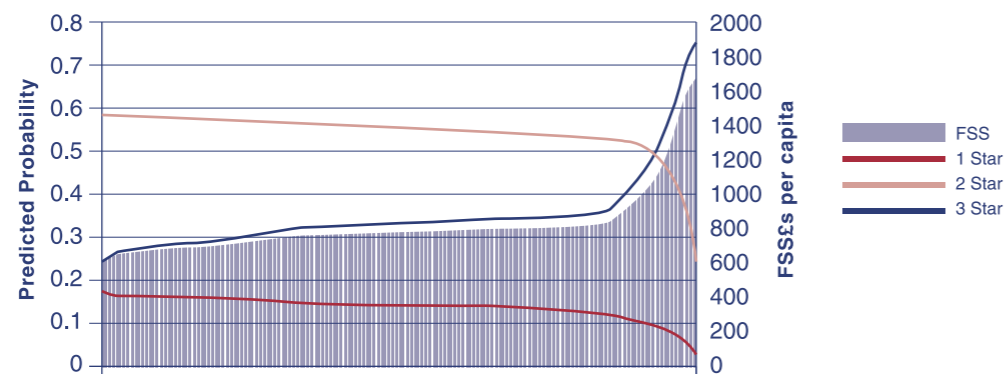


**Figure 3: Influence of external resources on star ratings of English councils 2007**

## Conclusions

Taken together, findings from the surveys in the two countries paint a contrasting picture of performance measurement, influenced by divergent views on how it is conceptualised and judged. After a decade-long push for national, centralised ratings in England most authorities have been preoccupied with returning the required data. Many have, however, developed local 'bespoke' measures and processes which will be increasingly important in the future as we move towards less reliance on national indicators. Authorities in England have responded to the original aims behind the

performance regime, concentrating on those aspects judged important and pursuing distinct strategies which have been shown to generate performance improvement. National ratings, although blunt tools, appear to have had the desired effect, although concerns remain about managers' capacity to effect change when factors outside their control play some part in performance. Although in Northern Ireland there has been less need for explicit ratings between organisations, as accountability has been focused more on encouraging mutual understanding of the complex system of

social care, such tools have been called for as there is concern that certain performance aspects have not been given priority. The links between what is done on the ground locally and how this can be appraised at a higher level thus remain complex. The third stage of our study is progressing in which we attempt to get under the surface of the patterns that have emerged, through interviewing managers in organisations adopting distinct arrangements for monitoring and managing their performance.

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## RELATED RESEARCH

### NATIONAL TRENDS AND LOCAL DELIVERY IN OLD AGE MENTAL HEALTH SERVICES

The increasing demand for mental health care attendant upon the phenomenon of demographic ageing presents a particular challenge to the NHS, for such disorders can affect every aspect of a person's functioning, exacerbate physical ill-health and cause significant personal and family distress. However, evidence to inform the organisation and delivery of services for this vulnerable group is, at best, limited and in the absence of such research a number of different, largely unevaluated, models has emerged.

This programme of work addresses the urgent need for better evidence on the most appropriate and cost-effective ways to care for older people with mental health problems through a series of distinct, but related, projects. It has three main objectives:

- To identify key changing patterns of national variation in the range, delivery and organisation of mental health services for older people;
- To identify whether, how, and what cost the mix of institutional and community-based services could be more optimally developed in one locality; and
- To explore the costs and benefits of different models of community mental

health teams for older people (CMHTsOP).

The research is funded by the National Institute for Health Research (NIHR) and is led by a partnership bringing together substantial expertise in the research and practice of care for older people with mental health problems including: PSSRU and Health Care Methodology, University of Manchester; Manchester Mental Health and Social Care Trust; PSSRU, London School of Economics; Manchester Mental Health Joint Commissioning Team; Patient and community group representatives.

For further information please contact [mark.wilberforce@manchester.ac.uk](mailto:mark.wilberforce@manchester.ac.uk).

## RELATED PUBLICATIONS

Clarkson, P., Davies, S., Challis, D., Donnelly, M. and Beech, R. (2008) National performance measurement and local performance management: the case of local authority social care in England, *ESRC Public Services Programme Discussion Paper*, No. 0901, April, <http://www.publicservices.ac.uk/wp-content/uploads/dp0901.pdf>.

## FURTHER INFORMATION

For information about the ESRC Public Services Programme, including links to other research, some of which has relevance for social care, see: [www.publicservices.ac.uk](http://www.publicservices.ac.uk)

The **PERSONAL SOCIAL SERVICES RESEARCH UNIT** was established in 1974, and from 1996 it has operated from three branches:

University of Kent at Canterbury, Cornwallis Building, Canterbury, Kent, CT2 7NF  
 London School of Economics, Houghton Street, London, WC2A 2AE  
 University of Manchester, First Floor, Dover Street building, Oxford Road, Manchester, M13 9PL

The Design and Use of Local Metrics to Evaluate Performance:  
 A Comparative Analysis of Social Care Organisations



# Research and Policy Update

Issue 2 August 2009

# PSSRU

Personal Social Services Research Unit  
 at the University of Manchester

## EDITORIAL

In terms of national policy on performance measurement, a sea-change has recently taken place in the way performance is monitored. A reduction in the range of nationally available indicators and a drive towards monitoring local capacity and improvement of social care councils has developed, in line with changes in the local government sector as a whole. This change is viewed by many as a reaction against the top-down, prescriptive use of performance indicators and ratings that has characterised performance measurement for at least the last decade.

However, if we step outside of national boundaries in terms of social care performance it is apparent that performance has not been monitored in the same way in other countries, even those within the post-devolution UK. Comparing the operation of performance regimes across countries is a useful exercise, as it raises interesting questions concerning what drives performance and against what criteria are performance judged.

The PSSRU was commissioned by the Economic and Social Research Council

(ESRC), as part of its Public Services Programme, to evaluate the operation of the performance system in social care, as described below. This is a major piece of independent research comparing England with other countries, investigating the use of local performance measures and systems for older people's services. This *Research and Policy Update* follows from our last one (December 2008) and provides further comparative information from this study. In particular, it compares performance measurement approaches across the UK, in England and Northern Ireland.

## THE PUBLIC SERVICES PROGRAMME AND THE PSSRU

The PSSRU undertakes research into health and social care issues, focusing on community-based long-term care, particularly in relation to services for older people and people with mental health problems. Increasingly, the research spans the interface between health and social care.

This study, *The design and use of local metrics to evaluate performance: a comparative analysis of social care organisations* is being undertaken at the University of Manchester. It was commissioned by the ESRC as part of its Public Services Programme, which is investigating performance and its measurement in a range of public services settings. The project has four aims: First, to identify the variations in the way local social care organisations have monitored their performance. Second, to examine the relationships between how measures are used in organisations and how these organisations were rated in national performance reporting to draw conclusions about the validity of national mechanisms

for measuring performance. Third, to explore the influences on the level of performance of organisations, as rated in national data. Fourth, to observe what can be learned from other countries about the construction and use of measures to monitor local performance.

The study is in four stages reflecting the research aims. A literature review has been used to frame the research questions to be addressed, including material from other public services such as the NHS and local authority services more generally. The stages of the study are:

- a national questionnaire survey to those responsible for performance monitoring in all local authority social care organisations in England and all health and social services trusts in Northern Ireland. The survey included information on the range of measures used locally, the organisational context and the manner in which performance was measured.

- an enquiry into the way in which patterns of local data use and approaches to performance relate to national performance ratings.

- an examination of the extent to which the performance of organisations is associated with organisational and cultural factors. This will help identify the local management arrangements associated with more successful monitoring. Analysis from the survey and national data will be supplemented by interviews with managers in areas adopting distinctly different arrangements.

- an investigation of how the English top-down approach to measuring performance in this setting has compared with a more local approach through a comparison with Japan, which is more 'bottom-up' – monitoring the care provided in municipalities (local government).

## THE RESEARCH TEAM

The research staff conducting this study are David Challis, Paul Clarkson, Sue Davies (PSSRU, University of Manchester), Michael Donnelly (Queen's University, Belfast) and Roger Beech (Keele University). For further information please contact [paul.clarkson@manchester.ac.uk](mailto:paul.clarkson@manchester.ac.uk). This Update was edited by Paul Clarkson and typeset and printed by Craftprint Ltd.

## SOCIAL CARE PERFORMANCE MEASUREMENT IN ENGLAND AND NORTHERN IRELAND

What drives performance improvement in adult social care? More generally, can we discern precisely what is likely to influence performance at a higher level, such as that judged nationally? Are there different approaches to monitoring performance, both across English social care authorities and between England and other countries? This section presents some findings from our survey across different countries of the UK, namely England and Northern Ireland. These findings enable us to scrutinise the regime that has operated over at least the last decade and to draw conclusions about its operation. Most importantly, the information allows us to say something about the approaches now emerging in England as we enter a new phase for councils, based on monitoring local capacity and achievements.

The second stage of our study has examined the relationships between local approaches to performance and any national ratings that exist. In English social care at least, performance has come to be viewed primarily from a central government perspective, tied to regulation. A number of factors have been signalled as important for councils in achieving a good performance rating. These drivers include: local management arrangements, the quality of data collections, leadership, and organisational culture (Boyne, 2003). The ratings that have existed (such as the Star Ratings and PAF indicators) have been seen as important incentives to drive managerial improvement. In contrast, Northern Ireland, where health and social care are integrated through Health and Social Care Trusts, has not had a history of national

ratings. Performance information is published descriptively to view activity across Trusts but improvement and monitoring are very much at a local level. There are several organisational, political and cultural reasons for these differences but the fact is that performance, and its measurement, is understood in different ways.

Our survey questionnaire, detailing local approaches to performance management, the characteristics and views of organisations was sent to managers and information 'leads' in English authorities (response rate 79%) and Northern Ireland Trusts (100%) in early 2008. Below we report some findings in terms of the differences between the countries, both in their internal operations and their performance, viewed externally.

### Findings from the survey questionnaire

One important question for the present stage of development of performance measurement in social care is whether effective systems of performance management have been established within organisations. In England, these processes – which include the use of locally devised performance indicators, clear service goals and effective local target setting – can be viewed as intermediate elements along the way to being rated as good performers by central government regulators. In Northern Ireland, they are seen as linked to effective internal performance, part of the necessary

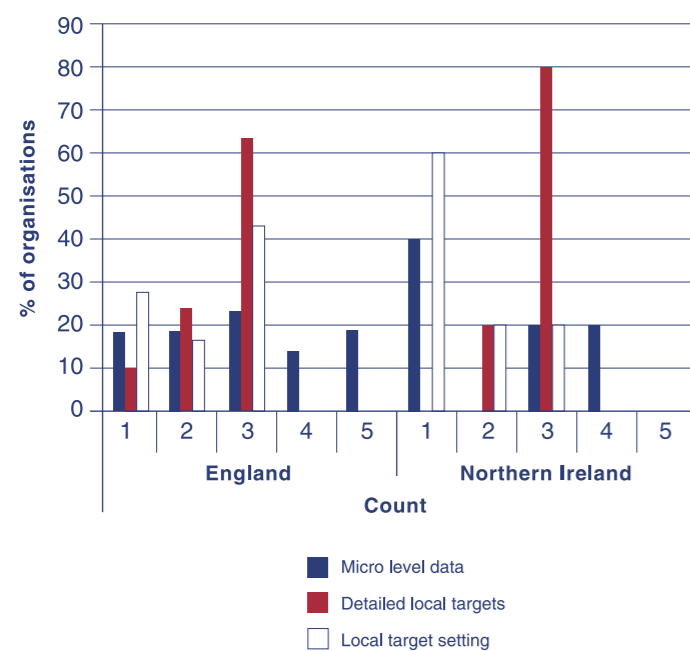
tools to do the job of delivering social care services to local populations.

To get a picture of these local performance management practices we asked managers several questions: do they employ 'micro-level' data (that linked to work with individual users and aggregated at, say, a team level)? Have they detailed local targets (such as those based on professional consensus or locally produced goals)? Are there local criteria for target setting (based on patterns of local activity, for example)? Results, with counts of the number of

measures or criteria used within each of these areas, are shown in Figure 1.

In England, managers tended to adopt those measures sanctioned by the national regime rather than devising more detailed local measures but most did use micro-level data to some extent. Detailed local targets were more commonly adopted as were the use of local criteria to set them. Northern Ireland Trusts also tended to use a wide range of micro-level data (concentrating on 'caseload size' and 'costs of care packages') and also employed local targets and criteria.

Figure 1: Local performance management practices – England and Northern Ireland



These findings are interesting in that there are some similarities between the two countries, despite them responding to different systems for monitoring performance. On the whole though, it remains difficult in social care to develop and employ user-level data, such as that generated from assessments, for monitoring services locally. Fewer than 20% of authorities in England, for example, used up to five indicators employing micro-level data.

## How has social care performed across the UK?

How have organisations in each country 'performed' at a higher, national level? One difficulty in answering this question is that there have been no national ratings or composite measures of performance in Northern Ireland with which to judge. On the other hand, the national ratings that have existed in England have received a fair degree of criticism, in other sectors as well as social care, for being blunt tools with which to measure performance on the ground and for distorting the behaviour of those who report the data (Bevan and Hood, 2006). 'Performance' is therefore an important principle with which to monitor success but is a contested one.

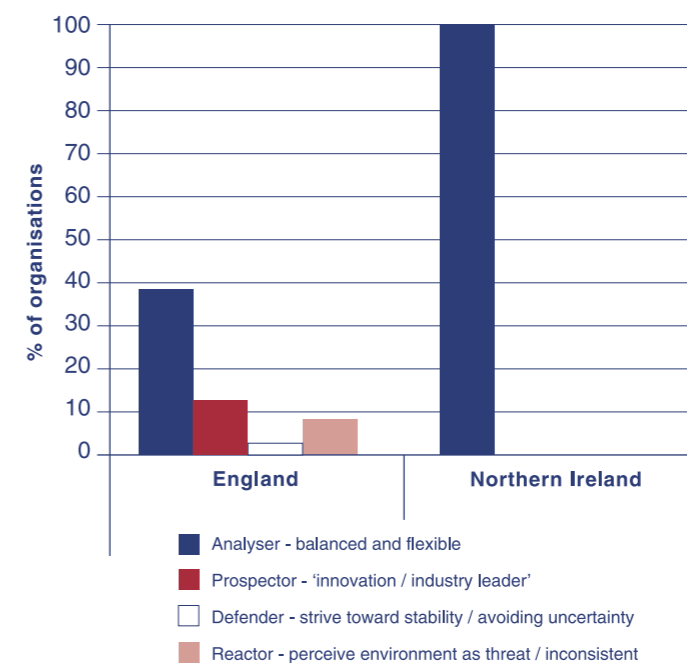
One way of viewing performance in the two countries is to analyse 'consensual' measures, which detail generally accepted standards by which we can broadly judge the success of social care. One such measure is the numbers of people placed in residential forms of care, which is available in the two countries; professional consensus would say that these numbers should reduce over time as organisations attempt to maintain people in their own homes. From 2000/01 to 2004/05 the numbers of older people placed in residential/nursing homes in Northern Ireland, on average, stayed fairly steady whilst those in England did fall. This is the case even when we control for the number

of places available (Clarkson et al., 2009). This could be held as evidence of the positive effects of national ratings in England (where the number placed was an important PAF indicator) in galvanising local managers to concentrate on such areas. Critics would argue though that performance on these reported indicators may have improved but to the detriment of other aspects, not measured. Indeed, our survey shows that most (80%) of managers in both countries felt that the performance of services had improved across the board, despite only particular aspects being signalled for attention by government. Having said this, a recent review in Northern Ireland (Appleby, 2005) has advocated the use of national targets as a discipline to improve certain aspects of performance, most notably delayed discharges from hospital. And this is at a time when the perceived value of national judgements of performance in England has waned somewhat. So, improving performance is a complex endeavour with internal and external drivers to performance and a variety of levers available to monitor and scrutinise it.

As well as the quality of data and local practices in using it, an important driver to improved performance in England is said to be the local management arrangements adopted and in particular management

strategy. At least in the early development of judgements such as the Star Ratings system, 'what was done' and how management achieved their goals was signalled to be more important than a council's resources or even the statistical niceties of how indicators were constructed (Milburn, 2001). Our survey included measures of management 'strategy type', drawn from the public management literature (Miles and Snow, 1978) and results broadly echo research in other public services; that Analysers (balanced and flexible organisations) and Prospectors (innovators and 'industry leaders') perform well on a range of measures. In England, all strategy types were present across authorities with Defenders (striving towards stability) and Reactors (only responding to threats from the immediate environment) not performing well in terms of higher national ('Star') ratings. In Northern Ireland, all the five Trusts were characterised as Analysers, exhibiting a balance between minimising risk and pursuing innovation. This stance may be important within the performance environment in Northern Ireland, with no discipline effect of national ratings, and organisations being more consistent in their approaches (Figure 2).

Figure 2: Management strategy in organisations – England and Northern Ireland



Although strategy was an important driver to improved performance in England, the resources available to authorities (measured by the 'Formula Spending Share') were also associated with the probability of obtaining a good Star Rating, although much less so (see Figure 3). This finding casts some doubt on the original rationale for the system of national ratings as other factors, outside management control, also appear to be important in determining how well a council 'performs'.