authority contact at senior officer level (circumvented by covert meetings) until after the May 1995 elections, barely 10 months before the new authorities were to come into existence.

Both York and North Yorkshire County Council therefore had less than a year to make changes once the new political and structural context within which they would operate became clear. The consequent process of managing change was characterised by a senior personnel officer as *"an utter nightmare… it was ten times as bad as we had expected: you couldn't walk down corridors without seeing dejected people everywhere, with people having as many as seven interviews in two days with 24 hours to make up their minds about jobs"*. North Yorkshire's experience, however, became of considerable national interest because of its (unwelcome) 'pathfinder' status, and there is no doubt that the seminars which the council organised for other authorities facing reorganisation in later tranches helped the latter to avoid the worst pitfalls into which North Yorkshire inadvertently stumbled. Major structural problems which faced North Yorkshire and York, exacerbated by political tensions, included the following:

- disagreements about the disaggregation of resources: York took 24% of the North Yorkshire population but only 22% of its social services budget;
- severe losses of population from some districts adjacent to York (Ryedale, already a rural area, lost 40% of its population base);

- maldistribution of facilities: two of the four children's homes in the county were in York, the other two at opposite ends of a highly rural county, meanwhile, 35% of children's services but only 25% of the county's children were in York;
- the marginalisation of Selby users who had hitherto tended to make substantial use of facilities in York, the local transport and labour market centre.

The experience of staff in the two authorities, while equally pressured, was different in terms of morale. North Yorkshire staff faced a process of change characterised by loss (including of many key staff, most of them to York) and disruption. York staff, on the other hand, faced a process of building something new and focused only on York's needs. York's new council projected a strong sense of not wanting to take on any of the old authority's ways of working. It also created a merged housing and social services (community services) department, which created anxiety among social services staff: *"there was a sense as it were housing being the senior partner, we don't know some of the people in housing …"*. North Yorkshire is a good example of the 'churning' and destabilising effect of reorganisation on senior personnel: the county's Director of Social Services became Chief Executive and the new Director was recruited from senior management in Hampshire: three senior managers left North Yorkshire to become social services directors in three other authorities (two of them unitaries) and a considerable number of senior managers transferred to York.

Although working with voluntary sector bodies now seemed more clear-cut, there were still boundary problems (including about funding responsibility) for voluntary agencies with a county-wide remit. Some voluntary agencies had exploited the opportunities presented by working with two authorities and felt their freedom to be constrained when they were obliged to work with one or the other, especially where that authority might have a less open stance towards the voluntary sector. Users' and carers' groups, as described in Chapter 6, often felt quite marginal to discussions about reorganisation and this feeling was exacerbated by the loss of familiar structures and of useful contacts within the local authority.

Relationships with the North Yorkshire Health Authority had also to be recast as the two authorities pursued differing approaches to joint planning and consultative work. In North Yorkshire, for example, the previous planning structure had involved regular joint meetings focused on four areas of the county, with different groups meeting to discuss issues relating to separate client groups (eg people with learning disabilities or older people). These meetings involved strong input from organisations outside the local authority. As reorganisation approached, this structure was abruptly dismantled, largely, it was argued, because the 'downsized' successor authority could not maintain such an expensive consultative structure. From the perspective of local users and carers, however, *"they disbanded the old way of finding out the views of users and carers before they had something to put in its place, this was hugely wrong"*. It was almost a year after reorganisation before some of the occasional consultative meetings replacing the former structure were held. As in York, where the new council also opted for large one-off consultative meetings with partner organisations, there was some dismay that a year might pass between these events, during which the voluntary sector, users and carers, had no obvious structural channel through which to shape community care policy.

Following reorganisation, the impact of the loss of economies of scale was felt strongly in North Yorkshire where many hitherto decentralised middle managers were withdrawn back to county headquarters, as part of a strategic cost-cutting exercise provoked by its 'downsizing'. Staff consequently felt increasingly out of touch with what was happening in a very large rural county, particularly as their mobility was limited by restricted travel budgets, and, in parallel, users' and carers' groups largely felt 'abandoned' by the social services department, no longer having staff aware of local needs and patterns of provision. This feeling of abandonment was particularly strong in Selby which was physically and administratively remote from county headquarters at Northallerton. Two years after reorganisation, many of the immediate tensions between the authorities have eased: however, despite (perhaps because of) their proximity and shared history, the two authorities undertake little joint working (a few areas of children's services, reluctantly accepted because neither authority could afford to maintain them alone) and the demography and political style of the two authorities is driving their approach to social services provision in different directions.

Case study 2: One into three: 'old' Dorset to Bournemouth, Poole and the 'new' Dorset

Reorganisation here occurred in 1997, in the second tranche of English authorities. As with other areas, a number of proposals had been considered, particularly the possibility of Poole and Bournemouth being hived off from Dorset as a single unitary authority. Strong local political hostility, built on historical differences, made this an unviable option: Poole saw itself as an historic maritime town and Bournemouth as a relatively recent, that is, Victorian creation, while Bournemouth saw itself as having particular urban difficulties – some referred to it locally as 'Hackney-on-Sea'. Additionally, Bournemouth had also formerly been incorporated into Hampshire and *"we had never wanted to be part of Dorset"*. The resultant three-way split left two unitary authorities of populations barely at the minimum level recommended for sustainable local government, and a highly rural two-tier county authority with one area (Christchurch) adjacent to the eastern 'wrong' end of Bournemouth, remote from the county centre. The loss of economies of scale in all authorities meant that it was difficult to maintain important support functions such as policy analysis and training. Poole, which was controlled by Liberal Democrats committed to 'community governance', underwent a structural reorganisation intended to give it a flat and more accessible management structure with policy directors responsible for a number of functions. Both Poole and Bournemouth welcomed the enhanced focus on locality, much more difficult in a large rural county with several centres of population. Dorset found itself a year after reorganisation having to rethink its approach to the delivery of services to adjust to its predominantly rural nature and to a decreasing degree of flexibility: *"we now have to focus on getting services to people rather than getting people to services"*.

Financial disaggregation was widely seen as favouring Bournemouth because of its urban nature, but Bournemouth Council nevertheless had to inject a further £2m into its first year's budget to lift spending to its Standard Spending Assessment level. Poole also found itself spending £2m more than had been allocated in its first budget. Some of these initial difficulties were attributed to a lack of adequate demographic information on which to undertake planning ahead of reorganisation. Dorset, on the other hand, with 55% of the former county population but 51% of the disaggregated funding, felt that the

sparsity factor had not been acknowledged in the settlement. Many senior officers migrated from Dorset into the new authorities (which had *"a destabilising effect on Dorset leaving us to manage with reduced staffing at senior levels"*) and political tensions meant that there was some early inter-authority rivalry between departments, also reflected in policy divergence: *"colleagues who had worked together for years suddenly had to compete and working relationships got heavy"*.

These policy differences were reflected in relationships with local healthcare providers which worked across the (former) county area. Differing levels of financial support in the three new areas for care users meant that a healthcare trust appeared to be favouring users from one area above those from others, with the resulting appearance of a two-tier policy. One consequence was that hospital discharge for older residents was more likely to be delayed for Dorset residents than for residents from the unitaries. The health authority, which had to adjust to working with three policy approaches and three sets of documentation, wanted to plan jointly with the three authorities but they insisted on separate meetings. Greater financial difficulties in Dorset also meant that levels of service appeared markedly different between residents in the adjacent areas of East Bournemouth and Christchurch. A combination of a more favourable financial settlement in year one coupled with local councillors' desire to make a favourable impression, meant that the *"two unitaries got off to a bit of a flyer"*: by the second year, cutbacks in services were beginning to be made, some members reportedly being angry that the public image of their authority was already tarnished.

Joint working between Poole and Bournemouth was initially maintained in four service areas in order to support continuity in service provision, but a year after reorganisation, although some of the initial tension had eased, it continued in only two areas. However, the disaggregation of service also left a difficult legacy: for example, the transfer of respite services for disabled children into Bournemouth left both Poole and the eastern end of Dorset without adequate provision and Poole was particularly vulnerable as it didn't have the resources to develop its own provision. In both unitaries, political experience of managing social services was very limited and members in each of them experienced difficulty in adjusting to their new strategic responsibilities.

Nevertheless, and characteristically, the urban authorities had begun to develop a much more member-led culture than had been the case in rural Dorset.

The impact on the voluntary sector was also variable. Many national organisations had a local branch structure which was relatively easily adapted to the new political realities. However, smaller organisations which had provided services across the boundaries appearing in 1997, had some difficulty in coping. Many urban-oriented voluntary sector organisations had tended to service Poole from a Bournemouth base. This meant that, after reorganisation, the voluntary sector in Poole was exposed as very underdeveloped. On the other hand, where organisations (such as Age Concern) had apparently had a county-wide focus but in reality had provided services mainly to the urban area, reorganisation had prompted rural areas to begin to develop new autonomous structures. Prior to reorganisation, the voluntary sector had felt marginalised in Dorset as a whole and one impact of reorganisation might be to generate a higher profile for it within the new county. New boundaries created difficulties for organisations in terms of the expectations of users: at the eastern and western extremes of Bournemouth, services were denied to users literally living on the wrong side of the street. Some voluntary organisations attempted, with limited success, to seek funding from more than one authority to deal with these difficulties. Local umbrella groups worked together in a number of policy areas, to some degree because they had to (in relation to continuing county-wide organisations such as the health authority and the Training and Enterprise Council) but also because they recognised the value of pooling resources on strategic work. For voluntary groups continuing to work across the old county area, however, resources were stretched as there were three times as many officers and meetings to deal with and often, very different expectations of the organisation, differing levels of financial support from the three authorities and a need to respond differently to the three local contexts.

Case study 3: Two-tier to one-tier: 'old' Powys to 'new' Powys

Powys, reorganised with the rest of Wales in 1996, uniquely remained (save for very marginal changes to some parishes), on its existing

boundaries, with the previous two-tier structure of Powys County Council and three district councils, Montgomeryshire, Radnorshire and Breconshire being replaced by a single unitary authority. This is the largest and most sparsely populated council in Wales stretching from the English border near Shrewsbury in the east to the Irish Sea in the west, and more than half the length of Wales from north to south. This particular set of conditions was recognised by the council in establishing management structures, which also took account of traditional loyalties to what were still regarded as the three 'historic' counties (with their varying degrees of 'Welshness'). The initial structure was thus based on both a county-wide committee and shire operations managers working to shire committees. These operations managers also had functional responsibilities across the department. The scope of the shire committees' work was a potential cause of some tension as major decisions had to go to the county committee and local managers faced criticism of their county-wide remits as taking up too much of their time: however, against this, it had become clear two years after reorganisation that critical responsibilities such as child protection needed to be managed at county-wide level.

The new structure also acknowledged the district origins of two thirds of Powys councillors. Although the shire social services committees are largely advisory, they have some discretion over policy issues unlike other functions such as housing: the housing allocation policies and housing revenue budgeting arrangements of the three districts, for example, were required by law to be merged into one. Some other services continued to be provided at local level but there was an ongoing debate about the cost-effectiveness of doing this, and the tensions between local loyalties and access on the one hand, and greater centralisation in the interests of financial efficiency on the other. As in other very rural councils, officers had a considerable degree of freedom to act, vis-à-vis members, and councillors from district backgrounds found this difficult to accept, alongside coping with their more strategic responsibilities. Intra-authority relationships, particularly between housing and social services, were beginning to improve from a situation where the functions were exercised, often in a climate of hostility, from the two tiers of local government. However, partnerships with health services were problematic. *"One dreadful irony was that as the government created*

mainly small unitaries in Wales, the move was in the other direction for Wales, creating mega-authorities." Social services staff now found they had to drive 2½ hours (instead of 30 minutes) to the health authority headquarters in Carmarthen. The police force was also constituted on a joint Dyfed/Powys basis, leading to difficulties in joint work over youth justice. Local authority representatives had to resolve these by acting at meetings both for their own authority but also with a functional responsibility (eg acting for social services generally over drugs work). This made inter-authority communication more complex.

Voluntary sector structures continued to reflect the historic shire arrangement with three county voluntary councils (CVCs) coordinated through a Powys-wide body. The three local CVCs were aligning their work, in part as a consequence of reorganisation but also because the Wales Council for Voluntary Action, which handled funding to the voluntary sector on behalf of the Welsh Office, had initiated a process of minimum standard-setting. Prior to reorganisation, *"community care really shook us up, we were secretary to virtually everything that moved and things mushroomed in the early 1990s… new projects, flexible funding forms[2] came in"*. As a result, service levels and arrangements were variable across Powys and the county had to address this issue both in terms of the role of the voluntary sector and of its own services: for example, the cost of transport tokens prior to reorganisation were £11 in Montgomeryshire but £25 in Brecknockshire.

The shire committees have local social development funds to support the voluntary sector generally and local practice diverges on how this is handled: one shire committee had committed all its funds early into 1998/99, another had considerably underspent. Differential rates of development in separate parts of the county created problems:

> "We reached a crisis where one part of the county wanted to create a centre of excellence and others can't share, it becomes very territorial as our service users can't reach it, they don't have transport and there is a feeling of competition."

This centre of excellence was also seen as absorbing so many resources that other centres elsewhere in the county could not be provided. One

consequence of reorganisation was that overlapping funding from the county and shires had been identified and withdrawn, some posts being lost as a result.

Particular types of service, notably advocacy projects, had lost heavily as a result of reorganisation (the withdrawal of the All-Wales Strategy for Mental Health was not compensated for by funding from the new authorities). In other areas, where minimum standards had been required by national parent organisations, a voluntary sector agency had in any case only developed in one part of the county. Despite some growth since the early 1990s and attempts to move towards equitable provision across the county since reorganisation, the voluntary sector remained fragile and poorly-resourced. Local agencies regarded this as a circular problem since they felt unable to attract enough good calibre people at decent rates of pay to work in the area. These difficulties were regarded also as a consequence of rurality and isolation although historic divisions also played a part: *"the people in Machynlleth want to do everything their own way… they are on the other side of the hill and want whatever is going on in Newtown"*.

Spatial and historic divisions also presented problems in dealing with larger partners such as the health authority: the 'locality manager' for Powys, it was said, had to spend most of her time in her car and the lack of commitment to the voluntary sector from the health authority as a whole appeared heightened by its physical distance from the area. Health authority funding to voluntary sector organisations was typically of the order of hundreds of pounds, enough only to pay volunteers' expenses. The issue of the cost-effectiveness of services appeared in an exaggerated form because of the sparsity of the population: different providers took differing approaches to this issue depending, for example, on the type of service being provided and local considerations such as availability of transport. Some took outreach approaches, others brought people into urban centres to make use of services such as day centres for people with mental health problems (although recruiting volunteers for driving, for example, was also difficult because of the large distances involved, typically 100 miles for a double round journey to collect and deliver users and come back to return them to their homes at the end of the day). Local voluntary sector organisations,

however, often found that they could not compete with national organisations which could underwrite new initiatives but had no organic relationship with the local area.

Case study 4: From one two-tier to four one-tier: the abolition of Humberside

Particular national political agendas contributed strongly to the process and outcome of local government review. Nowhere was this clearer than in Humberside. The abolition of the county was one of a set of changes carried through in 1996, resulting in this instance in the creation of four new unitary authorities (Kingston upon Hull, East Riding of Yorkshire, North East Lincolnshire and North Lincolnshire). While such a partitioning might have seemed relatively straightforward on the drawing board, at local level there were tensions which made abolition stressful for those caught up in it.

The small town of Goole provides a graphic illustration of these difficulties, being the subject of local government review for many years. Prior to 1974 it was situated within the West Riding of Yorkshire. In 1974, as part of Boothferry Borough Council, it became part of Humberside. Between 1984-92, the Local Government Boundary Commission conducted three boundary reviews of its area. The LGC's draft recommendation in 1993 was that Goole should be placed in the new East Riding unitary but in its final recommendations it recommended that Goole should join Selby in a West Riding unitary (part of the then North Yorkshire area). This was opposed by politicians in neighbouring Selby which feared a shift in political control. The Secretary of State's response (1994) proposed that Goole should join a North Yorkshire authority but following further discussion, Parliament ruled that Goole should form part of the East Riding authority, subject to a further boundary review by the LGC in 1993 (which confirmed this position). In the meantime, Goole had also been the subject of a possible 'take-over' by Doncaster which, while it perceived some advantage in having access to the sea (thus becoming a 'port'), dropped the idea on discovering how much government rate support grant it would lose.

While this may easily been seen as a 'little local matter', it was a particularly bizarre example of a wider problem identified by Humberside and other staff, namely the difficulty of planning when boundaries and budgets remained uncertain. All local government reorganisation is likely to encounter boundary problems and in social services activities these affect not only the statutory sector but also the independent, voluntary and community sectors. Interviews with Goole voluntary agencies indicated that this uncertainty was having a profound effect on their long-term planning. Some voluntary agencies (such as a community development association working with people from ethnic minorities) curtailed their activities in Goole before reorganisation to focus on work within their new boundaries. A mental health organisation had to make a decision about changing its area of benefit and the roles of the Council for Voluntary Service and the forum for community care and health liaison were constricted by this indecision. The particular historical and geographical location of Goole was further complicated by the associated move, once the decision about joining with East Riding had been made, by the alignment necessary in health authority terms: Goole moved both under the auspices of a new health authority and into a new NHS region. Goole's case is probably unparalleled, particularly as it was the only area of the UK which received such intensive consultation, although there were many areas, including the neighbouring area of Selby, where agencies across the board felt utterly marginalised by the process and the outcome of reorganisation. However, such consultation focused largely on community identity, and issues of social services and healthcare were left unspecified, being reflected only obliquely through the reported views of the voluntary sector (the health authority itself was opposed to the Commission's final recommendations).

The reorganisation of Humberside reflected a number of factors reported in other areas: but for Humberside (and North Yorkshire, Avon and Cleveland) the time-scale was truncated. (In some respects this time-scale was shorter than necessary because Humberside took legal action [judicial review] to challenge abolition and in some areas cooperation with the new authorities was denied.) Key factors identified were:

● party political tensions;

- the difficulty of maintaining services while developing new structures;
- staff anxiety and movement;
- budget uncertainty.

Anxiety among social services staff particularly affected senior and middle management. Career decisions had to be made quickly and often with little certainty about jobs or redundancies. Humberside's Employee Assistance (ie counselling) Scheme was heavily used during this period – 630 staff contacted it from October-December 1995. The social work magazine *Community Care* described the process of applying for one's own or other colleagues jobs as "conveyor belt interviewing". Rumours were rife and much was read into certain appointments, particularly when staff from 'outside' the former departments were successful applicants. Other staff were also affected by this organisational change and were particularly worried by communication problems and early indications of budget deficiencies. Unqualified staff in some authorities were concerned about possible privatisation and redundancies arising from changes hinted at in relation to local authority residential care and the home help service. The protection of Statutory Transfer Orders did not always reassure staff that their longer-term future was secure.

While social services staff reported anxiety, uncertainty and low morale, some workers in the voluntary sector felt particularly vulnerable at the time of LGR. For those whose funding was due to run out in April 1996 there was acute anxiety that they would be redundant and services would cease. Some voluntary agencies were not able to renegotiate contracts or grants until months after reorganisation had occurred, and voluntary agencies issued formal redundancy notices in some cases.

Following reorganisation a number of strands have been identified after the 'bedding down' period of transition. All four new unitary authorities have moved social services departments closer to other departments, in particular, to housing. All new unitary authorities implemented (differing) charging policies for home care and other services which Humberside had provided without charge. Further moves were made to transfer domiciliary services to the independent sector. A swathe of

residential homes for adults were closed or transferred to the independent sector. Most authorities have developed new procedures and guidelines, albeit drawing on policies originally constructed by the former County Council (for example, on the protection of vulnerable adults).

Within this framework it is possible to identify new departures and diverging policies. East Riding, for example, now clearly identifies itself as a large rural authority and has developed 'one-stop shops' for its services across its large geographical area. The provision of emergency or out-of-hours services is differentiated. New systems of rationing residential care places have been developed, new methods of communication exist with the voluntary sector. Meanwhile, NHS provision is undergoing another series of changes with the establishment of Primary Care Groups (not coterminous with unitary authority boundaries) and the reconfiguration of NHS trusts (both at acute and community levels).

Humberside also provides a good example of the impact of LGR intersecting with changing government priorities. These policies, such as the creation of a Health Action Zone, are now challenging authorities and agencies to produce joint plans and congruent approaches at a time when new authorities are still concerned with consolidating their own newly-won separate identities.

Case Study 5: Leicestershire, Leicester and Rutland: focuses on size and ethnicity

The reorganisation of Leicestershire in 1997 was to create the smallest unitary authority in England, Rutland, and, following the pattern of other shire reorganisations, separated the City of Leicester from its suburban and rural hinterland (the 'doughnut' model). This reorganisation, however, was unusual in bringing to the fore issues arising from local demography, particularly the impact of LGR on ethnic minorities.

Interviews within the Leicester unitary authority revealed some optimism that the city would be able to respond more appropriately to the needs of ethnic minority communities. One respondent noted that *"morale was high due to belief that the City Council is better placed to meet needs, especially the ethnic diversity of local population"*. With one third of

the City classified as black or Asian in origin, Leicester City envisaged that there would be the potential to *"design, commission, provide services appropriate to a multi-faith, multi-cultural community"*. The new director's report to the Social Services Committee (January 1997) emphasised the equal opportunity implications of the new structures and pointed to the 'guarantees' of 'rights' that service users could expect. These included, inter alia, rights to an interpreter, respect of dignity, privacy and acceptance of cultural needs. The City's initial publicity as a whole emphasised its corporate priorities as building on unparalleled cultural diversity and sought to enhance this diversity by strengthening an emphasis on social justice.

In contrast, the picture from outside the City anticipated that the needs of people from ethnic minority groups would be less central to the two nearby authorities, Leicestershire and Rutland. One CVS in a rural area envisaged *"the down-grading of ethnic minority issues from political and cultural agendas"*. Similar views came from individual voluntary organisations, many of which also faced restructuring to fit the new boundaries.

This case study of LGR also points to the importance of size and its impact on work at local level. Rutland County Council, only 16 miles wide and with a population of 33,000, has experienced much higher levels of demands for its services since reorganisation. This is attributed to a higher visibility at local level and easier access for individuals and their families to local offices. The joining of the housing and social services departments seems to have affected demand for services as individuals' social needs are recognised by housing officers and a re-evaluation of all social services 'cases' also contributed to further demand for services as new needs and responses were identified. Higher referral rates from other agencies were experienced, possibly as a result of increased contacts by the joint department. To assist this higher-than-expected (roughly double) demand, staffing levels were increased at the front line, although there were reports of low level of morale in some sections where workloads had become 'excessive'. Rutland has a relatively small infrastructure to handle its volume of work and has developed a corporate approach to ease pressures around policy overload, establishing a new duty team of social workers to regulate demand, for example. It also renegotiated around the division of

budgets; for while the social services budget remained broadly the same for the first year of operation, Rutland claimed that there had been errors in disaggregating sums for residential care in particular. Meanwhile, in common with most rural 'continuing counties', Leicestershire faced year-on-year cuts (for example, of £3m, including £0.75m from its community care budget in 1999/2000).

The issue of the size of population should be seen not only in terms of expected levels of demand but also in respect of shifts in referrals. The closer integration of departments and a stress on corporate working seems a rational response to a declining capital, income and staffing base. However, in the longer term, issues about career progression, the sustainability of specialist services and emergency responses are bound to move onto the agenda. For other agencies the recreation of a unit as small as Rutland necessitated a fresh look at cross-boundary issues, particularly as new eligibility criteria and assessment policies emerged. Rutland has made use of services from other authorities but there remains doubt as to whether the county, its rebirth rationalised by the LGC as 'an experiment in local government', can survive in a meaningfully independent sense.

Notes

1 The York/North Yorkshire and Humberside case studies are discussed in much greater detail in Craig and Manthorpe (1996).

2 Unlike in England, Welsh authorities were not required to commit 85% of the Special Transitional Grant for community care to voluntary and independent sector providers. 'Flexible funding' was the name for the Welsh funding regime which offered more limited funds to voluntary sector providers: this was interpreted locally as a reflection of the Labour Party's domination of local government.

References

ADSW (Association of Directors of Social Work) (1996) *Submission to Scottish Affairs Committee, community care*, Hamilton: ADSW.

Arnold, P. and Page, D. (1994) *Housing and community care: Bricks and mortar or foundation for action?*, York: Joseph Rowntree Foundation.

Boyne, G. (1995) 'Population size and the economies of scale in local government', *Policy & Politics*, vol 23, no 3, pp 213-22.

Boyne, G., Jordan, G. and McVicar, M. (1995) *Local government reform: A review of the process in Scotland and Wales*, York: Joseph Rowntree Foundation/*Local Government Chronicle*.

Bradbury, J. (1996) 'English regional government', *Politics Review*, vol 5, no 4, pp 16-19.

Bransbury, L. (1996) 'Local government reorganisation in England and Wales: the implications for social services', in M. May, E. Brunsdon and G. Craig (eds) *Social Policy Review 8*, London: Social Policy Association, pp 184-204.

Butler, T. (1996) 'Making the best of it', *Community Care*, 18 July, pp 22-3.

Cheetham, J. (1995) 'Reorganisation and social work', Report of the second seminar in the series *From Wheatley to... what?*, Edinburgh: USGS.

Cope, S., Bailey, M. and Atkinson, R. (1997) 'Restructuring local government in Hampshire: a case of mistaken community identity?', *Public Administration*, vol 75, Spring, pp 49-65.

CoSLA (Convention of Scottish Local Authorities) (1994) *Local government reorganisation in Scotland: A critical evaluation of costs*, Edinburgh: CoSLA.

Craig, G. (1993) *The community care reforms and local government change*, Social Research Paper No 1, Hull: University of Humberside.

Craig, G. and Glendinning, C. (1993) 'Rationing versus choice', in R. Page and N. Deakin (eds) *The costs of welfare*, Aldershot: Avebury.

Craig, G. and Manthorpe, J. (1996) *Wiped off the map?*, Social Research Paper No 5, Hull: University of Lincolnshire and Humberside.

Craig, G. and Manthorpe, J. (1998) 'Small is beautiful?', *Policy & Politics*, vol 26, no 2, pp 189-207.

Craig, G. and Manthorpe, J. (1999) 'Unequal partners?', *Social Policy and Administration*, February, vol 33, no 1, pp 55-72.

Davidson, J. and Bransbury, L. (1995) *The anti-poverty implications of local government reorganisation*, London: NLGFAP/LGIU.

Davis, H. (1997) *England under review: Local government structure in the English shires*, Birmingham: School of Public Policy, University of Birmingham.

DoH (Department of Health) (1989) *Caring for people*, London: DoH.

DoH (1995a) *Social services: Maintaining standards in a changing world*, London: DoH.

DoH (1995b) *Local government reorganisation. Managing the transition for personal social services*, SSI/DoH, London: DoH.

DoH (1997) *Social services – Achievement and challenge*, Cm 3588, London: DoH/Welsh Office.

DoE (Department of the Environment) (1995a) *Final recommendations on the future of local government*, Report to the Secretary of State for the Environment, London: HMSO.

DoE (1995b) *Policy and procedure guidance to the Local Government Commission for England*, London: DoE.

Dorrell, S. (1996) *What future local authority social services*?, London: Politeia.

Eaton, L. (1997) 'High anxiety', *Community Care*, 15 May, pp 28-9.

Fairley, J. (1995) 'The changing politics of local government in Scotland', *Scottish Affairs*, no 10, Winter, pp 14-24.

Fenwick, J. and Bailey, M. (1997) *The new unitary councils: Decentralisation and corporatism in local government*, Newcastle: University of Northumbria.

Fimister, G. (1995) *Social security and community care in the 1990s*, Sunderland: Business Education Publishers.

Game, C. (1997) 'Unprecedented in local government terms: the Local Government Commission's public consultation programme', *Public Administration*, vol 75, Spring, pp 67-96.

Leach, S. (1993) *The Heseltine review of local government: A new vision or opportunities missed?*, Birmingham: Institute of Local Government Studies.

Leach, S. (1994) 'The local government review: a critical appraisal', *Public Money and Management*, January-March, pp 11-16.

Leach, S. and Stoker, G. (1997) 'Understanding the Local Government Review: a retrospective analysis', *Public Administration*, vol 75, Spring, pp 1-20.

LGC (Local Government Commission) (1994) *Reviewing local government in the English Shires*, London: HMSO.

Martin, M. (1995) *Decentralisation*, Edinburgh: Scottish Community Education Council.

Midwinter, A. (1993) 'Local government reform: taking stock of the Conservative approach', *Scottish Affairs*, no 5, Autumn, pp 58-71.

Page, R. and Silburn, R. (1994) 'Delivering social services at local level', *Public Money and Management*, vol 14, no 1, pp 27-32.

Pickford, R. (1997) 'Community care: Fashioning the new agenda', *Baseline*, no 63, February.

Pycroft, C. (1995) 'Restructuring local government: the Banham Commission's failed historic enterprise', *Public Policy and Administration*, vol 10, no 1, Spring, pp 49-62.

Redcliffe-Maud, Lord (1969) *Royal Commission on Local Government in England*, Cmnd 4042, London: HMSO.

Robbins, B. (1997) 'South Gloucestershire: the transition to unitary authority status', *Community Care Management and Planning*, vol 5, no 1, pp 18-23.

SIS (Social Information Systems) (1997) *Management issues in local government reorganisation*, Knutsford: SIS.

Stewart, J. (1988) *Understanding the management of local government*, Harlow: Longman/Local Government Training Board.

Stewart, J. (1993) *The local government review itself reviewed*, London: European Policy Forum.

Stewart, J. and Stoker, G. (1994) *Local government in the 1990s*, Basingstoke: Macmillan.

Stewart, M., Gaster, L. and Smart, G. (1997) *The Local Government Commission: Oversized cloak or emperor's clothes?*, York: Joseph Rowntree Foundation.

Stott, M. (1997) 'Oxfordshire County Council and the local government review: a participant's perspective', *Public Administration*, vol 75, Spring, pp 119-28.

Tisdall, K. (1996) 'From the Social Work (Scotland) Act 1968 to the Children (Scotland) Act, 1995, pressures for change', in M. Hill and J. Aldgate (eds) *Child welfare services: Developments in law, policy, practice and research*, London: Jessica Kingsley.

Travers, T., Jones, G. and Burnham, J. (1993) *The impact of population size on local authority costs and effectiveness*, York: Joseph Rowntree Foundation.

USGS (Unit for the Study of Government in Scotland) (1996) *Reports of the Seminar Series, Wheatley to... what?*, Edinburgh: USGS, University of Edinburgh (five reports).

Waddington, P. (1995) 'The local government review: a packet of allsorts', *Public Money and Management*, vol 13, no 2, pp 94-9.

Wheatley Commission (1969) *Report of the Royal Commission on local government in Scotland*, Cmnd 4150, Edinburgh: HMSO.

Wilson, D. (1996) 'The Local Government Commission', *Public Administration*, vol 74, Summer, pp 199-219.

Young, K., Gosschalk, B. and Hatter, W. (1996) *In search of community identity*, York: Joseph Rowntree Foundation.

Appendix A: Research methodology

The two major studies on which this report draws were:

1. A detailed longitudinal study of the process of change in the North Yorkshire and Humberside region covering six new local authorities including five new unitaries, York and the four unitaries created following the abolition of Humberside County Council (North-East Lincolnshire Council, centred on Grimsby; North Lincolnshire Council, centred on Scunthorpe; East Riding of Yorkshire Council, centred on Beverley; and Kingston upon Hull City Council, which moved from second-tier district status to unitary status); and the 'downsized' North Yorkshire county. This study was funded by the Joseph Rowntree Foundation. Several hundred interviews were carried out with local and health authorities, the voluntary sector, carers' and users' groups.

2. A similar, but less in-depth, study of the process of change in the remainder of the British mainland which incorporated four further case studies focused on differing local authority areas (Bournemouth, Poole and the 'downsized' Dorset, created by the fragmentation of the former Dorset County area; Leicester, Leicestershire and Rutland, created from the fragmentation of the former Leicestershire county area; Powys County, created from the former first-tier Powys County Council and three second-tier district councils; and the four unitaries – Stockton, Middlesborough, Redcar and Cleveland and Hartlepool, which emerged from the abolition of Cleveland County Council). This study was funded by a consortium including the Joseph Rowntree Foundation, the Association of County Councils and the Association of Directors of Social Services.

The study also incorporated:

- individual interviews with directors of social services or their nominees;
- postal questionnaires to social services departments in all reorganising authorities in England, Scotland and Wales (including, in many cases, questionnaires at the point of reorganisation and then a year after reorganisation);
- group discussions with senior statutory staff;

- postal questionnaires to and interviews with staff representing voluntary agencies, health authorities, and private and independent providers;
- group discussions with carers' and users' groups;
- observation at a number of relevant meetings.

In addition, small supplementary studies were made of specific dimensions of reform, such as the impact on the work of voluntary childcare agencies, using parallel research instruments to those used in the main studies. These were undertaken with financial and other support from national agencies such as NSPCC, Barnardo's and the Children's Society.

Appendix B: The timetable of reorganisation

The section below shows the major changes involved in reorganisation in England, Scotland and Wales. The old authorities shown are only social services authorities. In most cases (ie predominantly the creation of unitary authorities), district councils with second-tier functions (eg housing) were merged and took on first-tier functions (education and social services) to form unitaries. Spellings of new authorities are Anglicised and the names of unitary authorities are italicised.

1995 England

Old authority	New authority(ies)
Isle of Wight	*Isle of Wight*

1996 Wales

Old authority	New authority(ies)
Clwyd	*Denbighshire*
	Flintshire
	Wrexham
Dyfed	*Carmarthenshire*
	Cardiganshire
	Pembrokeshire
Glamorgan	*Rhondda Cynon Taff*
	Caerphilly
	Merthyr Tydfil
	Bridgend
Gwent	*Blaenau Gwent*
	Torfaen
	Monmouthshire
	Newport
Gwynedd	*Conwy*
	Gwynedd
	Isle of Anglesey

Old authority	New authority(ies)
Powys	*Powys*
South Glamorgan	*Vale of Glamorgan*
	Cardiff
West Glamorgan	*Neath Port Talbot*
	Swansea

1996 England

Old authority	New authority(ies)
Avon	*Bath and North East Somerset*
	Bristol
	North Somerset
	South Gloucestershire
Cleveland	*Hartlepool*
	Middlesbrough
	Redcar and Cleveland
	Stockton on Tees
Humberside	*East Riding of Yorkshire*
	Kingston upon Hull
	North East Lincolnshire
	North Lincolnshire
North Yorkshire	North Yorkshire
	York

1996 Scotland

Old authority	New authority(ies)
Borders Region	*Borders*
Central Region	*Stirling*
	Falkirk
Dumfries and Galloway Region	*Dumfries and Galloway*
Fife Region	*Clackmannanshire*
	Fife

Old authority	New authority(ies)
Grampian Region	*Aberdeen City*
	Moray
	Angus
	Aberdeenshire
Highland Region	*Highland*
Lothian Region	*Midlothian*
	West Lothian
	Edinburgh City
	East Lothian
Strathclyde Region	*Glasgow City*
	Inverclyde
	Argyll and Bute
	Dumbarton and Clydebank
	Renfrewshire
	South Ayrshire
	North Lanarkshire
	East Ayrshire
	South Lanarkshire
	North Ayrshire
	East Dunbartonshire
	East Renfrewshire
Tayside Region	*Dundee City*
	Perthshire and Kinross
Orkney Council	*Orkney Council*
Shetland Council	*Shetland Council*
Western Isles Council	*Western Isles Council*

1997 England

Old authority	New authority(ies)
Dorset	*Bournemouth*
	Poole
	Dorset
East Sussex	*Brighton and Hove*
	East Sussex
Durham	*Darlington*
	Durham

Old authority	New authority(ies)
Derbyshire	Derbyshire
	Derby City
Leicestershire	*Leicester City*
	Rutland
	Leicestershire
Bedfordshire	Bedfordshire
	Luton
Buckinghamshire	*Milton Keynes*
	Buckinghamshire
Hampshire	Hampshire
	Southampton
	Portsmouth
Staffordshire	Staffordshire
	Stoke-on-Trent
Wiltshire	Wiltshire
	Thamesdown

1998 England

Old authority	New authority(ies)
Lancashire	*Blackburn with Darwen*
	Blackpool
	Lancashire
Berkshire	*Bracknell Forest*
	Newbury
	Reading
	Slough
	Wokingham
	Windsor and Maidenhead
Cheshire	*Halton*
	Warrington
	Cheshire
Hereford and Worcestershire	*Herefordshire*
	Worcestershire
Nottinghamshire	Nottinghamshire
	Nottingham City

Old authority	**New authority(ies)**
Cambridgeshire	*Peterborough*
	Cambridgeshire
Devon	*Plymouth*
	Torbay
	Devon
Essex	Essex
	Thurrock
	Southend
Shropshire	Shropshire
	Telford
Kent	Kent
	Medway Towns